

University of Colorado Boulder
Department of Economics
Econ 4646-001, Fall 2019

August 25, 2019

Health Economics

1 Course Description

Instructor: Shuang Zhang (Assistant Professor of Economics)

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Course time: TTH 2:00-3:15 PM

Location: ECON 117

Office Hours: Tuesday 1:00-2:00 PM or by appointment

Location: Economics 216

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. Two mid-term exams (50%)

- (a) Mid-term 1 (25%): 10/1
- (b) Mid-term 2 (25%): 11/12

2. Final research project (40%)

- (a) Group presentation (20%)
- (b) Final paper (20%): Due by 11:59 PM on 12/17

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.

Please form your own group of 2-3 students (no more than 3). Each group will present your group project using powerpoints in class. Each person in your group needs to participate in giving the presentation. A group should plan on talking for 20-25 minutes. We will have 3 presentations per class.

You will write a paper of your project as a group. Your paper must be properly referenced. You will base your oral presentation on this paper. The paper should be at least 20 pages long double spaced.

The project 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 lead 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 rational for these changes, or describe how the country is currently tackling this problem and provide a critique using economic rational.

- Part 4: Questions for discussions or future research.

3. **Class attendance (10%)**

There are several random quizzes in class during the semester on random dates. Missing quiz records will affect your attendance grade.

3 Course Schedule

Week	Date	Topic
week1	8/27 and 8/29	Introduction & Research methods
week 2	9/3 and 9/5	Demand for Health
week 3	9/10 and 9/12	Demand for Health Care
week 4	9/17 and 9/19	Health Insurance
week 5	9/24 and 9/26	Health Insurance
week 6	10/1 and 10/3	Midterm 1 on 10/1; In-class discussion of exam on 10/3
week 7	10/8 and 10/10	US Health Care System
week 8	10/15 and 10/17	International Comparison with OECD Countries
week 9	10/22 and 10/24	Health Care Reform in the US
week 10	10/29 and 10/31	Health in Developing Countries
week 11	11/5 and 11/7	Health and Human Capital Formation
week 12	11/12 and 11/14	Midterm 2 on 11/12; In-class discussion of exam on 11/14
week 13	11/19 and 11/21	Group presentations
week 14	11/26 and 11/28	FALL BREAK
week 15	12/3 and 12/5	Group presentations
Week 16	12/10 and 12/12	Group presentations
Week 17		12/17: Final paper DUE

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 7

- Textbook: Chapter 18 (The American Model)

4.6 Week 8

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

4.7 Week 9

- “Hammering home reform”, *The Economist*, Mar 22nd 2010
<http://www.economist.com/node/15758185?zid=318&ah=ac379c09c1c3fb67e0e8fd1964d5247f>
- “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>
- “What Happens if Obamacare Is Struck Down?”, *New York Times*, March 26, 2019
<https://www.nytimes.com/2019/03/26/health/obamacare-trump-health.html?action=click&module=>

4.8 Week 10-11

- “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&
- “Health: unpicked low-hanging fruit”, *the Economist*, Apr 22nd 2011
http://www.economist.com/blogs/freexchange/2011/04/banerjee_and_duflo_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.