

**Econ 211: Economics of Health and Healthcare**  
**Moravian College, Spring 2014**  
**Department of Economics and Business**

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**Office Hours:** Mondays and Wednesdays: 2:30 – 3:30 pm;

Thursdays: 1:30 pm – 3:30 pm; or by appointment.

**Class Information:**

**Meeting Times:** Mondays and Wednesdays 1:10 – 2:20 pm

**Class Location:** Comenius Hall Room 005

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**What is this course all about?** This course applies microeconomic theory to analyze the healthcare market from the perspectives of those who demand and supply healthcare. In particular, we will assess the demand for health, healthcare, and health insurance. We will also analyze the market for physicians and hospital services, and the pharmaceutical industry. The structure and performance of the U.S. healthcare system will also be compared to that of other countries. Discussion of empirical studies, current policy debates, and the relevance and limits of the economic approach will be emphasized. Perhaps a better way to understand this course is to see the cartoon below:



Essentially, we will use economic analysis to help us assess the state of the U.S. healthcare system and how healthcare reform may affect the supply of and demand for healthcare. Emphasis is on the economics and not politics or personal opinions. Regardless of your own personal views on healthcare reform, the goal is for you to be able to analyze the market using the tools and perspectives of an economist.

**What I am required to read?**

Jonathan Gruber with HP Newquist. (2011) Health Care Reform: What it is, why it's necessary, how it works. Hill and Wang, New York.  
ISBN: 978-0-8090-5397-1

Richard Wilkinson and Kate Pickett. (2011) The Spirit Level: Why Greater Equality Makes Societies Stronger. Bloomsbury Press, New York.  
ISBN: 978-1-6081-9341-7

**What are the recommended texts and outside sources for class?**

Rexford E. Santerre and Stephen P. Neun. Health Economics: Theories, Insights, and Industry Studies, 6<sup>th</sup> ed., Thomson South-Western.  
ISBN: 978-1-111-82274-3

Several websites have excellent and regular information on health and health-economics related issues.

CNN News: <http://www.cnn.com/HEALTH/>

MSNBC News: <http://www.msnbc.msn.com/id/3032076/ns/health>

CBS News: <http://www.cbsnews.com/sections/health/main204.shtml?tag=hdr;cnv>

In addition, the health sections of several newspapers are provided free of charge on the Web such as:

New York Times: <http://health.nytimes.com/pages/health/index.html>

Washington Post: <http://www.washingtonpost.com/wp-dyn/content/health/index.html>

Los Angeles Times: <http://www.latimes.com/health/>

Other relevant readings and course materials will be posted on the Blackboard site for this class. Please check Blackboard regularly.

**What preparation do I have to have?** Students are expected to have completed Econ 152 and have junior or senior standing prior to taking this course.

### **How will I be assessed?**

Course Preparation Assignments (CPAs)	40%
Book Club (BC) Analyses	25%
Discussion Board	10%
Participation	5%
Final Presentation and Report	20%

### **What are the learning outcomes for this course?**

- Identify and describe the components of the healthcare system in the US.
- Distinguish between the demand for health, healthcare, and health insurance.
- Identify and describe the role of the key players in the supply of healthcare.
- Describe the role of government in our current healthcare system.
- Identify the major economic theories, related research questions, and challenges being asked in the areas of health insurance provision, the pharmaceutical industry, the physician services industry and the long term care industry.
- Compare and contrast the healthcare delivery systems of various countries.
- Become informed citizens capable of analyzing the healthcare debate from an economist's perspective.

### **What is the workload expectation for this course?**

This course is a full-unit course that meets twice per week for 70 minutes at each class period. Middle States Accreditation requires that each full-unit course include at least 174 hours of course-work during the fifteen-week semester. Over the course of the spring semester we will meet 26 times for 70 minutes each; therefore, our classroom time will only account for 30 of these required hours. This implies that work outside of the classroom must meet a minimum threshold of 144 hours, or 10 hours per week (with the exception of spring break). The activities and assignments required for successful completion of this course are designed with that goal in mind.

