

ECONOMICS 3141-001: Health Economics

Fall 2019

TR 10:00-11:15 PM, Friday 128

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COURSE DESCRIPTION AND OBJECTIVES

This course is designed to provide students with the tools needed in order to engage as an informed participant in debates about health policy. The first part of the course will provide an introduction to health economics and to cost-benefit analysis. From there, we will cover the theory and evidence related to the production of and demand for health capital and insurance theory. Next, we will examine the reasons why, and the extent that governments intervene in health care markets. Finally, we will cover the different types of health care systems that exist around the world and health care reform.

Prerequisites: Minimum Grade of C in: (ECON 2102 or ECON 1202) and (ECON 2101 or ECON 1201) and (MATH 1220 or MATH 1241) and (STAT 1220 or STAT 1221 or STAT 1222)

REQUIRED TEXT

Sherman Folland, Allen C. Goodman and Miron Stano, *Health Economics: The Economics of Health and Health Care*, 8th Edition (2017).

Publisher: Routledge

ISBN: 9781138208049

GRADING

25% - Problem Sets

75% - Exams

Scale: A: 90%-100%, B: 80%-89%, C: 70%-79%, D: 60%-69%, F: below 60%
Rounding of final course averages will follow the standard practice (only .5 or above will be rounded up to the next whole number).

- Attendance:** While I do not plan to take attendance, class participation is an important part of the learning process. I expect you to be in class and to be prepared and engaged while you are there.
- Reading Questions:** I will frequently post reading questions on Canvas throughout the semester. They will typically consist of multiple choice questions meant to guide you through the assigned reading as well as opportunities for you to ask questions that you would like me to cover in class. **A score of 75% or better on a set of reading questions will earn you 1 extra percentage point on your next exam.** Due dates will be announced in class and posted on Canvas. Late quizzes will not be accepted for any reason.
- Problem Sets:** I will assign approximately 7 problem sets throughout the semester. They will be posted on Canvas, and are primarily intended to provide opportunities to practice using the information learned in class and in the readings. You are encouraged to work with classmates, but must hand in your own (non-photocopied or copied) assignment. Your answers should be your own, and in questions where I ask for examples, they should NOT be the same as your classmates'. If this is not clear, ask me for clarification *before* the assignment is due. They will be graded as ✓ (put significant effort into all questions, according to my subjective evaluation), ✓- (put significant effort into at least half of the questions) and o (significant effort not displayed or didn't hand in). **Due dates will be announced in class and posted on Canvas, and problem sets must be either handed in IN CLASS or must be uploaded on Canvas by 10:00 am on the day they are due.** Late assignments can receive a maximum grade of ✓- and must be handed in by the last day of class (12/3) to receive credit. No exceptions. Answer keys will be posted and students are encouraged to attend office hours to ask questions.
- Exams:** There will be four exams given throughout the semester: three during the semester and one during finals week. The lowest score will be dropped.

COURSE OUTLINE

This is meant as a rough guide. Exam dates will not change without advanced notice, but we might cover topics slightly slower or faster than expected. Any changes will be announced in class.

Topic 1: Introduction to Health Economics

Approximate Dates: 8/20, 8/22, 8/27, 8/29

Textbook: Chapters 1, 2

Additional Readings: 1

Topic 2: Cost Benefit Analysis

Approximate Dates: 9/3, 9/5, 9/10, 9/12

Textbook: Chapters 4

Additional Readings: 2

Exam #1: Tuesday 9/17

Topic 3: Production of and Demand for Health

Approximate Dates: 9/19, 9/24, 9/26, 10/1

Textbook: Chapters 5, 7

Additional Readings: 3

Topic 4: Insurance Theory

Approximate Dates: 10/3, 10/10, 10/5, 10/17

Textbook: Chapter 8

Exam #2: Tuesday 10/22

Topic 5: Government Intervention in Health Care Markets

Approximate Dates: 10/24, 10/29, 10/31

Textbook: Chapter 19

Topic 6: Social Insurance

Approximate Dates: 11/5, 11/7, 11/12

Textbook: Chapters 20

Additional Readings: 4, 5

Exam #3: Thursday 11/14

Topic 7: Comparative Health Systems and Health Care Reform

Approximate Dates: 11/19, 11/21, 11/26, 12/3

Textbook: Chapters 21, 22

Exam #4 (Final): Thursday 12/12 from 8:00-10:30 AM

CLASS POLICIES

- Academic Integrity: I will not tolerate intellectual dishonesty. All students are required to read and abide by the Code of Student Academic Integrity. Violations of the Code of Student Academic Integrity, including plagiarism, will result in disciplinary action as provided in the Code. Definitions and examples of plagiarism are set forth in the Code. The Code is available from the Dean of Students Office or online at <http://legal.uncc.edu/policies/up-407>.
- Accommodation Policy: If you have a disability that qualifies you for academic accommodations, please provide a letter of accommodation from Disability Services in the beginning of the semester. For more information regarding accommodations, please contact the Office of Disability Services at 704-687-0040 or stop by their office in Fretwell 230.
- Exam Policy: There will not be any regularly scheduled makeup exams. If you cannot be there on exam days, do not take this class. If you miss an exam for any reason, you will receive a zero. Remember, your lowest score will be dropped. If you must miss *more than one* exam for official university business or a documented serious illness or family emergency, contact me prior to the examination time or as soon as you are reasonably able to do so and we will discuss the possibility of a makeup exam or alternative grade weighting. These options will be provided at my discretion. This will only be considered if BOTH missed exams are for approved reasons.
- Re-grade Policy: If you would like your exam re-graded, you must submit a re-grade request, *in writing, within one week* of receiving your graded exam. Your request should point out the question(s) where you think you deserve additional credit, along with an explanation. Please note that your *entire exam* will be reviewed, and your final score may go *up or down*.
- “No Screen”:
While in class, I expect you to follow my “no screen” policy. I do not want to see any cell phones. Leave them in your backpack/purse/pocket (with the sound turned off) during

class. Laptops/Tablets are **strongly** discouraged. They will not be very helpful for note taking, as much of the class will require writing equations, graphs, etc. If you absolutely must use one, please talk to me about it in person.

Statement on Diversity: The Belk College of Business strives to create an inclusive academic climate in which the dignity of all individuals is respected and maintained. Therefore, we celebrate diversity that includes, but is not limited to ability/disability, age, culture, ethnicity, gender, language, race, religion, sexual orientation, and socio-economic status.

REQUIRED COURSE READINGS

- [1] Chapter 1 Appendix from: Rexford E. Santerre and Stephen P. Neun, *Health Economics: Theory, Insights and Industry Studies*, 6th Edition (2012).
- [2] Cutler, David M., and Mark McClellan. "Is Technological Change in Medicine Worth It?" *Health Affairs* 20 (Sept/Oct 2001), pp. 11-29.
- [3] Manning, Willard G., et al. "Health Insurance and the Demand for Medical Care: Evidence from a Randomized Experiment." *American Economic Review* 77 (June 1987) pp. 251-77.
- [4] David Card & Carlos Dobkin & Nicole Maestas, 2009. "Does Medicare Save Lives?," *The Quarterly Journal of Economics*, MIT Press, vol. 124(2), pages 597-636, May.
- [5] Currie, Janet & Gruber, Jonathan, 1996. "Saving Babies: The Efficacy and Cost of Recent Changes in the Medicaid Eligibility of Pregnant Women," *Journal of Political Economy*, University of Chicago Press, vol. 104(6), pages 1263-96, December.