

Econ 211: Economics of Health and Healthcare
Moravian College, Spring 2015
Department of Economics and Business

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Office Hours: Tuesdays: 10 – 11:30 am; Thursdays: 1:30 – 3:30 pm; or by appointment

Class Information:

Meeting Times: Mondays and Wednesdays 8:55 am – 10:05 am

Class Location: PPHAC 330

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.

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 and its reform, the goal of this course 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, 6th ed., Thomson South-Western.

ISBN: 978-1-111-82274-3

Several websites have excellent and regular information on health and health-economics related issues. As you peruse various links, be sure to verify the credentials of each author. Databases available through Reeves Library are excellent sources of scholarly articles.

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

What else do I need for class? (1) Relevant reading materials. (2) An Internet-enabled device (phone, tablet, laptop) for in-class assessments and discussion.

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	20%
Health Economics in the Movies Assignment	10%
Final Presentation and Report	25%
Participation	5%

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 this semester we will meet 28 times for 70 minutes each; therefore, our classroom time will only account for 33 of these required hours plus an additional three hours for final presentations. This implies that **work outside of the classroom** must meet a minimum threshold of 138 hours, or **nine hours per week**. The activities and assignments required for successful completion of this course are designed with that goal in mind.

What happens if there is inclement weather?

In hazardous weather conditions, the College may be closed and classes cancelled, or the college may opt to run on a two-hour delayed schedule (see below). The decision to close or delay the opening of classes will be announced on the inclement weather hotline, 610-

625-7995, and will be communicated on the following radio and TV stations: WLEV-FM 100.7, WAEB-FM 104.1, WAEB-AM 790, WCTO-FM 96.1, WRFY-FM 102.5, WBYN-FM 107.5, WODE-AM 99.9, WWYY-FM 107.1, WKFB-FM 107.5, WSBG-FM 93.5, WZZO-FM 95.1, and WFMZ-TV (Channel 69).

These closings or delays will also appear at the top of the login page on the College's internet portal AMOS (amos.moravian.edu) as well as the College's website (www.moravian.edu <<http://www.moravian.edu>>). College-wide cancellations *after the start of the class day* will be announced on the public-address system of the HUB, the campus e-mail system, the radio and TV stations mentioned above, and AMOS and the College's website.

Two-Hour Delay: If the decision has been made to open with a two-hour delay, the day does not begin with third-period classes; it begins with first-period classes on a shortened schedule. When following the delayed schedule, please note that there will be no "A" or "B" periods. A 2-hour delay does not affect courses, which begin at 4PM or later. Those courses would run on their normal schedule, if the college were open. Morning and afternoon science labs and studio art classes have their own schedule. Music lessons and practice are cancelled for the day when the delayed schedule is in effect.

What should I do if I need an accommodation in this course?

Students who wish to request accommodations in this class for a disability should contact Ms. Elaine Mara, Assistant Director of Academic & Disability Support, located on the first floor of Monocacy Hall (extension 1401). Accommodations cannot be provided until authorization is received from the Academic & Disability Support office.

Upon successful completion of this course you may become eligible for the Economics Honor Society (ODE)!

Omicron Delta Epsilon (ODE) is the economics honor society. Its purpose is to recognize scholastic achievement in economics and to promote closer ties of students and faculty. This spring, ODE will organize short evening biweekly meetings for any interested students. Current students will present their research and young economics alumni will talk about their careers. Look for upcoming announcements. To become eligible for induction into ODE, students must attain junior status and have a 3.0 GPA in three or more economics courses as well as overall.

What are the classroom policies?

1. **Attendance is expected** at each class period. Absences will reduce your participation grade.
2. As a common courtesy for your fellow students and myself, I expect students to **be on time**. Lateness will reduce your participation grade.
3. I permit **appropriate and responsible use of technology** during class. Phones, tablets, and laptops can be used as calculators or as 'Internet-enabled' devices for **purposes of class assignment and discussion**.
4. Violations of the Moravian College Academic Honesty Code will not be tolerated. **Plagiarism**, regardless of intent, is a violation of academic honesty; all cases **will be reported to the Dean Traupman-Carr** and the offender will receive a zero on the plagiarized work.
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. In the event of inclement weather, we will follow the decisions made by the college (see details below).
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 (CPAs) are designed to facilitate discussion in the classroom. You will be required to prepare bi-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 **by 8:45 am** on the due date listed below. You are also expected to bring a (hard- or electronic-) 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. Use of appropriate outside resources is encouraged during this process.
4. At the culmination of the meeting, each group member should post their question to their group's Google Community. Other group members should respond with their thoughts, comments, and ideas, as discussed during the meeting. Once you become more comfortable with the Google Community, you can have your 'meeting' via this forum. Please note: I will be a part of each of your communities. Your community posts will be graded and serve as half of your book club grade.
5. Book club group Google Community posts are due on **Fridays (by noon)** in weeks during which a reading assignment is listed.

