

UNIVERSITY OF VIRGINIA – DEPARTMENT OF ECONOMICS
Economics 4160: ECONOMICS OF HEALTH

Lecture Section 001: TR, 12:30 pm – 1:45 pm, Monroe 116

Lecture Section 002: TR, 2:00 pm – 3:30 pm, Monroe 116

Basic Contact Information

Professor: Amalia R. Miller <armiller@virginia.edu>

Office Hours: TR, 11 am – noon, Monroe 339

Webpage: <http://people.virginia.edu/~am5by/>

TA Section 001: Brett Lissenden <bcl8ag@virginia.edu>

Office Hours: W, 10 am – 12 pm, Monroe Basement

TA Section 002: Bill Johnson <>wj7ew@virginia.edu>

Office Hours: M, 1 pm – 3 pm, Monroe Basement

UVaCollab Page: 16Sp Economics of Health

Class Summary

I have two major goals for students in this upper-level economics course:

First, I want you to learn to apply economic approaches, based on theory and empirical evidence, to study health behaviors and outcomes, healthcare markets, and health policy issues.

Second, I want you to understand the distinctive economic features of health and healthcare, including: limited information, imperfect competition, the prevalence of insurance, and the role of government.

The class will help you develop and apply your skills to solve analytical models of health-related decisions and markets, to evaluate health policy debates from an economic framework, and to interpret empirical evidence in health economics. You will accomplish these goals and demonstrate your progress through participation in lectures, completion of homework assignments and performance on examinations.

Pre-requisites

Students are expected to have completed appropriate prior coursework so that they are comfortable with *multivariate* calculus, intermediate microeconomics (Econ 3010 or Econ 3110), and econometrics (Econ 3720, Econ 4720 or Stat 3220). Familiarity with Stata will be helpful.

Textbook

Sherman Folland, Allen Goodman and Miron Stano, *The Economics of Health and Health Care*, 7th Edition, Prentice Hall, 2012. We will not cover the entire book in this class.

Assessment

The overall breakdown of your final grade is:

Problem Sets	20%
Paper Questions	15%
Class Participation	5%
Policy Evaluation Debate	10%
Midterm Exam	15%
Final Exam	35%

The rest of this syllabus contains information about each of these components. Read it carefully!

Homework Assignments

Problem Sets: I will assign 4 problem sets based on material covered in lecture or the textbook. Prospective due dates for problem sets are in the schedule. Plan accordingly.

Teamwork: To facilitate collaboration in this class (a great way to learn new material!), you will be permitted to work on problem sets in groups of up to 5 students. Students are free to choose their own groups and can work with different students on different assignments. Students can also choose to work alone for any problem set. If you work in a group, submit a single assignment (hard copy, at the start of lecture) for the group with all your names. Just make sure that every group member understands all of the answers because they will help you prepare for the exams.

Paper Questions: I will assign supplemental readings during the semester. These papers are examples of published research in economics and should be more challenging (and interesting) than the textbook. I will provide questions to guide your reading for 4 papers that will be discussed in lecture. You will submit your answers for 3 (your choice) on *Collab* before lecture.

Policy Evaluation Debate: Early in the semester, I will solicit your preferences for policy topics to debate. Based on this information, the TAs and I will assign you to groups that will each develop an economic argument for your assigned policy position. I will aim to have matched groups taking opposite sides of each specific policy proposal. Each group will submit intermediate work on **April 7** that includes a brief sketch of the arguments and an annotated list of 4 reference papers that you think are relevant to evaluating the policy. These papers should be economics research papers that are in the references of the

textbook or published in economics journals (Journal of Health Economics, etc.) or in the NBER working paper series. Submit all requests for non-textbook articles by **April 5** for prior approval. The final stage of the assignment is a formal in-class presentation of your argument (with slides). You will submit your slides on *Collab* after class.

Exams

There will be two exams in this course. The first is in-class midterm on **March 3** during your regular class meeting time. The second is a final exam that will be held on **Tuesday, May 10, from 2pm to 5pm** for students in Section 001 and on **Friday, May 6, from 9am to 12pm** for students in Section 002. You will only be permitted to take your exam at the date and time assigned for the section in which you are registered.

The midterm will cover material from the first half of the course. The final will be cumulative, but with an emphasis on the second half of the course. Exams are closed-book and closed-notes. Questions will include a mix of analytic problems, short-answer questions, and essay questions.

If you miss the midterm for a legitimate reason (illness, death in the family), your final exam will count for 50% of your final grade. If you do not have a legitimate reason for missing the midterm, you will receive a zero grade on the midterm. If you will be traveling with a university sponsored group on the date of the midterm, you must inform your TA and the professor at least two weeks in advance to make arrangements.

