

# Department of Economics Faculty of Arts

## Economics 679(L01) Health Economics I

Instructor: Prof. Mingshan Lu Lecture Location: SS423

Phone: 403-2205488 Lecture Days/Time: MW 14:00-15:15

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:**

Health care industry is a multi-billion dollar industry; it is largely complex and constantly evolving. Health care reform is one of the most critical and challenging issues facing countries around the world; countries including Canada are experimenting with various approaches to make the existing system work more efficiently. These on-going efforts will generate profound impacts on all sectors in the health care industry for many years to come.

This course introduces students to the fundamental trade-offs and principles common to global health care systems. Students will learn how to apply basic economic concepts, theories, and analytical tools to understanding the special features of health care markets as well as the role of government interventions. Specifics of health care financing policy and reforms from the Canadian health care system as well as other systems that are of particular interest will be discussed. 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.

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All students with an interest in health economics, health services research, and health policy are encouraged to enroll; background in health care field or advanced economics is not required.

#### **Course Outcomes:**

This course is geared to graduate students with research interests in the fields of health economics, health services research, and health care policy. It is specifically designed to help students to apply the concepts and methodologies of health economics in health care. Throughout the term, students will be exposed to various applied health economics issues with high policy relevance. The course is designed to provide guidance for the students to explore, select and develop their own research project, which will lead to a research proposal or research paper delivered at the end of the term.

**Course Outline (tentative; subject to change)** 

	Topics to cover	
Week 1	Introduction: Canadian Health Care System	
Week 2	Why is Health Care Industry Different?	
Week 3	RAND Health Insurance Experiment	
Week 4	Efficiency	
Week 5	Equity	
Week 6	Reading Week	
Week 7	Does Treatment Work? – Determinants of Health	
Week 8	Physicians: Payment Systems and Economic Incentives	
Week 9	Hospitals	
Week 10	Payment Systems and Economic Incentives	
Week 11	Marketing in Health Care	
Week 12	Term Project Class Presentation	
Week 13	Term Project Class Presentation	

## Prerequisites/corequisites:

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

## Required Textbook(s):

None.

## **Recommended Textbook(s):**

None. (For each topic covered, journal publications will be provided as reading materials.)

## **Books on Reserve:**

Folland, Goodman and Stano. The Economics of Health and Health Care, 8th edition, Prentice Hall Canada.

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

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

Evans, Robert Strained Mercy: The Economics of Canadian Health Care, Toronto: Buttersworth, 1984.

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

Lisa I. lezzoni, Risk Adjustment for Measuring Health Care Outcomes, 4th Edition, Health Administration Press, 2013.

Joshua D. Angrist, Jörn-Steffen Pischke, Mastering 'Metrics: The Path from Cause to Effect", Princeton University Press, Dec 21 2014.

Drummond M et al. Methods for the economic evaluation of health care programmes. 3rd ed. Oxford. Oxford University Press. 2005

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 <a href="http://d2l.ucalgary.ca">http://d2l.ucalgary.ca</a> 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/Assessment:**

Midterms (2 @ 20 % each; tentative dates: Feb 16<sup>th</sup> & March 28<sup>th</sup>, tentatively)

40%

Class Participation 20%
Class Presentation of Term Project 10%
Written Term Project 30%
100%

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

#### **Grade Determination and Final Examination Details**

Department of Economics Criteria for Letter Grades. Economics professors use the following criteria when assigning letter grades:

Grade	Grade Point Value	Description
A+	4.00	Outstanding
А	4.00	Excellent-superior performance, showing-comprehensive understanding of subject matter
A-	3.70	Very good performance
B+	3.30	Good performance
В	3.00	Satisfactory performance
B-	2.70	Minimum pass for students in the Faculty of Graduate Studies
C+	2.30	All grades below "B-" are indicative of failure at the graduate level and cannot be counted toward Faculty of Graduate Studies course requirements. Individual programs may require a higher passing grade.

#### ATTENDANCE AND PARTICIPATION EXPECTATIONS:

Students are expected to attend all lectures and participate in the class discussions. Attendance will be taken for each class. Grade for class participation is based on attendance, interactions/contributions in class discussions, and demonstrated familiarity with course readings. There will be class discussions for almost every class (e.g. designing a project to address a specific policy relevant question). Students are expected to engage in these discussions and demonstrate their understanding of the course materials as well as research abilities.

Students must receive a passing grade on the term project (both presentation and written term project) to pass the course.

The two midterms are take-home exams designed and intended to be completed in 90 minutes. Both midterms will be open book, and will be posted on D2L, at the beginning of classes on February 16<sup>th</sup> and March 28<sup>th</sup> at 14:00 MST. The midterms will be due via the D2L dropbox 24-hour later, i.e. 14:00 MST on the following day. The take home exams will consist of short essay questions.

This course has no final examination. Instead, the course emphasized writing and presentation skills.

All other course components will also be accessed, submitted, and returned through D2L.

## Absence from a Test/Exam

THERE WILL BE NO MAKEUP OR DEFERRED QUIZZES under any circumstances, nor may the quizzes be written early. Students unable to write the quizzes because of documented illness, family emergency, religious observance, or university-sanctioned event will have the weight shifted to the final examination; otherwise a grade of zero will be assigned. If a student cannot write their final exam on the date assigned by the Department, they need to arrange for a deferred exam with the department.

## **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 <a href="http://www.ucalgary.ca/pubs/calendar/current/i-3.html">http://www.ucalgary.ca/pubs/calendar/current/i-3.html</a>

#### **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 <a href="https://www.ucalgary.ca/legal-services/access-information-privacy">https://www.ucalgary.ca/legal-services/access-information-privacy</a>

#### **Copyright Legislation:**

See the University of Calgary policy on Acceptable Use of Material Protected by Copyright at <a href="https://www.ucalgary.ca/legal-services/university-policies-procedures/acceptable-use-material-protected-copyright-policy">https://www.ucalgary.ca/legal-services/university-policies-procedures/acceptable-use-material-protected-copyright-policy</a> 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 <a href="https://www.ucalgary.ca/pubs/calendar/current/e-6.html">https://www.ucalgary.ca/pubs/calendar/current/e-6.html</a>.

## **Important Dates:**

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

## **Student Organizations:**

Faculty of Grad Studies website: http://grad.ucalgary.ca/home

Graduate Students Association: <a href="http://gsa.ucalgary.ca/">http://gsa.ucalgary.ca/</a>

**Professional Development for Grad Students** 

Workshops and resources can be found at http://www.ucalgary.ca/mygradskills/

Economics Graduate Association: <a href="http://econ.ucalgary.ca/ega/">http://econ.ucalgary.ca/ega/</a>

## **Student Support and Resources:**

- See <a href="https://www.ucalgary.ca/registrar/registration/course-outlines">https://www.ucalgary.ca/registrar/registration/course-outlines</a> 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 <a href="https://ucalgary.ca/student-services/student-success/writing-support">https://ucalgary.ca/student-services/student-success/writing-support</a>.
- 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.

#### Notes:

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.

MLU

2022-01-24