

**Department of Health Policy and Management
College of Public Health
University of Georgia**

**HADM 8600
Health Economics
Spring 2008 Syllabus**

Course Information

Instructor: Angela R. Fertig, Ph.D.
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Contact Information: 706-542-9332 or 7142, afertig@uga.edu
Office Hours: Mondays and Wednesdays, 11-noon, or by appointment
Course webpage: <http://afertig.myweb.uga.edu/healthecon.html>

Course Meeting Time and Location

Location: Paul Coverdell Building, Room S175 (Auditorium)
Time: Mondays and Wednesdays, 2:30pm – 3:45pm

Textbooks and Other Required Course Material

Textbook:

The Economics of Health and Health Care by Sherman Folland, Allen Goodman, and Miron Stano, 5th edition.

Journal articles:

1. Almond, D. & B. Mazumder. (2005) "The 1918 Influenza Pandemic and Subsequent Health Outcomes: An Analysis of SIPP Data," *American Economic Review* 95(2).
2. Cutler, D., A. Deaton, and A. Lleras-Muney. (2006) "The Determinants of Mortality," *Journal of Economic Perspectives* 20(3).
3. Lichtenberg, F. R. (2007) "The Impact of New Drugs on US Longevity and Medical Expenditure, 1990-2003: Evidence from Longitudinal, Disease-Level Data," *American Economic Review* 97(2).
4. Acemoglu, D., D. Cutler, A. Finkelstein, and J. Linn. (2006) "Did Medicare Induce Pharmaceutical Innovation?" *American Economic Review* 96(2).
5. Pauly, M.V. (2005) "Effects of Insurance Coverage on Use of Care and Health Outcomes for Nonpoor Young Women," *American Economic Review* 95(2).
6. Bundorf, M.K. and K.I. Simon. (2006) "The Effects of Rate Regulation on Demand for Supplemental Health Insurance," *American Economic Review* 96(2).
7. Baicker, K. and A. Chandra. (2005) "The Consequences of the Growth in Health Insurance Premiums," *American Economic Review* 95(2).
8. Carroll, A., H. Corman, K. Noonan, and N.E. Reichman. (2007) "Why Do Poor Children Lose Health Insurance in the SCHIP Era? The Role of Family Health," *American Economic Review* 97(2).

9. Markowitz, S., R. Kaestner, and M. Grossman. (2005) "An Investigation of the Effects of Alcohol Consumption and Alcohol Policies on Youth Risky Sexual Behaviors," *American Economic Review* 95(2).
10. Cook, P.J., J. Ostermann, and F.A. Sloan. (2005) "The Net Effect of an Alcohol Tax Increase on Death Rates in Middle Age," *American Economic Review* 95(2).
11. Lakdawalla, D., T. Philipson, and J. Khattacharya. (2005) "Welfare-Enhancing Technological Change and the Growth of Obesity," *American Economic Review* 95(2).
12. Aizer, A., A. Lleras-Muney, and M. Stabile. (2005) "Access to Care, Provider Choice, and the Infant Health Gradient," *American Economic Review* 95(2).
13. Goldman, D. and J.P. Smith. (2005) "Socioeconomic Differences in the Adoption of New Medical Technologies," *American Economic Review* 95(2).
14. Canning, D. (2006) "The Economics of HIV/AIDS in Low-Income Countries: The Case for Prevention," *Journal of Economic Perspectives* 20(3).

Other readings assigned will be handed out or can be downloaded from the internet.

Course Description

This course provides an overview of the role of economics in health, health care, and health policy. We will survey major topics in health economics and discuss the ongoing debate over health care policy. Topics include the economic determinants of health, the market for medical care, the market for health insurance, the role of the government in health care, and health care reform. Students completing this course will have an understanding of the basic tools in economics relevant to the public health field.

Course Learning Objectives

Upon completion of this course, students will be able to:

1. Explain the basic features of a market, including supply and demand, for health care and insurance.
2. Identify various and sometimes competing theories of the non-medical determinants of health.
3. Explain the role of government in improving health and providing access to health care.
4. Discuss factors behind the rising costs of health care and approaches to health reform.
5. Evaluate the intended and unintended effects of policies from an economic perspective.
6. Demonstrate effective written and oral skills for communicating economic arguments to a lay audience.

Course Requirements for Grading Purposes

Exams:

There will be two in-class midterms and one final exam. The exams will be cumulative.

Papers:

There will be two short writing assignments. Each paper should be no more than 300 words. Your assignment is to use a principle, or principles, discussed in the course to explain some pattern of events or behavior that you personally have observed. The topic should preferably be in the health field, but that is not a requirement. Do not use complex terminology. Imagine yourself talking to a relative who has never had a course in economics. Do not use any algebra

or graphs. You can include a few citations, but you need not include a bibliography. You are not expected to do a lot of research in support of your argument, although a relevant fact or two might help persuade you that your argument is correct. Your topic need not be ‘important,’ but try to make it interesting.

