E515  
Institutional Setting for Health Economics in the U.S. (1.5 credits)

Course Description

This course serves as the prerequisite for ECON E643 and ECON E644* and thus is required for those Economics Ph.D. students choosing to specialize in the field of health economics. Prerequisites are current enrollment in E 521 Theory of Prices and Markets I and E 571 Econometrics 1-Statistical Foundations or permission of the instructor.

This course provides students with an introduction to the various components of the U.S. health care system, important research questions in health economics associated with those institutions, and data available to evaluate those institutions and estimate their effects. It will provide a foundation for understanding and evaluating economic and policy issues in health, health care, and health insurance and for formulating empirical research questions in health economics. The course will provide an overview of the structure of the U.S. health care system including health care financing, health care delivery, and government programs. It will cover both private and public financing mechanisms as well as government regulation. It will also compare the U.S. system to the health care systems of other countries. In each topic area, attention will be paid to evaluating current research, developing hypotheses, and determining appropriate data availability for empirical investigation of particular research questions.

Learning Objectives:

On completion of this course, a student should be able to:

- Evaluate healthcare delivery and financing in the U.S.
- Contrast the role and function of Medicare and Medicaid.
- Evaluate the government role in the health care system.
- Contrast the U.S. healthcare system to those of other countries.
- Analyze the relationships among health services organizations, payment mechanisms, and health care providers, including physicians, nurses, hospitals, and the pharmaceutical industry.
- Critique research estimating the effects of particular aspects health care institutions.
- Develop hypotheses and determine data availability for empirical investigation of particular research questions related to the U.S. health care system.
Course Outline

Health Care Spending in the U.S.  
August 23  
Week 1

- Feldstein: Chapter 1

International Context  
August 30, Sep 6

Sept 1 – In-Class Presentation International Health Care Systems  
Weeks 2-3

Cross-Country Comparisons of Health Care Expenditures

  o Skim for approach, not details of econometrics.

International Comparison of Health Care Systems

  o Read Health Care System Overviews
  o Choose two countries to read, report on, compare and contrast in more detail. (Aug 30)

Private Health Insurance and Health Care Reform

Tuesday, Sept 11,
Sept 20, 27
October 4
Weeks 4-7

**Introduction to Health Insurance**
- Feldstein: Chapter 6  (Sept 13)

**Private Health Insurance: the Basics**
- Feldstein: Chapter 7  (Sept 13)

**Changing Insurance Arrangements: History of Health Insurance in the U.S.**
- Feldstein: Chapter 19.  (Sept 20)

Discussion of Project/Presentation

**Health Care Reform**
- Readings TBD  (Sept 27)

**Bias in Estimates of the Effects of Premiums on Consumer Decisions: Using Different Datasets**
- Buchmueller, Thomas C. and Sabina Ohri. “Health Insurance Take-up by the Near-Elderly.” Health Services Research 41, 6 ((December 2006): 2054-2073  (Oct 4)

**Public Insurance**

October 11, 18
Weeks 8-9

**Medicare**
- Feldstein: Chapter 8, 10.(Oct 11)

**Medicaid**

Tuesday, Oct 23
• Feldstein: Chapter 9 (Oct 23).

**Medicaid Claims Data (and Indiana Medicaid)**
**Guest: Professor Wendy Morrison**

**Providers and Suppliers of Medical Care**

**Hospitals**

**For-Profit vs. Not-for-Profit Hospitals**
**Guest Lecturer: Professor Richard Steinberg (tentative)**

- Schlesinger, Mark and Bradford H. Gray, “Nonprofit Organizations and Health Care: Some Paradoxes of Persistent Scrutiny” (Skim)

**Consolidation and Competition in Health Care Markets**
- Readings TBD.

**Pharmaceuticals**


- Guest Speaker, Eli Lilly or Medical Decision Modeling, tentative (Nov 15)

**Department Research Overview – Health Topics**

**Tentative Date**

We will schedule one class session in January for student project presentations.
Grading

Grades will be based on class attendance and participation (25%), one class presentation (15%), and a literature review “pre-project” presentation (60%).

To assess your participation, the instructor will look for evidence that required readings are done in advance of classroom discussion and that students are actively engaged in that discussion. Students are expected to contribute substantively to all discussions to attain a participation grade of A. Students will also make one brief presentation. Details will be provided in class. Presentations will be graded on the basis of factual accuracy, attention to nuance, clarity of presentation, and quality of supplemental materials (handouts or slides). The final project and presentation will be described in class.

Attendance is required. Students who are ill should inform the instructor in advance that they will miss class except in cases of emergency. Absences lasting more than one class should be documented by a physician.

Because class presentations will be integral to the topics covered in class, except in the case of emergencies, late work will be penalized by a full letter grade.

Make-up exams will be offered only for illness or emergency documented by a physician or other reliable source.

Grading Scale

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<th>Letter grade</th>
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<td>A+</td>
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Policies on Academic Misconduct

Students must follow the Code of Student Rights, Responsibilities, and Conduct (://life.iupui.edu/rights/docs/CodeofConduct). Penalties can be applied for cheating, fabrication, plagiarism, or sabotaging the work of other students. In particular, plagiarism occurs when you adopt, reproduce, or paraphrase the ideas, words, or statements of another person
without appropriate acknowledgment. Quotes and paraphrases should include a complete reference. Facts, statistics, and the like should include references unless the information is common knowledge. When in doubt about any of these policies, ask the instructor.

Cheating or plagiarism on any assignment or exam will result in a failing grade for that assignment and, at the instructor’s discretion, depending on the nature of the violation, a failing grade for the course. The misconduct will also be reported to the Dean of Students who will decide on any further appropriate action.

**Americans with Disabilities Act**

If you need any special accommodations due to a disability, please contact Adaptive Educational Services at (317)-274-3241. The office is located in Joseph T. Taylor Hall (UC), Room 137.

**Computer Activity**

Students should be advised that, ultimately, you are responsible for activity on your computer accounts. Please be careful to log off public computers whenever the computer will be unattended and do not leave laptops unattended.