Re-grade Policy

Requests for re-grades of written assignments or the midterm exam must be submitted in writing to a TA with the entire assignment or exam within one week of the return of that graded assignment or exam. If a re-grade request is based on discrepancies between the grading received by two students, both students must submit their graded material for a re-grade. Please note that the entire problem set or exam, not just the part in question, is subject to re-grade. Your total score may increase or decrease as a result.

Class Participation

This is an advanced topics class. In order to benefit fully from the course material, it is important that you complete the reading assignments (textbook chapter and/or journal article) *before* lecture. You should arrive ready to engage. Lectures are meant as *complements* to readings and not substitutes for them. In addition, you will also be expected to contribute to the online discussion of “Health Economics in the News” in the *Forums* section of the *Collab* page by: 1) sharing a relevant news article (or more), with a brief introductory statement explaining the link to health economics; 2) reading news articles shared by other students; and 3) offering a constructive (and civil) response or additional link (at least once) in response to someone else’s article. I posted a few of examples to get things started. I also expect your help in improving the class for future students by completing an online course evaluation at the end of the semester.

Use of Class Material from Past Semesters

I expect that students will *not* use exams, problem sets or other materials from previous semesters of this course to study for the exams or to complete assignments. In this class, using materials from past semesters is considered a violation of the UVA honor code.

Late Assignments

The policy of this course is that late work will not be accepted. If you will be absent from class, it is your responsibility to arrange delivery of your assignment on time (or in advance).

Special Needs

Students with special needs requiring accommodations must present the appropriate paperwork from the Learning Needs and Evaluation Center (LNEC) within the first two weeks of class. It is the student's responsibility to present this paperwork in a timely fashion and follow up with the instructor about the accommodations being offered.

Prospective Class Schedule

Date	Topic	FGS	Article	Due
Introduction and Role of Government				
21-Jan	What is Health Economics?	1		
26-Jan	Government Intervention	19	Fuchs 1974	WQ
Demand for Health				
28-Jan	Production of Health, Demand for Health	5, 7		
2-Feb	Economics of Obesity	7		
4-Feb	Economics of Health “Bads”	24		
9-Feb	Economics of Health “Bads”	24	Pacula and Sevigny 2014	PQ1
Demand for Health Insurance				
11-Feb	Risk Aversion and Health Insurance	8		PS1
16-Feb	Health Insurance Demand and Supply	8		
18-Feb	Health Insurance and Medical Care Demand	9		
23-Feb	Health Insurance, Medical Care, Health Outcomes	9	Manning et al. 1987 (RAND HIE)	PQ2
25-Feb	Health Insurance, Medical Care, Health Outcomes	9	Finkelstein et al. 2012 (Oregon HIE)	PS2
1-Mar	<i>Midterm Review</i>			
3-Mar	<i>----- Midterm Exam -----</i>			
8-Mar	<i>No Lecture -- Spring Break</i>			
10-Mar	<i>No Lecture -- Spring Break</i>			
Health Insurance Markets				
15-Mar	Asymmetric Information	10		
16-Mar	<i>Withdrawal Date</i>			
17-Mar	Asymmetric Information	10	Rothschild-Stiglitz 1976	
22-Mar	Organization of Insurance Markets	11		
24-Mar	Health Care Exchanges/Incentives for Providers			PS3

Date	Topic	FGS	Article	Due
Production of Medical Care				
29-Mar	Technological Change and Health IT	6, 12	Miller and Tucker 2011	
31-Mar	Fertility Technology		Bailey, Hershbein, Miller 2012	PQ3
5-Apr	Pharmaceutical Industry and Incentives for Innovation	17		
7-Apr	Labor Markets and Professional Training	16		D1
12-Apr	Supply of Health Professionals	16		
Public Policy and Reform				
14-Apr	Government Intervention: Case of Vaccines	17	Finkelstein 2004	PQ4
19-Apr	Government Provision: Medicare, Medicaid/SCHIP	21		
21-Apr	Government Provision: Medicare, Medicaid/SCHIP	21		PS4
26-Apr	US Health Care Reform	23		
28-Apr	<i>Final Exam Review</i>			
3-May	Policy Debate Presentations			D2
10-May	----- <i>Final Exam : Section 001</i> -----		2pm to 5pm	
6-May	----- <i>Final Exam : Section 002</i> -----		9am to noon	

Notes: WQ = Welcome Quiz, PQ = Paper Questions, PS = Problem Set, D = Debate