The chart on the final page of this syllabus details the reading assignments for the Gruber and Wilkenson books and the dates by which your groups' Google Community must be updated with that week's comments and discussion.

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 on a regular basis (i.e. have more than three absences during the course of the semester) or are perpetually late to 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 course material. Successfully completing these assessments will also improve a student’s participation grade.

HEALTH ECONOMICS IN THE MOVIES

In this class, we will continually connect the principles of health economics to current media dialogue and policy debates. Regular discussion of current events, the book club, and the movie analysis will be our best means to accomplish this goal throughout the semester. Near the midpoint of the semester, each student will submit a proposal to analyze a movie from a health-economist’s perspective. Upon review of these proposals, I will narrow the choice of movies to between three and five; students will then be able to choose from this subset of movies for their analysis. The written analysis should be between three and five pages in length (typed and double-spaced), and follows the criteria and analysis requirements listed below. If time permits, we will have the chance to view the movie with the best analysis in class. Analyses will be graded upon the following:

- Quality of the analysis: explanation of economic theories is clear and relevant.
- Appropriateness of the chosen theories discussed.
- Appropriate use of graphs, where relevant.
- Diversity of topics covered in the chosen theories.

FINAL PROJECT AND PRESENTATION:

What is the value of health? Is a healthy society more productive than an unhealthy society? 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.

Additionally, you will conduct a community-based assessment of how public health resources are allocated within Bethlehem and the surrounding areas of the Lehigh Valley. How are health disparities being addressed? Is the supply of these health-related services

sufficient? What improvements would you recommend, and are they economically feasible?

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 (we will experiment with different means of media 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
Food accessibility

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

Schedule of Assignments and Topics (subject to change with notice):

Week / Dates:	Topic:	Assignments Due:
1: Jan. 19 and 21	Introduction to Healthcare Systems and Health Economics	CPA 0: Jan. 21 Syllabus Sign. Page: Jan. 21 BC 1: Jan. 23
2: Jan. 26 and 28	Healthcare Reform	BC 2: Jan. 30
3: Feb. 2 and 4	Demand for Health	CPA 1: Feb. 4 BC 3: Feb. 6
4: Feb. 9 and 11	Cost and Benefit Analysis	BC 4: Feb. 13
5: Feb. 16 and 18	Cost and Benefit Analysis	CPA 2: Feb. 18 BC 5: Feb. 20
6: Feb. 23 and 25	Demand for Medical Care	Gruber Analysis: Feb 25 BC 6: Feb. 27
7: Mar. 2 and 4	Demand for Medical Insurance	CPA 3: Mar. 4 BC 7: Mar. 6
8: Mar. 9 and 11	(no class spring break)	
9: Mar. 16 and 18	Government Role in Healthcare	CPA 4: Mar. 18 BC 8: Mar. 20
10: Mar. 23 and 25	Health Insurance Library Session Mar. 25	Movie Proposal: Mar. 25 BC 9: Mar. 27
11: Mar. 30 and Apr. 1	Physicians Market	CPA 5: Apr. 1
12: Apr. 6 and 8	Hospitals and Long Term Care Library Session Apr. 8	BC 10: Apr. 10
13: Apr. 13 and 15	Pharmaceuticals	CPA 6: Apr. 15 BC 11: Apr. 17
14: Apr. 20 and 22	Review and Special Topics	Movie Analysis: Apr. 20 W&P Analysis: Apr. 22
15: Apr. 27 and 29	Presentations	
Finals Week: May 4	Presentations Monday, May 4 @ 1:30 pm	Final Report Due: May 4 @ 1:30 pm

Book Club Reading Assignments:

Week/ Dates	Reading Assignment	BC Comments Due Date
1: Jan. 19 and 21	Gruber: Ch. 1-3	BC 1: Fri. Jan. 23 by noon
2: Jan. 26 and 28	Gruber: Ch. 4-6	BC 2: Fri. Jan. 30 by noon
3: Feb. 2 and 4	Gruber: Ch. 7-9	BC 3: Fri. Feb. 6 by noon
4: Feb. 9 and 11	Gruber: Ch. 10-12	BC 4: Fri. Feb. 13 by noon
5: Feb. 16 and 18	W&P: Ch 1-3	BC 5: Fri. Feb. 20 by noon
6: Feb. 23 and 25	W&P: Ch 4	BC 6: Fri. Feb. 27 by noon
7: Mar. 2 and 4	W&P: Ch 5	BC 7: Fri. Mar. 6 by noon
8: Spring Break	No Assignment	
9: Mar. 16 and 18	W&P: Ch 6-7	BC 8: Fri. Mar. 20 by noon
10: Mar. 23 and 25	W&P: Ch 8-9	BC 9: Fri. Mar. 27 by noon
11: Mar. 30 and Apr. 1	No Assignment	
12: Apr. 6 and 8	W&P: Ch 10-11	BC 10: Fri. Apr. 10 by noon
13: Apr. 13 and 15	W&P: Ch 12	BC 11: Fri. Apr. 17 by noon

