Economics 5190-002 / Economics 6190-002

Health Economics

Fall 2011 Syllabus

Time: Wednesdays, 12:55 - 3:55
Place: OSH 202
Dates: August 24, 2011 - December 7, 2011

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Office & Hours: By Appointment Only

Course Overview
Economics is the study of the institutions that shape production and distribution within societies. Using the analytical tools of economics, this course examines the functioning of health care markets and related institutions, with an policy-oriented emphasis on the 2010 Patient Protection and Affordable Care Act (PPACA) in the United States. Topics covered include health care reform, the determinants of health, microeconomic theory as applied to health and health care, outcomes analysis, health care markets, market failure, insurance, quality of care, technology, and the U.S. system in international perspective.

Course Materials
All course materials will be posted on this course's WebCT page, just type http://webct.utah.edu into the address bar of your web browser. There is no book to buy; so, buy yourself something nice, instead.

Course Objectives
With a sincere effort on the part of the student, by the end of the course, each student will:
- Develop, learn, and demonstrate how economic thought, principals, and logic can offer insights into how human health is determined, how health care is allocated, what determines the quality of care delivered, how health care markets function, and the overall management of health care.
- Use economic thought, principals, and logic to examine, compare, contrast, and critique health care systems/markets, health care reform proposals, and to understand the role institutional structures play in determining health and health care systems.

Grading
For students in 5190, there are 250 points possible. Final scores are broken up below:

<table>
<thead>
<tr>
<th>Component</th>
<th>Points</th>
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<tbody>
<tr>
<td>Participation</td>
<td>50</td>
</tr>
<tr>
<td>Exam #1</td>
<td>50</td>
</tr>
<tr>
<td>Exam #2</td>
<td>50</td>
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<tr>
<td>PPACA Paper</td>
<td>50</td>
</tr>
<tr>
<td>Review Quizzes (Top 5)</td>
<td>50</td>
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<tr>
<td><strong>Total Points</strong></td>
<td><strong>250</strong></td>
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This course is cross-listed as a Masters'-level course. Graduate students have registered for 6190. Graduate students will be held to a higher standard and must complete an additional assignment (an in-class presentation) for 50 additional points, for a total score out of 300.
**Participation**
This class is about using the tools of economics to engage with and analyze the material. As such, much of the lecture time is devoted to discussing the issues at hand, utilizing the tools of economics. If you come to class prepared (i.e. having read the assignments) and contribute to the discussion in a meaningful and salient way, you will easily obtain these points.

Note that you are responsible for everything covered in lecture. I will put the readings together in proper context in the lecture and focus the discussion on what is most important. Students who come to lecture prepared, participate, and pay attention will generally do very well in the course.

**Exams**
I will administer two in-class exams. The first is on 10/5 and the second is on 12/7, both during normal class hours. Exam length is two hours, although they should take you much less time. The exams will be composed of short answer questions and an essay (or two). You may bring with you any amount of reading or lecture notes. No electronic devices of any kind are allowed. You must also bring a blue book to write your answers in.

**PPACA Paper**
You must write a 2,700 to 3,000 word paper analyzing, criticizing, and/or critiquing an aspect of the PPACA. Your paper should have a strong thesis/hypothesis, which you will analyze and support by a rigorous and cogent appeal to empirical evidence gathered and interpreted by you and others. Details of specific paper requirements are forthcoming in portable handout form. A physical copy of your paper is due by 12/14 at 5:00 pm in my department mailbox. No late papers are accepted.

**Review Quizzes**
At the beginning of most lectures, I will administer a short quiz about the preceding lecture. The purpose of the quiz is to review the past material, highlight what was important, and give you an incentive to keep up with the course materials. Each quiz is worth ten points and I will count your top five quizzes towards your final score. You should probably come to class prepared with a page of loose leaf paper and a functional writing implement. You may utilize whatever notes you have taken during the quizzes.

**Graduate Student Presentation**
All graduate students must give a 15-20 minute presentation to the class. These presentations will be given on 11/30 (and possibly another date, depending on how many have registered). Your presentation must explain how the health care system of an OECD country (other than the U.S.) functions, critique the system, and suggest lessons U.S. reformers might draw from that country's experience. No student may choose the same country, so register your choice with me quickly.

Undergraduate students, i.e. those in 5190, should take notes and pay attention to the graduate student presentations, as I will draw questions for the second exam from them. For that matter, graduate students should also pay attention to other graduate student presentations.
Extra Credit
Throughout the semester I will announce various extra credit opportunities to the class.

Accommodation Policy
The University of Utah seeks to provide equal access to its programs, services and activities for people with disabilities. If you will need accommodations in the class, reasonable prior notice needs to be given to the Center for Disability Services (CDS), 162 Olpin Union Building, 581-5020 (V/TDD). CDS will work with you and the instructor to make arrangements for accommodations. All information in this course can be made available in alternative format with prior notification to the Center for Disability Services.

Course Outline
Below is the outline of the course. We will move through the material at a variable rate, so planning out specific dates is futile (although the order will remain as outlined below). Please continually check the WebCT calendar for information about dates when we are going to cover which topics. You are responsible for knowing the content of all class materials.

Readings are all found on WebCT. Readings with three stars (***), are the most important and extra care should be taken to read and understand them. Readings with two stars (**) are also important and should be read in their entirety. Readings with one star (*) should be skimmed or reviewed for the main point(s). Don't be intimidated by this reading list -- most readings are easy and short. Don't sweat the overly-technical stuff.

General Introduction

PPACA: Overview
** Kaiser Family Foundation (2010). "Health Reform Implementation Timeline."

PPACA: Expenditures
**PPACA: Coverage**


**Determinants of Health**


**Disparities in Health and Health Care**


* Apter and Casillas (2009). "Eliminating Health Disparities: What have We Done and What Do We Do Next?" *Journal of Allergy and Clinical Immunology* 123, p. 1237-1239.

**Consumer Theory**


**Outcomes Analysis**


Outcomes Analysis in Practice

PPACA: Outcomes Analysis

Health Care Markets and Market Failure

** Insurance Markets **

** Moral Hazard **

** Cost Sharing **

** PPACA: Exchanges **
* Kaiser Family Foundation (2011). "What the Actuarial Values in the Affordable Care Act Mean."

** PPACA: Mandate **

** PPACA: Implementation of Reform **

** Insurance Plans, Provider Compensation, and the PPACA **

** Pay for Performance **

** Physician Supply **
* Baicker and Chandra (2004). "The Physician Workforce, And Beneficiaries' Quality of Care." Health Affairs 23, p. 184-197

** Quality of Care **
Malpractice & Medical Liability

Technology & Costs

The U.S. in International Perspective
*** Anderson et al (2003). "It's the Prices Stupid: Why The United States is so Different than Other Countries." Health Affairs 22, p. 89-105.