E307 Economic Issues—Health Economics
Spring 2010  Section #: 28627

Professor:  Dr Wendy Morrison
Office: CA530
Office Hours:  Mon 1:00-2:00pm
or by appointment

Lecture Times:  Mon 10:30-11:45
Wed 10:30-11:45

Phone:  423-5502

Lecture room:  SL 110
(Engineering Sci & Tech Bldg)

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Course Description:
Spiraling health care expenditures and the presence of unmet need are problems faced in both publicly and privately financed health care systems around the world. This course will show that, although there are characteristics that make health and health care different from other goods, economics can be used to analyze problems in the market for health care and to aid the allocation of resources within the health care sector. Issues such as the market failure, labor markets, cost containment, and difficulties in comparing the benefits of different treatments will be addressed.

Credit hours:  3

Prerequisite: None.

Required Text:

Course Requirements:

Exercise (2): All exercises are due at the beginning of class on the due date.
exercise #1 (10%--due February 3, in class);
exercise #2 (10%--due March 8, in class)

Tests (three):
test #1 (15%--February 15, in class);
test #2 (15%--March 24, in class);

Essay: The essay outline is a good way to start planning your essay and to receive comments.
essay outline (5%--due March 1 in class);
essay (20%--due April 19, in class)

Final examination: The final exam is comprehensive (i.e., it may cover any of the material covered in the course).

Final exam (25% --date: To Be Announced).

Grading Scheme: A 85%-100%; B 75%-84%; C 60%-74%; D 50%-59%; F 0%-49%.
A+ 95-100%  A 90-94%  A- 85-89%  B+ 82-84%  B 78-81%  B- 75-77%
C+ 70-74%  C 65-69%  C- 60-64%  D+ 57-59%  D 53-56%  D- 50-52%

Last revised: January 8, 2010.
**Essay Options:**

**Option 1:** Choose a topic in the field of health economics. Possible topic areas include, but are not restricted to, those covered in the course.

**Option 2:** Choose a journal article in the field of health economics and write a critical appraisal of the article (nb, A medical journal article with an economics component can be chosen provided that the critical appraisal concerns the economics). A copy of the journal article being appraised should be submitted with the essay.

*Here are some journals that you might like to browse to find an article to critique (for option 2) and which are available from the IUPUI libraries (online or in the stacks): Journal of Health Economics; Health Economics; Health Affairs; Health Politics, Policy & Law; Social Science & Medicine.*

**Essay Requirements:**

- **Outline** – Submit a 2 page outline of your essay (which, for those choosing Option 2, should include a ½ to 1 page summary of the article that will be appraised as well as the outline of your essay), on Monday March 1st. It will be returned to you with comments. This will be worth 5% of your final grade. **Late outlines will not be accepted.**

- **Essays** should be submitted on Monday April 19th. Essays should be typed, double spaced, and approximately 10 pages in length. The essay will be worth 20% of your final grade. **Late essays will be penalized at a rate of 20 percentage points per day (ie, 4% of your final grade per day).**

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**Econ E307: Course Topics and Required Reading**

**Note:** The reading list is subject to change at the discretion of the instructor. Students are responsible for all assigned reading and all material covered in class. Students that miss a class are still responsible for the material covered in the class. If you miss a class, borrow a classmate’s notes, and do the reading assigned for that class.

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1. **Overview of the U.S. Health Care System**

   - Health and Economics
     - Required Reading: Getzen ch. 1
   - U.S. Health Care System in an International Context

II. Demand and Market Failure in Health Care
   • Demand for Health and Health Care
     - Required Reading: Getzen ch. 2
   • Market Failure in Health Care
     - Required Reading: This topic will be covered in class and may be supplemented with handouts.

III. Health Insurance
   • The Basics of Health Insurance
     - Required Reading: Getzen ch. 4
   • Health Insurance in the U.S.A.
     - Required Reading: Getzen ch. 5
   • The Problem of Uninsurance
     - Required Reading: This topic will be covered in class and may be supplemented with handouts.
   • Market Failure in Health Insurance
     - Required Reading: This topic will be covered in class and may be supplemented with handouts.

IV. Economic Evaluation in Health Care
   • Cost-Benefit and Cost-Effectiveness Analysis
     - Required Reading: Getzen ch. 3
   • Measuring Health
     - Required Reading: This topic will be covered in class and may be supplemented with handouts.

V. Physicians
   • Physician Payment and Costs
     - Required Reading: Getzen ch. 6
   • Physicians as Patients’ Agents & Supplier-Induced-Demand
     - Required Reading: Getzen ch.6.
   • Physician Supply and Business Practice
     - Required Reading: Getzen ch.7.

VI. Topics in the Health Care Industry
   • Economics of the Hospital
     - Required Reading: Getzen ch. 8
   • Managed Care
     - Required Reading: Getzen ch.10.
   • Pharmaceuticals
     - Required Reading: Getzen ch.12.

Last revised: January 8, 2010.