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Yuanying Guan* (guany@iun.edu), Department of Mathematics, Indiana University Northwest,
3400 Broadway, Gary, IN 46408. *Health care decision-making in light of prospect theory.*

The prospect theory in behavioral economics describes the way that people make decisions using certain heuristics to evaluate the value of gains and losses instead of the real probabilities of outcomes. In this paper, we apply the prospect theory to some healthcare data in analyzing health care decisions for U.S. population at different income levels. Furthermore, we explore how the health care reform can possibly affect peoples' health care decisions as well as total social welfare.

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