This course is an introduction to the field of health economics. Health economics is an active field of microeconomics with a large and growing literature. In the past three decades, some of the most controversial policies considered by state and federal governments have involved issues that have been analyzed by health economists. In the course we will study uninsurance and the Affordable Care Act (ACA), for example. In addition to the ACA, we will cover topics such as measurement and determinants of health, health disparities, unhealthy behaviors and health insurance. The goal of this course is twofold. One is to better understand the economic theory of health and healthcare. We will study several economic models in detail, including models of health, addiction, demand for healthcare and demand for insurance. The emphasis will be on key economic concepts that health economists use to analyze health and healthcare markets. The second goal of the class is to learn to evaluate and interpret empirical findings in health economics. We will read some of the papers in detail, spending a lot of time understanding the econometric models and the findings reported in those papers.

Prerequisites

Econ 303 is a prerequisite. Although not a prerequisite, students will benefit from having taken Econ 318.

Textbook and Readings


Required readings are listed under each topic. These readings will be available online.

Course Grading

Midterm Exam: 30%
Final Exam: 40%
3-4 Problem Sets: 15%
Class Participation: 15%
Class Participation (15%)

Class discussion is important for both individual and collective learning. The quality of a student’s participation is at least as important as the quantity, and the following points characterize effective participation:

1. Do comments draw on the text and materials from this and other courses?
2. Do they show evidence of analysis?
3. Does the student distinguish between positive and normative analysis?
4. Does the student distinguish between opinion and well-supported analysis?
5. Are the points made substantive? Are they linked to the comments of others? Do they advance or deepen the discussion? Do they deepen the analysis?
6. Do comments clarify and highlight the important aspects of earlier comments and lead to a clearer statement of the concepts being considered? Is there an attempt to synthesize the discussion?

Regrade Policy

The material covered on the examinations will come from the lecture notes, problem sets and required reading. If a student requests that some question on an examination be re-graded, the professor will review the entire examination. Makeup exams will be offered only under extenuating circumstances (e.g. serious injuries, family deaths), so please plan ahead.

1. Introduction to Health Economics

1.1. The economic way of thinking about health

BHT, Ch. 1


1.2. Health measurement, determinants and long run trends

Baker, M., Stabile, M., and Deri, C. “What Do Self-Reported Objective Measures of
Health Measure?” *Journal of Human Resources*, 39(4), pp.1067-1093


1.3. Health care spending – some facts


NIHCM Data Brief, July 2012. The Concentration of Health Care Spending.


2. Economic Models of Health

BHT, Ch. 2 & 3


3. Health and SES

BHT, Ch. 4


4. Health Insurance

4.1. Introduction and Moral Hazard

BHT, Ch. 7 & 11


4.2. Adverse Selection in Health Insurance

BHT, Ch. 8, 9 & 10


4.3. Social Insurance: Medicaid and Medicare

BHT, Ch. 17 & 18


Barcellos & Jacobson 2014


5. Uninsurance and the Affordable Care Act

BHT, Ch. 18


Kaiser Family Foundation, April 2013. “Summary of the Affordable Care Act”

PNAS


The July 2010 symposium at Health Affairs on the recent health care reform effort is worth perusing. For interested students, this symposium can be found at http://content.healthaffairs.org/content/vol29/issue7/index.dtl


6. Unhealthy behavior: evidence and policy issues

BHT, Ch. 22


7. The Behavioral Economics of Health

BHT, Ch. 23 & 24


Heather’s exercise stuff.
Additional Topics (time permitting)

Health and economic development


Externalities and public health

BHT, Ch. 20


Pharmaceuticals and Technological Innovation

BHT, Ch. 12 & 13


