

## Economics 379 (L01) The Economics of Health

Instructor:	Prof. Mingshan Lu	Lecture Location:	ST 147
Phone:	403-220-5488	Lecture Days/Time:	MW 17:00-18:15
Email:	lu@ucalgary.ca		
Office:	SS328	Winter 2022	
Office Hours:	Friday 16:30-18:30 via Zoom <a href="https://ucalgary.zoom.us/j/6796995035">https://ucalgary.zoom.us/j/6796995035</a>		

### Course Description:

This is a general introductory course in health economics. Students will learn how to apply economic analysis tools to understanding the economics of health and health care markets. This highly interactive course is designed to help student to establish a conceptual framework to evaluate health care system and policy, to be able to understand and participate in evidence-based decision making in health care.

### Course Learning Outcomes:

- (1) Understand and apply basic economic concepts and theories in health care: such as opportunity cost, economic efficiency, asymmetric information, moral hazard, etc.
- (2) Understand the role of government in health care industry and able to apply it: when and in which direction the government should intervene the markets, as well as how to evaluate the impact of relevant government's policies on markets.
- (3) Understand consumer and provider decision making and behavior in the health care market.
- (4) Understand how to analyze the economics incentives of different payment mechanisms.
- (5) Apply economic analysis to real world issues related with health and health care you encounter in the future.

### Course Outline:

1. Overview	Chapters 1
2. Government intervention and issues in Canadian health care system	Chapters 19-22
3. Economic evaluation of health care	Chapter 4
4. The supply and demand of health	Chapters 5-7
5. The supply and demand of health insurance	Chapter 8
6. Consumer choice and demand	Chapters 9
7. Asymmetric information and agency	Chapter 10
8. Physicians	Chapter 15
9. The organization of health insurance market	Chapter 11
10. Nonprofit firms and hospitals	Chapters 13-14
11. The Pharmaceutical Industry	Chapter 17

### Prerequisites/corequisites:

Economics 201/203, or with consent of the instructor.

**Recommended Textbook(s):**

*The Economics of Health and Health Care*, 8<sup>th</sup> edition, by Folland, Goodman and Stano, Prentice Hall Canada. (Earlier edition is fine too.)

**Books on Reserve:**

Folland, Goodman and Stano. *The Economics of Health and Health Care*, Prentice Hall (latest edition)

Hurley, J. (2010). *Health Economics*, 1st ed, McGraw-Hill.

Phelps, Charles E. *Health Economics*. Routledge; 6 edition (Dec 11 2017).

Barbara McPake, Charles Normand, Samantha Smith, Anne Nolan. *Health Economics: An International Perspective*, Routledge; Newest Edition.

Thomas E. Getzen. *Health Economics and Financing*. John Wiley & Sons; Newest Edition

Zweifel, Peter, Breyer, Friedrich, Kifmann, Mathias. *Health Economics*, Springer-Verlag Berlin Heidelberg. Newest Edition.

Paul J. Feldstein. *Health Policy Issues: An Economic Perspective*. Health Administration Press; Newest edition

Culyer, A.J. & J.P. Newhouse (eds) *Handbook of Health Economics (Vol. 1A and 1B)*, Elsevier, 2000.

Newhouse, J.P. *Free for all? Lessons from the Rand Health Insurance Experiment*, Harvard University Press, 1993.

Evans, Robert. *Strained Mercy: The economics of Canadian health care*, Toronto: Buttersworth, 1984.

Lu, M. & J. Egon (eds.) *Financing Health Care: New Ideas for a Changing Society*, 1<sup>st</sup> edition, Wiley – VCH, Weinheim.

Drummond, Michael F., Bernard O'Brien, Greg Stoddart, and George Torrance. *Methods for the Economic Evaluation of Health Care Programmes*. Oxford University Press: 1997.

Joshua D. Angrist and Jörn-Steffen Pischke, *Mastering 'Metrics: The Path from Cause to Effect*, Princeton University Press: 2014.

