Course Description
This course is the second of the Health Economics field sequence for specialization in health economics. The course is designed for Economics doctoral students. To enroll, students must have completed the core economics theory courses including E521, E611, and E621, the first year core courses in Econometrics (E571 and E573) as well as E515: Health Institutions. Students with prior knowledge of U.S. health care institutions should consult with the instructor, prior to registration, about taking E515 concurrently.
This course builds on the core theory, econometrics and health economics courses to provide an in depth knowledge of key issues related to markets and market failure in the supply of health care services, the impact of insurance on the demand for health care services, response of consumers to insurers’ financial incentives, the role of government in health care markets, the labor market behavior of physicians; hospital ownership, competition, and reimbursement. In addition to introducing theoretical concepts the course aims at familiarizing students to current research on these topics by means of review of seminal journal articles. It will provide a foundation for understanding key dimensions in health care markets, appreciate contributions of past literature on the subject and initiate constructive critical thought on the existing work and future directions of research in the field.

Learning Objectives:
On completion of this course, a student should be able to:
1. Understand the effect of incentives on the supply and demand for medical care.
2. Use economic analysis to model the complex interactions of government and employers in the provision of health care and health insurance.
3. Analyze and evaluate the econometric evidence on supply and demand for medical care and models of public and private insurance.
4. Utilize economic analysis and econometric evidence in developing recommendations for improved policy in the regulation of health care markets.
5. Read and evaluate advanced economic and econometric journal articles on health care markets and institutions.
6. Understand and apply the methods used to answer health economics questions.

Required texts:
There is no required textbook.
Course Requirements:

**Participation:** Class attendance and participation is worth 20% of your final grade.

**Class Presentations (two):**
- Presentations = 20% (10% each); Referee Reports = 10% (5% each)

**Midterm:** 20% (March 07)

**Final Exam:** 20% (May 02 3:30-5:30pm) The final exam is comprehensive—it may cover any of the material covered in the course reading or in class.

**Paper Topic Presentation & Outline:** 10% (April 04 and 09)

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 two brief presentations to the class on a topic of their choosing, subject to the instructor’s approval. Presentations will enable us to discuss a few smaller topics in more detail, and 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 exam will cover all topic areas and will be structured to test the learning objectives set out above. An A grade will require mastery of each learning objective.

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:**

- **A+** 97-100%
- **A** 93-96.9%
- **A-** 90-92.9%
- **B+** 87-89.9%
- **B** 83-86.9%
- **B-** 80-82.9%
- **C+** 77-79.9%
- **C** 73-76.9%
- **C-** 70-72.9%
- **D+** 67-69.9%
- **D** 63-66.9%
- **D-** 60-62.9%
- **F** 0-59.9%

**Policies on Academic Misconduct:**

Students must follow the Code of Student Rights, Responsibilities, and Conduct (http://life.iupui.edu/rights/docs/CodeofConduct.pdf). 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.
Provision of Public Insurance  Jan 08 –Jan 17


Medicare

- Finkelstein, A and McKnight, R. What Did Medicare Do (And Was It Worth It)? NBER Working Paper No. 11609

Further Reading


Medicaid


Further Reading


SCHIP

- Phillip B. Levine, Robin McKnight, and Samantha Heep Public Policy, Health Insurance and the Transition to Adulthood NBER Working Paper No. 15114
Further Reading


Provision of Health Care  Feb 05-14

Managed Care
Overview

  i.  Folland Chapter 12: Managed Care

Managed Care and Health Outcomes

  - Glied, S.  and JG Zivin (2002). How do Doctors Behave when some (but not all) of their Patients are in Managed Care? *Journal of Health Economics*, 21(2) pp. 337-353

Managed Care and Costs


Managed Care, Physicians and Hospitals


Further Reading

Hospitals  Feb 26  Mar 05

Overview


Hospitals and Competition


Hospital Ownership and Performance


Further Reading


Physician Incentives/ Health Care Labor Market April 09-11

Employer Sponsored Insurance and Labor Markets  


Further Reading


Health Care Reform