Each student will turn in a draft of the paper, receive feedback and then turn in the final memo for grading. On the day that the first draft of a paper is due, we will have a workshop. In this workshop, each student will discuss their paper in groups. The other group members will listen carefully, ask questions, and offer suggestions, which will be recorded. At the end of the workshop, the drafts and the suggestions will be handed in. I will provide additional feedback. When the comments are returned, each student will re-write their paper and turn in a final version for grading.

Homework

There will be 9 homework assignments.

Class participation:

Class participation will be defined by two things: 1) class attendance and 2) students must email 2 questions about the non-textbook reading to fertighealth@gmail.com by 2pm the weekday before the class indicated below.

Topical Outline

The following is a tentative schedule of the topics to be covered.

Date	Topic	Ch.	Reading	Due
Mon, Jan 7	Introduction	1		
Wed, Jan 9	Demand for health & health care	2,5		
Mon, Jan 14	Demand for health & health care	2,7	1,2	
Wed, Jan 16	Supply of health care - Hospitals	6,14		Hwk1
Mon, Jan 21	NO CLASS			
Wed, Jan 23	Supply of health care - Hospitals	14		
Mon, Jan 28	Supply of health care - Non-profits	13		
Wed, Jan 30	Supply of health care - Labor	15		Hwk2
Mon, Feb 4	Supply of health care - Labor	16		
Wed, Feb 6	Supply of health care - Pharmaceuticals	17	3,4	Hwk3
Mon, Feb 11	<i>Review</i>			
Wed, Feb 13	Midterm Exam 1			
Mon, Feb 18	Insurance – Supply & demand	8		
Wed, Feb 20	Insurance – Moral hazard	8	5	
Mon, Feb 25	Insurance – Adverse selection	10	6	
Wed, Feb 27	<i>Short paper workshop</i>			Draft1, Hwk4
Mon, Mar 3	Insurance, employment, and the uninsured	11	7,8	
Wed, Mar 5	Managed care	12		Hwk5
Mon, Mar 10	NO CLASS			
Wed, Mar 12	NO CLASS			
Mon, Mar 17	Market failure and government intervention	19		Paper1
Wed, Mar 19	Medicare and Medicaid	21		Hwk6

Mon, Mar 24	<i>Review</i>			
Wed, Mar 26	Midterm Exam 2			
Mon, Mar 31	Regulation in health	20		
Wed, Apr 2	<i>Short paper workshop</i>			Draft2
Mon, Apr 7	Public health initiatives	23	9,10,11	
Wed, Apr 9	Public health initiatives			Hwk7
Mon, Apr 14	Racial disparities in health		12,13	
Wed, Apr 16	Health system reform	22		Hwk8
Mon, Apr 21	Economic evaluation	4		
Wed, Apr 23	Economic evaluation		14	Hwk9, Paper2
Mon, Apr 28	<i>Review</i>			
Fri, May 2 (3:30-6:30pm)	Final Exam			

Grading Policy

The course requirements will contribute to your grade as follows:

Midterm Exam 1	20%
Midterm Exam 2	20%
Short papers	20%
Homework	10%
Final Exam	20%
Class Participation	10%

At the end of the semester each student will have a weighted score adding up to 100 points or less. The final letter grade for the course will be based on the following scale.

	B+	87-89	C+	76-78	D	57-67	F	Below 57
A	93-100	B	82-86	C	71-75			
A-	90-92	B-	79-81	C-	68-70			

Make-Up Policy

Any known scheduling problems should be brought to my attention as soon as possible. If it is necessary to miss a midterm exam, the student must contact me (before the exam if possible). If a student misses a midterm exam with an official excuse, that midterm exam grade will be determined by the final exam grade. If the midterm exam is missed without an official excuse, that midterm exam grade will be based on the final exam grade minus 10 points. At least one midterm and the final exam are required of all students.

Attendance Policy

Attendance is required and will contribute to the class participation portion of the grade.

University Honor Code and Academic Honesty Policy

All students are responsible for maintaining the highest standards of honesty and integrity in every phase of their academic careers. The penalties for academic dishonesty are severe and ignorance is not an acceptable defense. All academic work must meet the standards contained in

“A Culture of Honesty,” which can be found at <http://www.uga.edu/ovpi/honesty/acadhon.htm>. All students are responsible to inform themselves about those standards before performing any academic work. Plagiarism, collaborating with fellow students on the writing of the papers assigned for the course, and completion of papers by others outside of the course are all examples of academic dishonesty.

Students with Disabilities

Students with disabilities who require reasonable accommodations in order to participate in course activities or meet course requirements should contact me during regular office hours or by appointment.

General Disclaimers

The course syllabus is a general plan for the course; deviations announced to the class by the instructor may be necessary.