Abhijit Banerjee, Esther Duflo, *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. Publicaffairs: 2012

**Desire2Learn:**

This course will make use of the Desire2Learn (D2L) platform. Students who are registered in the course can log on at <http://d2l.ucalgary.ca> through their student centre. Please note that D2L features a class e-mail list that may be used to distribute course-related information. These e-mails go to your University of Calgary e-mail addresses only.

**Lectures**

All lectures between January 10<sup>th</sup> till February 18<sup>th</sup>, 2022, will be delivered online at the Registrar scheduled times and delivered using ZOOM. The lectures will be recorded and subsequently posted to D2L.

**Grade Determination and Final Examination Details:**

CLASS PARTICIPATION / POP QUIZES	20%
MIDTERMS (2@25% each)	50%
TERM PROJECT	
Video Presentation	5%
Term Project Paper	25%
<hr/>	
	100%

The official grading system will be used. See <http://www.ucalgary.ca/pubs/calendar/current/f-1-1.html>.

The 1<sup>st</sup> midterm will be a take home exam that will be posted on D2L at the beginning of class on February 16<sup>th</sup> 17:00 MST, and will be due via the D2L dropbox at February 17<sup>th</sup> 17:00 MST. The take home exam will consist of true/false/explain, and short essay questions.

Class participation is based on attendance of online lectures, interactions/contributions in class discussions, and demonstrated familiarity with course materials. Students who cannot participate in discussions during online lectures due to issues including technical difficulties will be offered alternative opportunity to assess their understanding. This would involve submitting a written response to the discussion question(s) raised during the online lectures. In such case, it will be the students' responsibilities to ensure their written responses are submitted via email to the TA of the course before the last lecture of the term (i.e. April 14<sup>th</sup>, 2021). Late submissions will not be counted in the grading.

Students must receive a passing grade on the final written term project and video presentation to pass the course as a whole.

If a student's letter grade on the written final project exceeds his or her midterm(s) letter grade, the weight of the midterm(s) is (are) transferred to the final project. The student must have written the midterm(s) or provided supporting documentation for the absence(s) such as a medical note or statutory declaration.

As per the Writing Across the Curriculum Statement in the Calendar, writing and grading thereof will be a factor in the evaluation of student work. See <https://www.ucalgary.ca/pubs/calendar/current/e-2.html>.

Course material dealing with a particular assignment will typically be covered in class at least 3 days before the assignment is due; thus, assignments can be completed at any time up to and including the due date. Given these factors, only situations where someone can document illness or domestic affliction for an extended period (i.e., the entire 3 days prior to the due date) would possibly warrant shifting the assignment weight to the final exam. Furthermore, technical problems can be expected to occur with computer systems (and internet availability) so it may be a good idea to not wait until the last minute to submit your assignment.

Any student work which remains undistributed after the last day of classes will be available to students through the instructor's office during the instructor's office hours.

Pop quizzes and midterm examinations will not involve multiple choice questions.

Programmable calculators, cellphones, textbooks, course notes, and other electronic devices will not be allowed during the writing of tests or final examinations. Students are reminded that simply being able to access their cellphone during an exam is academic misconduct.

The exact date for the in-class midterm will be announced at least one week in advance.

THERE WILL BE NO MAKEUP OR DEFERRED QUIZZES/TESTS/EXAMS under any circumstances, nor may the quizzes/tests/exams be written early. Students unable to write the quizzes/tests/exams because of documented illness, family emergency, religious observance, or university-sanctioned event will have the weight shifted to the other components of the course; otherwise a grade of zero will be assigned.

**Reappraisal of Grades:**

*For Reappraisal of Graded Term Work, see Calendar I.2*

<http://www.ucalgary.ca/pubs/calendar/current/i-2.html>

*For Reappraisal of Final Grade, see Calendar I.3*

<http://www.ucalgary.ca/pubs/calendar/current/i-3.html>

**Academic Misconduct:**

Academic Misconduct refers to student behavior that compromises proper assessment of students' academic activities and includes: cheating; fabrication; falsification; plagiarism; unauthorized assistance; failure to comply with an instructor's expectations regarding conduct required of students completing academic assessments in their courses; and failure to comply with exam regulations applied by the Registrar.

Student committing academic misconduct during the final exam will not receive a passing grade for the course.

