E307 Economic Issues—Health Economics
Fall 2010  Section #: 28722

Professor: Dr Wendy Morrison  Office: CA527  Office Hours: Thurs 10:30am-11:30am or by appointment
Lecture Times: Tues 9:00-10:15  Thurs 9:00-10:15  email: gcmorris@iupui.edu or via Oncourse
Lecture room: BS 2006 (Business/SPEA)

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:

Participation: Class participation is worth 5% of your final grade;
Exercises (three): All exercises are due at the beginning of class on the due date. If submitting your exercise electronically, submit it by 9am on the due date.
  exercise #1 (5%--due Sept 16, in class);
  exercise #2 (5%--due Oct 14, in class);
  exercise #3 (5%--due Nov 16, in class);
Tests (two): test #1 (15%-- Sept 28, in class);
  test #2 (15%--Nov 2, in class);
Essay: The essay outline is a good way to start planning your essay and to receive comments. 
  essay outline (5%--due Oct 26 in class);
  essay (20%--due Nov 30, in class)

Final examination: The final exam is comprehensive (i.e., it may cover any of the material covered in the course reading or in class). Final exam (25% --date: To Be Announced).

Grading Scheme: A 90%-100%; B 80%-89%; C 70%-79%; D 50%-69%; F 0%-49%.
A+ 97-100%  A 93-96%  A- 90-92%  B+ 87-89%  B 83-86%  B- 80-82%
C+ 77-79%  C 73-76%  C- 70-72%  D+ 65-69%  D 60-64%  D- 50-59%

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 (n.b., 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 Tuesday October 26. It will be returned to you with comments. This will be worth 5% of your final grade. Late outlines will not be accepted.

⇒ Due Date — Essays should be submitted on Tuesday November 30th. Essays should be typed, double spaced, and approximately 10 pages in length. There should be a title page with your name and the title of the essay, and there should be a list of references that you cite in your essay. The essay will be worth 20% of your final grade. Late essays will be penalized at a rate of 10 percentage points per day (ie, 2% of your final grade per day). If you submit your essay electronically, then request a receipt. If you do not receive a receipt/confirmation, then I did not receive your essay. If your electronically submitted essay is not in my folder on Oncourse, in my email inbox, in my spam folder, nor in my deleted folder, then I must treat it as not submitted. If you want the convenience of submitting your essay electronically, then you must ensure that I receive it on time—clicking on “send” is a necessary but not a sufficient condition to submit your work electronically.

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 classmates notes, and do the reading assigned for that class.

Econ E307: Course Topics and Required Reading

I. 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
- Market Failure in Health Insurance
  - Required Reading: This topic will be covered in class and may be supplemented with handouts.
- Health Insurance in the U.S.A.: The Public-Private Mix, The Problem of Uninsurance, and Health Care Reform
  - Required Reading: Getzen ch. 5; and, http://www.commonwealthfund.org/Content/Publications/Other/2010/Timeline-for-Health-Care-Reform-Implementation.aspx

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

Topics covered will be determined by student interest and time remaining in the course.

- Economics of the Hospital
  - Required Reading: Getzen ch. 8
- Managed Care
  - Required Reading: Getzen ch.10.
- Pharmaceuticals
  - Required Reading: Getzen ch.12.