

University of Colorado Boulder  
Department of Economics  
Econ 4646-001, Spring 2017

January 14, 2017

Health Economics

## 1 Course Description

**Instructor:** Shuang Zhang (Assistant Professor of Economics)

**Contact:** Economics 10  
303-492-2585  
shuang.zhang@colorado.edu

**Course time:** TTH 11am-12:15pm

**Location:** ECON 117

**Office Hours:** Tuesday 12:30-2pm or by appointment

**Location:** Economics 10

**Course Description:**

Health economics is a growing field and is an important aspect of public policy in developed and developing countries. This course is designed to introduce upper level undergraduate students in economics to the field of Health Economics. The course focuses on two broad areas: 1) population health; 2) health care. We will cover a number of topics including basic economic concepts important for the study in health economics, human capital model of health, health and human development, health insurance, the US health care market, health care in other countries, health care reform, health and economic development, etc.

**Textbook:**

Jay Bhattacharya, Timothy Hyde and Peter Tu. *Health Economics*. Palgrave Macmillan Press.

## 2 Course Requirements

### 1. Mid-term exams (30%)

- (a) **Mid-term 1 (15%): Feb. 16th**
- (b) **Mid-term 2 (15%): Mar. 23rd**

### 2. Group project (20%)

The objective of this project is to become the expert on the health system of a country of your choice, to describe the health challenges facing the country, and prescribe a potential policy solution. You may NOT choose the US. Two or three students form a group. Each group will present your group project. Each person in your group needs to participate in giving the presentation. A group should plan on talking for 25 minutes and leave 10 minutes to lead a discussion with the class. We will have two presentations per class in the final presentation weeks.

The presentation will include 4 parts:

- Part 1: Performance of the Health Care System. For example, you may include figures on:
  - Trends in health expenditures (per capita, public versus private)
  - Trends in mortality/life expectancy: by age (infant, under 5, and adult) and gender
  - Trends in morbidity: find statistics on the diseases that are relevant for your country and make the case why the diseases you choose are relevant.
  - Trends in health care resources: doctors and nurses per capita, hospital beds per capita, medical equipment per capita.
- Part 2: Overview of the Health Care System. For example, you may talk about:
  - History: when the system was created and what led to its creation.
  - Funding: which areas are publicly or privately funded or both?
  - Delivery: Who delivers the health care? The private sector or the public sector?
  - Insurance: What type of insurance system is available (universal, employment-based), and are there uninsured?
- Part 3: Potential Solutions. In this part, you will either suggest changes in health care policy and the economic rationale for these changes, or describe how the country is currently tackling this problem and provide a critique using economic rationale.
- Part 4: Discussion questions. You will lead a discussion with the class.

### 3. Final exam (40%)

### 4. Class attendance (10%)

There are 8 quizzes in class during the semester on random dates. We will do a form of “Pair & Share”. Two students pair up to talk to each other your answers to the quiz questions first, and then each team share with the class about their answers. Missing quiz records will affect your attendance grade.

### 3 Course Schedule

Week	Date	Topic	
week1	Jan 17-19	Introduction & Research methods	
week 2	Jan 24-26	Demand for Health	
week 3	Jan 31 - Feb 2	Demand for Health Care	
week 4	Feb 7-9	Health Insurance	
week 5	Feb 14-16	Health Insurance	<b>Midterm 1 on Thursday</b>
week 6	Feb 21-23	The US Health Care System	
week 7	Feb 28 - Mar 2	International Comparison with OECD Countries	
week 8	March 7-9	Health Care Reform in the US	
week 9	March 14-16	Health in Developing Countries	
week 10	March 21-23	Health in Developing Countries	<b>Midterm 2 on Thursday</b>
week 11	March 28-30	<b>Spring Break</b>	
week 12	April 4-6	Health and Human Capital Formation	
week 13	April 11-13	Group presentations	
week 14	April 18-20	Group presentations	
week 15	April 25-27	Group presentations	
		<b>Final exam schedule TBA</b>	

## 4 Required readings

### 4.1 Week 2

- Textbook: Chapter 1.3 (Demand for health: the Grossman model)

### 4.2 Week 3

- Textbook: Chapter 1.2 (Demand for health care)

### 4.3 Week 4

- Textbook: Chapter 3.7 (Demand for Insurance) and Chapter 3.10 (Adverse selection in real markets)

### 4.4 Week 5

- Textbook: Chapter 3.11 (Moral hazard)