For information on the Student Academic Misconduct Policy, Procedure and Academic Integrity, please visit: <https://www.ucalgary.ca/pubs/calendar/current/k-3.html>

**Academic Accommodations:**

Students seeking an accommodation based on disability or medical concerns should contact Student Accessibility Services. SAS will process the request and issue letters of accommodation to instructors. Students who require an accommodation in relation to their coursework based on a protected ground other than disability should communicate this need in writing to their instructor. The full policy on Student Accommodations is available at

<https://www.ucalgary.ca/legal-services/university-policies-procedures/accommodation-students-disabilities-procedure>

**Freedom of Information and Protection of Privacy (FOIP) Act:**

Personal information is collected in accordance with FOIP. Assignments can only be returned to the student and will be accessible only to authorized faculty and staff. For more information, see <https://www.ucalgary.ca/legal-services/access-information-privacy>

**Copyright Legislation:**

See the University of Calgary policy on Acceptable Use of Material Protected by Copyright at <https://www.ucalgary.ca/legal-services/university-policies-procedures/acceptable-use-material-protected-copyright-policy> Students who use material protected by copyright in violation of this policy may be disciplined under the Non-Academic Misconduct Policy.

Course materials created by instructors (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the instructor. These materials may NOT be reproduced, redistributed or copied without the explicit consent of the instructor. The posting of course materials to third party websites such as note-sharing sites without permission is prohibited. Sharing of extracts of these course materials with other students enrolled in the course at the same time may be allowed under fair dealing.

**Recording of Lectures:**

Recording of lectures is prohibited, except for audio recordings authorized as an accommodation by SAS or an audio recording for individual private study and only with the written permission of the instructor. Any unauthorized electronic or mechanical recording of lectures, their transcription, copying, or distribution, constitutes academic misconduct. See <https://www.ucalgary.ca/pubs/calendar/current/e-6.html>.

**Important Dates:**

Please check: <http://www.ucalgary.ca/pubs/calendar/current/academic-schedule.html>.

**Student Organizations:**

Faculty of Arts Students' Association (F.A.S.A.):  
Economics Department Representative  
E-mail: [econrep@fasaucalgary.ca](mailto:econrep@fasaucalgary.ca)  
Website: [www.fasaucalgary.ca](http://www.fasaucalgary.ca).

Society of Undergraduates in Economics: <https://www.ucalgarysue.com/>.

Society of Undergraduates in Economics is a student run organization whose main purpose is to assist undergraduate economics students to succeed both academically and socially at the University of Calgary. Services include access to the exam bank, career events such as Industry Night and information sessions, mentorship programs, and social events for members. They invite you to join by contacting SUE at [societyofundergradsineconomics@gmail.com](mailto:societyofundergradsineconomics@gmail.com).

**Faculty of Arts Program Advising and Student Information Resources:**

- Have a question, but not sure where to start? The Arts Students' Centre is your information resource for everything in Arts! Drop in at SS102, call them at 403-220-3580, or email them at [artsads@ucalgary.ca](mailto:artsads@ucalgary.ca). You can also visit the Faculty of Arts website at <http://arts.ucalgary.ca/undergraduate>, which has detailed information on common academic concerns, including program planning and advice.
- For registration (add/drop/swap), paying fees and assistance with your Student Centre, contact Enrolment Services at 403-210-ROCK [7625] or visit them in the MacKimmie Tower.

**Student Support and Resources:**

- See <https://www.ucalgary.ca/registrar/registration/course-outlines> for information on campus mental health resources, the Student Ombuds Office, Student Success Centre, Safewalk, and Emergency Evacuation and Assembly.

- Online writing resources are available at <https://ucalgary.ca/student-services/student-success/writing-support>.

**Notes:**

1. Students are responsible for all assigned material, e.g., supplementary material posted on D2L, regardless of whether or not the material was covered in class.
2. This course has no final examination. Instead, the course emphasized writing and presentation skills. The final project and video presentation must be uploaded by the student to the D2L Dropbox by 23:50 (11:50PM) on April 19<sup>th</sup>, 2022. All other course components will also be accessed, submitted, and returned through D2L.

MLU

2022-01-24