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**What schedule\* will we follow in this course?**

Week / Dates:	Topic:	Assignments Due:
1: Jan 13 and 15	Introduction to Healthcare Systems and Health Economics	CPA #0 Due Jan 15 Syllabus Signature Page Due Jan 15
2: Jan 22 (no class Jan 20)	Healthcare Reform	BC Discussion: Jan 22
3: Jan 27 and 29	Demand for Health	CPA #1 Due Jan 29
4: Feb 3 and 5	Cost and Benefit Analysis	BC Discussion: Feb 5
5: Feb 10 and 12	Demand for Medical Care	CPA #2 Due Feb 12
6: Feb 17 and 19	Demand for Medical Insurance	BC Discussion: FB 19
7: Feb 24 and 26	Review Demand Side Health Economics	CPA #3 Due Feb 26
8: Mar 3 and 5 (no classes)	SRPING BREAK	
9: Mar 10 and 12	Government Role in Healthcare	CPA #4 Due Mar 12
10: Mar 17 and 19	Health Insurance	BC Discussion: Mar 19
11: Mar 24 and 26	Physicians Market	CPA #5 Due Mar 26
12: Mar 31 and Apr 2	Hospitals and Long Term Care	BC Discussion: Apr 2
13: Apr 7 and 9	Pharmaceuticals	CPA #6 Due Apr 9
14: Apr 14 and 16	Review Supply Side Health Economics; Presentations	BC Discussion: Apr 14
15: Apr 23 (no class Apr 21)	Presentations	Last day for Discussion Board Posts: Apr 25
Finals Week: Apr 28 (meet at 1:30 pm)	Presentations, if necessary	Final Report Due: Apr. 28 at 1:30 pm

Weekly Readings will be listed on Blackboard at least one week prior to discussion in class. Detailed course preparation assignments will be listed on Blackboard one week prior to their due dates.

\*Schedule subject to change, with notice.

**What are your classroom policies?**

1. Attendance is expected at each class period.
2. As a common courtesy for your fellow students and myself, I expect students to be on time.
3. I do not allow cell phone use in class.
4. Violations of the Moravian College Academic Honesty Code will not be tolerated.
5. Communication for this course will occur through your Moravian e-mail account and Blackboard. You are required to check these sources regularly for updates and assignments related to this course.
6. Late assignments are not accepted and a grade of zero is recorded. Please be cognizant of the due dates for each assignment. No exceptions will be made to accommodate late work.
7. Part of your responsibility as a Moravian student is to attend classes and to take notes. This is an essential part of the learning process. I will therefore not post extensive lecture notes online. Also, note that this course will be fairly intense, so it is essential that you do not fall behind in your readings.
8. Depending on the final enrollment in the class, we may need to use the final exam period for presentations. Attendance is expected, even if you are not presenting on this date.
9. Students who wish to request accommodations in this class for a disability should contact Elaine Mara, assistant director of learning services for academic and disability support at 1307 Main Street, or by calling 610-861-1510. Accommodations cannot be provided until authorization is received from the Academic Support Center.
10. I do not offer extra credit.

**The following pages detail specific information regarding each assessment. More details will be provided as due dates approach.**

## **COURSE PREPARATION ASSIGNMENTS**

Course preparation assignments are designed to facilitate discussion in the classroom. You will be required to prepare weekly CPAs according to the schedule detailed above. Topics and response requirements will be detailed each week on Blackboard.

Your CPA must be submitted to Blackboard before class begins! The CPAs are due via Blackboard at 1:00 pm on the due date listed above. You are also expected to bring a copy of your CPA to class on the date it is due, so you can reference it during classroom discussion.

CPAs will include a review of a current article related to the weekly topic of discussion. Discussion or empirical analysis of specific economic points will be required.

## **BOOK CLUB FOR HEALTH ECONOMICS**

In lieu of traditional textbooks, we will read two paperback books this semester that support our understanding of health economic theories and their implications within our daily lives. The reading assignments for each book are detailed below. Each week, you will be responsible for reading specific chapters in these books and discussing them in your 'book clubs'. Each book club is required to meet once per week (meeting location, time, and venue is chosen by each group) to discuss the weekly assignment. The requirements for the book club meetings are as follows:

1. Each member should attend the book club meeting having completed the required readings.
2. Each member is required to bring at least one question about the text to the book club meeting.
3. During the meeting, the group will discuss each question and explore answers to each question.
4. At the culmination of the meeting, one member (this should rotate) will post a document via Google docs (shared with me and all group members) that contains a summary of the meeting. The summary should be typed, 1-2 pages in length, and include the following:
  - a. A brief summary of the required reading;
  - b. Each individual's question;
  - c. A brief summary of how the question was discussed and answered within the group.
5. Book club group summaries are due every Sunday (by 11:59 pm) in weeks during which a reading assignment is listed.

