

**Comments for
Cameron, DeShazo, Johnson (2009)'s
*“Willingness to Pay for Health Risk
Reductions: Differences by Type of Illness”***

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Paper's Contributions

- A very interesting & relevant paper especially in light of Obama's health policy initiatives.

- Great research design: convincingly demonstrates that the WTP for health risk reductions varies systematically & significantly by disease type.
 - Many diseases/health risks: cancers, car accidents...
 - Attitudinal factors: confidence, control, subjective risks..

Paper's Contributions

- Current EPA policy uses a constant VSL for benefit-cost calculations for auto accidents and diseases.

- Direct policy advice: EPA should use different VSL values for different types of health threats.

Paper's Approach

- Exploits a stated preference survey (based on conjoint choice experiments) developed by Cameron & DeShazo (2006).
 - A random sample: rich demographics & health history
 - Illness labels assigned randomly to illness profiles
 - 5 alternative choice sets—A vs. B vs. status quo

Paper's Approach

- Employs a Random Utility Choice Model & allows parameters to shift w/ disease labels

- Considers confidence, vulnerability, controllability, subjective risks, and smoker & interaction effects

Questions

1. The behavioral econ lit. suggests that framing—how the risks about an illness is communicated, in terms of losses or gains—shapes individual decision-making/preferences.
 - Have you considered how framing might affect the results of the choice experiments vs.-a-vis. disease labels?

Questions

2. How does the VSL change with respect to disease types?
 - It would be useful to see a table that displays VLS by disease type to compare to EPA's constant VLS.
3. How is being a "smoker" identified?
 - Current method may miss some smokers