

ECO 312 – Health Economics

SYLLABUS

Fall 2023

INSTRUCTOR INFORMATION:

Name: Hoang Dao (HD)

Office: Carnegie 203

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Office Hours: Fridays 2-5PM or by appointment

CLASS TIME AND LOCATION:

Class time: MWF 12:00-12:50AM

Location: Walsh-Ellet 202

CLASS DESCRIPTION

Class description: The U.S. is the highest per capita spender on healthcare among developed nations. It has a unique and uniquely complicated healthcare structure distinct from other countries. Is it a good or bad thing for the US population? This course examines both the theories and empirics of multiple topics in Health Economics. Students will learn that Health Economics is fundamentally different than regular economics in every aspect covered in the course: Demand, Supply, Adverse Selection, Moral Hazard, Insurance, Policy, and so on. Each topic will contain a balanced structure between theory and accompanying empirical studies.

Course Objective: At the end of this course, students should demonstrate their ability to apply economic models and their understanding of research methods to analyze different topics within Health Economics.

TEXTBOOK AND COURSE MATERIALS:

Textbook: Health Economics by Jay Battacharya, Tim Hyde, and Peter Tu

[Health Economics: Bhattacharya, Jay, Hyde, Timothy, Tu, Peter: 9781137029966: Amazon.com: Books](#)

Other materials: Lecture notes.

BASIC COURSE FLOW

Students are expected to do the readings beforehand for assigned chapters and engage in discussion in class. Biweekly, there will be an assignment covering the topics discussed during the weeks. The assignment is due at the dates specified on the schedule.

There are 2 exams and 1 paper on specified dates. Before each exam, there will be review sessions to cover important topics. This includes going through the answers to the homework relevant to the exams.

ASSESSMENT

Components

- **Assignments:** 6 Homework, lowest dropped, 2% each. Total = 10%
Homework is due on the specified date on the syllabus, in the form of either multiple choice or short answer/essay/calculations, due at the end of the following week. There are a total of 6 homework assigned to students, 5 of which count towards the final grade.
- **Exams:** 2 Exams, 15% each. Total = 30%
Two exams are equally weighed (15% each) towards the final grade. Exams are divided into Multiple choice and essay/calculation questions. Topics are based on the concepts introduced in class and homework from relevant topics.
- **Project:** 50% Essay + 10% presentation = 60%
Students can work individually or in a group of three. Choose yourself a country or state of interest to write a comprehensive urban economic report about. More details to be posted later on Brightspace.

Grading Scale

<60	60-69.99	70-72.99	73-76.99	77-79.99	80-82.99	83-86.99	87-89.99	90-92.99	93-100
F	D	C-	C	C+	B-	B	B+	A-	A

***Attendance:** I do not count attendance towards final grades, but will take it into consideration when entering the final letter grade if you're within 0.1 points from the next grade bracket.

CLASS POLICY

Attendance & Participation: Students are not required to but strongly encouraged to attend every single class. It is evident that good results in both short term and long term from this class are strictly correlated with attendance.

Exam Make up: There are no makeups for exams or late homework. Students with sufficient evidence to miss an exam will have the weight of the missed exam added to the following exam.

In-class behavior: Distractions are not allowed. The use of cellphone and laptop are not allowed unless instructed. Any in-class discussion has to be non-disruptive and constructive to the lecture or topic of discussion.

HONOR CODE & Academic Integrity: When you matriculated, you agreed to follow the Honor Code: to do your own honest work and not to cheat in any form. All forms of cheating, including plagiarism, are violations of the Honor Code and will be treated as such. As per the Honor Code, plagiarism is defined as "[copying or imitating] the language and thoughts of others and [passing] the result off as an original work." Using the language or ideas of others without proper citation is considered academic dishonesty (cheating), and "others" includes responses from artificial intelligence processing programs (for example, ChatGPT). If you ever have a question about an assignment or need additional help, please ask for assistance rather than jeopardize your academic career.

Official ADA Statement

The University of the South is committed to fostering respect for the diversity of the University community and the individual rights of each member of that community. In this spirit, and in accordance with the provisions of

Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act (ADA), the University seeks to provide students with disabilities with the reasonable accommodations needed to ensure equal access to the programs and activities of the University.

Any student with a documented disability needing academic adjustments is requested to speak with Student Accessibility Services (SAS) as early in the semester as possible. If approved for accommodations, the student has the responsibility to present their instructors with a copy of the official letter of academic accommodations. Please note: Accommodation letters should be dated for the current term; accommodations will not be provided without a current accommodation letter; and accommodations cannot be applied retroactively.

SAS is located in the Office of the Dean of Students (931.598.1229). Additional information about accommodations can be found on the [Student Accessibility Services](https://new.sewanee.edu/offices/the-college-of-arts-sciences-offices/student-life/dean-of-students-office/student-accessibility-services/) website (<https://new.sewanee.edu/offices/the-college-of-arts-sciences-offices/student-life/dean-of-students-office/student-accessibility-services/>).

RESOURCES:

Tutoring: Consultants at the Sewanee Writing Center are available to assist students with all stages of the writing process.

News papers

The Economist

The New York Times

Washington Post

Podcasts:

Freakonomics Radio:

The Economist Podcasts

Planet Money-NPR

Probable Causation

Econtalk

The Grumpy Economist

Data sources:

city-data.com

Census.gov

Citylab.com

COURSE SCHEDULE (TENTATIVE)

08/23 – 09/29: Healthcare Market: Supply, Demand and Insurance Economics: Chapters 1 - 11

- Review of Microeconomics:
 - o Consumer's Utility & Producer's profit maximization
 - o Competition vs Monopoly

Part 1: Demand

- Chapter 1: Overview of Health Economics
 - o Health Econ is different and useful
- Chapter 2: Health Demand
 - o Theory and Empirical Demand for Healthcare
- Chapter 3: Health Demand (cont): The Grossman Model
 - o Utility maximization with Health
- Chapter 4: Health Demand (cont): Inequalities
 - o Empirics and possible explanations to health inequality

Part 2: Supply

- Chapter 5: Health Supply - Doctors
 - o Wages, training, and entry to the market
 - o Doctor discrimination
- Chapter 6: Health Supply - Hospitals
 - o History of hospitals
 - o The relationship between hospitals, doctors, and insurance

Part 3: Insurance: Information Economics

- Chapter 7: Insurance Demand
 - o Uncertainty & Risk preference
 - o Insurance
- Chapter 8: Adverse Selection
 - o Arkelof's Market for lemons
- Chapter 9: Adverse Selection (cont)
 - o The Rothschild-Stiglitz model
- Chapter 10: Adverse selection (cont)
- Chapter 11: Moral Hazard

10/02 (Monday): **Exam 1 (15%)**

10/04 – 11/03: Recent topics in Health: Reality & Policy. Chapters 12-24

Part 4: Innovation in Health

- Chapter 12: Innovation
 - o Drug, patent, pharma
- Chapter 13 & 14: Tech and healthcare price

Part 5: Policy

- Chapter 15: Policy overview
 - o Addressing problems
 - o Comparing national health policies
- Chapter 16: Nationalized health care
- Chapter 17: Social Health Insurance
- Chapter 18 & 19: American Health Care

Part 6: Public Health

- Chapter 20: Externality
- Chapter 21: Epidemiology
- Chapter 22: Obesity

10/16: NO CLASS: Fall Break

11/06(Monday): Exam 2 (15%)

11/08-11/19: Studies in Health Economics

11/22 – 11/27: NO CLASS: Thanksgiving

11/29 – 12/04: Project presentations (10%)

12/06: Final essay due (50%)