

Economics 379 (L01) The Economics of Health

Instructor: Prof. Mingshan Lu
Phone: 403-220-5488
Email: lu@ucalgary.ca

Lecture Location: HNSC122
Lecture Days/Time: MW 17:00-18:15

Office: SS328
Office Hours: MW 18:15-19:15

Winter 2023

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:

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| 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

Recommended Textbook(s):

The Economics of Health and Health Care, 8th 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*, 1st 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.

Grade Determination:

POP QUIZZES	15%
MIDTERM EXAMS (2@25% each)	50%
TERM PROJECT	
- Video Presentation	5%
- Term Project Paper	30%
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	100%

Examination Details:

Tests and exams **WILL NOT** involve multiple choice questions.

There will be two tests, as well as a term paper project (which includes a video presentation, and a final report). There is no final examination.

The exact date for the in-class midterm exams, as well as details on term project requirements will be discussed in Day 1 of the class; detailed instructions will be posted on the course D2L website.

Grading Policies:

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

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](https://www.ucalgary.ca/pubs/calendar/current/e-2.html).

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.

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 term project; 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 and Intellectual Honesty:

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.

Statement of Intellectual Honesty, see Calendar K.4

<https://www.ucalgary.ca/pubs/calendar/current/k-3.html>

Plagiarism and Other Academic Misconduct

<https://ucalgary.ca/student-services/student-success/learning/academic-integrity>

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 policies on Student Accommodations are available at <https://www.ucalgary.ca/legal-services/sites/default/files/teams/1/Policies-Accommodation-for-Students-with-Disabilities-Procedure.pdf> and <https://www.ucalgary.ca/legal-services/sites/default/files/teams/1/Policies-Student-Accommodation-Policy.pdf>.

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/sites/default/files/teams/1/faq-privacy-faculty-members.pdf> and <https://www.ucalgary.ca/legal-services/sites/default/files/teams/1/faq-privacy-students.pdf>

Internet and Electronic Communication Device information:

The use of cell phones for any purpose in class is prohibited. Computers and tablets may be used for note taking only unless otherwise authorized by the instructor.

Copyright Legislation:

See the University of Calgary policy on Acceptable Use of Material Protected by Copyright at <https://www.ucalgary.ca/legal-services/sites/default/files/teams/1/Policies-Acceptable-Use-of-Material-Protected-by-Copyright-Policy.pdf>. Students who use material protected by copyright in violation of this policy may be disciplined under the Non-Academic Misconduct Policy.

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>.

Instructor Intellectual Property:

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.

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

Office: SS 803, E-mail: econrep@fasaucalgary.ca and Web: 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 sue@ucalgarysue.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. 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 Library Block.

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 emphasizes writing and presentation skills. The final project and video presentation must be uploaded by the student to the D2L Dropbox by 23:50 (11:50 PM) on April 16th, 2023.

MLU

2022-12-25