### 4.5 Week 6

- Textbook: Chapter 18 (The American Model)

### 4.6 Week 7

- Textbook: Chapter 16 (The Beveridge model: nationalized health care) and Chapter 17 (The Bismark model: social health insurance)

### 4.7 Week 8

- “Hammering home reform”, *the Economist*, Mar 22nd 2010  
<http://www.economist.com/node/15758185?zid=318&ah=ac379c09c1c3fb67e0e8fd1964d5247f>
- “Young, fit and uninterested”, *the Economist*, Jan 18th 2014  
<http://www.economist.com/news/united-states/21594300-was-supposed-be-month-uninsured-got-health-insurance-not-enough>
- “Uphill all the way”, *the Economist*, Mar 29th 2014  
<http://www.economist.com/news/united-states/21599786-deadline-signing-up-nears-obamacare-looks-precarious-uphill-all-way?zid=318&ah=ac379c09c1c3fb67e0e8fd1964d5247f>

### 4.8 Week 9-10

- “Global child mortality total is halved”, *the New York Times*, February 2, 2008  
[http://www.nytimes.com/2008/01/22/health/22iht-CHILD.4.9413329.html?\\_r=1&](http://www.nytimes.com/2008/01/22/health/22iht-CHILD.4.9413329.html?_r=1&)

- “Health: unpicked low-hanging fruit”, *the Economist*, Apr 22nd 2011  
[http://www.economist.com/blogs/freeexchange/2011/04/banerjee\\_and\\_duflor\\_0](http://www.economist.com/blogs/freeexchange/2011/04/banerjee_and_duflor_0)
- Dupas, Pascaline. 2014. “Getting Essential Health Products to Their End Users: Subsidize, but How Much?” *Science*, 345(6202): 1279-1281.
- Dupas, Pascaline. 2014. “Global Health Systems: Pricing and User Fees.” *Encyclopedia of Health Economics*, Anthony J. Culyer, Ed. , 2:136-141.

### **Students with Disabilities**

If you qualify for accommodations because of a disability, please submit to me a letter from Disability Services so that your needs may be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671, Willard 322, and <http://www.Colorado.EDU/disabilityservices>

If you have a temporary medical condition or injury, see guidelines at <http://www.colorado.edu/disabilityservices/go.cgi?select=temporary.html>

### **Religious Observances**

Campus policy regarding religious observances requires that faculty make every effort to reasonably and fairly deal with all students who, because of religious obligations, have conflicts with scheduled exams, assignments, or required attendance. If you have a conflict due to a religious obligation, please see me so that alternate arrangements can be made. Policies regarding religious practice are available at

[www.colorado.edu/policies/fac\\_relig.html](http://www.colorado.edu/policies/fac_relig.html).

### **Academic Misconduct**

All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include: cheating, plagiarism, aid of academic dishonesty, fabrication, lying, bribery, and threatening behavior. All incidents of academic misconduct shall be reported to the Honor Code Council ([honor@colorado.edu](mailto:honor@colorado.edu); 303-735-2273). Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions (including but not limited to university probation, suspension, or expulsion). Other information on the Honor Code can be found at <http://www.colorado.edu/policies/honor.html> and at

<http://www.colorado.edu/academics/honorcode/>

### **Sexual Harassment**

The University of Colorado at Boulder policy on Discrimination and Harassment, the University of Colorado policy on Sexual Harassment and the University of Colorado policy on Amorous Relationships apply to all students, staff and faculty. Any student, staff or faculty member who believes s/he has been the subject of sexual harassment or discrimination or harassment based upon race, color, national origin, sex, age, disability, creed, religion, sexual orientation, or veteran status should contact the Office of Discrimination and Harassment (ODH) at 303-492-2127 or the Office of Judicial Affairs at 303-492-5550. Information about the ODH, the above referenced policies and the campus resources available to assist individuals regarding discrimination or harassment can be obtained at

<http://www.colorado.edu/odh>

### **Learning Environment**

Students and faculty each have responsibility for maintaining an appropriate learning environment. Those who fail to adhere to such behavioral standards may be subject to discipline. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences of race, culture, religion, politics, sexual orientation, gender, gender variance, and nationalities. Class rosters are provided to the instructor with the student's legal name. I will gladly honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records.

See policies at <http://www.colorado.edu/policies/classbehavior.html> and at [http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student\\_code](http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student_code)