Week/ Dates	Reading Assignment	BC Summary Due Date
1: Jan 13 and 15	Gruber: Ch. 1-3	Sun. Jan. 19 by 11:59 pm
2: Jan 22 (no class Jan 20)	Gruber: Ch. 4-6	Sun. Jan. 26 by 11:59 pm
3: Jan 27 and 29	Gruber: Ch. 7-9	Sun. Feb. 2 by 11:59 pm
4: Feb 3 and 5	Gruber: Ch. 10-12	Sun. Feb. 9 by 11:59 pm
5: Feb 10 and 12		
6: Feb 17 and 19	W&P: Ch 1-3	Sun. Feb. 23 by 11:59 pm
7: Feb 24 and 26	W&P: Ch 4	Sun. Mar. 9 by 11:59 pm
8: Mar 3 and 5 (no classes)		
9: Mar 10 and 12	W&P: Ch 5	Sun. Mar. 16 by 11:59 pm
10: Mar 17 and 19	W&P: Ch 6-7	Sun. Mar. 23 by 11:59 pm
11: Mar 24 and 26	W&P: Ch 8-9	Sun. Mar. 30 by 11:59 pm
12: Mar 31 and Apr 2	W&P: Ch 10-11	Sun. Apr. 6 by 11:59 pm
13: Apr 7 and 9	W&P: Ch 12	Sun. Apr. 13 by 11:59 pm
14: Apr 14 and 16		
15: Apr 23 (no class Apr 21)		
Finals Week: Apr 28		

### IN-CLASS PARTICIPATION

Class participation accounts for five percent of your final grade. Simply attending class will earn students an approximate participation grade of 75%. Students can marginally improve their participation grade through “passive participation”, which implies attending class, taking notes, and being attentive. Students can substantially improve their participation grade through “active participation”, which includes volunteering thoughtful questions and answers on a regular basis. Students who choose not to attend class will receive a participation grade lower than a 75%. Additionally, there will be surprise assessments on a regular basis to check students’ understanding of certain topics. Successfully completing these assessments will also improve a student’s participation grade.

### COMMUNITY PARTICIPATION

This year’s In-Focus Theme is Healthcare. This affords plenty of opportunity for campus-wide activities related to our class discussions. You are required to attend TWO campus-wide events related to the In-Focus theme. After attending these events, you must post the following to the discussion board in Blackboard:

1. A description of the event you attended;
2. indicate what specific health economic concept(s) was (were) discussed or highlighted at this event;
3. demonstrate an understanding of the concept(s); and
4. demonstrate why this activity was a worthwhile educational endeavor.

The following “rules” apply to community events / activities:

- Events or activities must occur on Moravian’s campus between Jan. 13, 2014 and Apr. 23, 2014.
- Events or activities include (but are not limited to):
  - Research presentations (faculty, staff, student, or guest-lecturer)
  - Panelist discussions
  - Movie presentations
- Events or activities must be distinct from each other, i.e. watching a movie and attending the subsequent panel session is one event, not two.
- The two events or activities you attend must occur during two different weeks of the semester, include different participants, and occur outside of our normally-scheduled class time.
- The two events cannot be required class activities (i.e. your book club, or invited guest speakers who lecture specifically to our class).

### **DISCUSSION BOARD FOR HEALTH ECONOMICS**

We will be using the discussion board within Blackboard to discuss our community activities and events. You are required to post at least twice (once for each required event) and respond to at least two of your classmates’ posts during the course of the semester. The following guideline provides details regarding how I will grade your discussion board posts and responses:

- Quality of the analysis of each post and response.
- Appropriateness of the chosen activity or event.
- Appropriate use of graphs, where relevant.
- Diversity of topics covered in the chosen activities and responses.
- Overall presentation of your responses.

### **FINAL PROJECT AND PRESENTATION:**

#### **Can Access to Healthcare Cure our Social Ills?**

What is the value of health? Is a healthy society more productive than an unhealthy? Are individuals in a healthy society happier? Does health correlate with less crime? What does it mean to be ‘healthy’? For your final project, your group will attempt to answer these questions. Using Wilkenson and Pickett’s The Spirit Level and Wolf and Braveman’s (2011) ‘Where Health Disparities Begin’ as your guide, you will use economic analysis to identify the potential costs and benefits of increasing health and access to healthcare on society.



Each group will choose a topic from the following list to research and then share their findings with the class in the form of a final presentation. If your group would like to research a topic that is not included below, please make that request directly to me.

**Topic Choices:**

Community life
Mental health
Drug use
Obesity
Educational performance
Productivity and Earnings
Teenage parenting
Violence
Imprisonment
Social mobility

Details regarding interim deadlines for your final project will be available as the course progresses.