

**UNIVERSITY OF COLORADO**  
**Department of Economics**  
**Economics 4999-006**  
**Economics in Action: Health Economics**  
**Spring 2008**

**Professor Tania Barham**

**Office:** Economics 14C (in the McGuire Center, basement of Econ)

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**Office Hours:** Tuesday/Thursday 2:00pm – 3:15pm in Economics 14C

**Course Website:** <http://www.colorado.edu/ibs/hb/barham/courses/hlthecon/>

**Course Description**

Health economics is a growing field and is an important aspect of public policy in developed and developing countries. The purpose of this course is to encourage students to read, think, and do research on issues in health economics. This course will cover issues there are pertinent to the US, other developed countries and developing countries. In order to help ready students for their working careers, students will be asked to use and improve their research and communication skills (writing and speaking) as well as their ability to work in groups. These skills will be developed while they learn about topics in health economics.

**Course Organization**

This course will comprise three parts. Part 1 will cover about a third of the time. During this time I will lecture on some of the basic concepts that underpin Health Economics. During part 2 of the course, which will last approximately 5 weeks, you will work on your research and presentation skills by doing a group paper and lecture. Finally, during the last part you will present your individual projects.

**Prerequisites**

While there are no official course pre-requisites, students will be expected to be comfortable with the material from intro and intermediate micro or willing to put in some extra time to learn the material necessary. Some familiarity with calculus will be helpful for comprehending some of the reading material. An exposure to regression analysis will also be useful for understanding the material. Students who are unsure about their preparation for the course should speak with me after class.

**Textbook**

Sherman Folland, Allen Goodman, and Miron Stano. *The Economics of Health and Health Care* (5th Edition). Pearson Prentice Hall Press. ISBN: 0-13-237978-3. This book is not in the University Book store but you can get it easily online. Check [www.bestbookbuys.com](http://www.bestbookbuys.com) and amazon.com for used versions.

Two good texts from a developing country perspective are:

William, Jack. *Principles of Health Economics for Developing Countries*, World Bank Institute, The World Bank, Washington DC

Musgrove, Philip. *Health Economics in Developing Countries*. The World Bank, Washington DC

## **Evaluation:**

Evaluation for this course will be based on a mid-term exam, individual project and group project. There will be no make-up exam so make sure you are there. Early on in the semester I will divide the class in small groups of 4 or 5 members. To prevent free riding, each member of a group will be asked to grade the efforts of the other group members. The projects are described at the end of the course outline.

Written projects are due in class unless otherwise indicated below. There will be severe penalty for late projects: you will lose a full grade level for each day beyond the due date (i.e. an "A" paper that is handed in a day late will receive a "B"). Note I count the first day late to be after class on the day it is due.

<b>PROJECT</b>	<b>DUE DATE</b>	<b>PERCENTAGES</b>
<b><u>Mid-Term Exam</u></b>		<b>20 %</b>
<b><u>Individual Project</u></b>		<b>30 %</b>
Country Choice	Jan 24 send to me by email	
Stage 1	Feb 7 due in class	6
Stage 2	Mar 6 due in class	6
Stage 3	Mar 18 due in class	8
Oral Presentation		10
<b><u>Group Project</u></b>		<b>30%</b>
Class notes	2 days before oral presentation- send to me by email	15
Oral Presentation	TBD	15
<b><u>Participation</u></b>		<b>20 %</b>
Group Participation		5
Class Participation		15

## Tentative Class Schedule

WEEK	DATE	TOPIC	
		Tuesday	Thursday
1	Jan 15, 17	Syllabus Review and Introduction	Health and Economic Development
2	Jan 22, 24	Health Production Functions Demand for Health Care	Health Production Functions Demand for Health Care
3	Jan 29, 31	Research Methods	Equity, Efficiency and Need
4	Feb 5, 7	Rational for Government Intervention	Workshop on Presentation Skills & Data Sources
5	Feb 12, 14	Health Insurance	Health Insurance
6	Feb 19, 21	Health Sector Reform	<b>MID-TERM EXAM</b>
7	Feb 26, 28	<i>Groups 1 &amp; 2 meet with Professor in Office</i>	<i>Groups 3 &amp; 4 meet with Professor in Office</i>
8	Mar 4, 6	<i>Groups 5 &amp; 6 meet with Professor in Office</i>	Group 1 Lecture
9	Mar 11, 13	Group 2 Lecture	Group 3 lecture
10	Mar 18, 20	Group 4 Lecture	Group 5 Lecture
11	Mar 25, 27	<b>MARCH BREAK ENJOY!</b>	
12	Apr 1, 3	Group 6 Lecture	Individual presentations
13	Apr 8, 10	Individual presentations	Individual presentations
14	Apr 15, 17	Individual presentations	No Class
15	Apr 22, 24	Individual presentations	Individual presentations
16	Apr 21 May 1	Individual presentations	Wrap-Up

## **GROUP PROJECT**

The objective of this project is to research a particular topic in health economics. You will form groups of approximately 4 people. There are some topics which are developing country focused and others that are developed country focused. Your research output will take the form of class notes (to be made available to students 2 days before you lecture) and an oral presentation – you will teach a class. You may want to prepare some thought provoking questions to help engage the class.

### **Office Meeting:**

I will meet with each group at least a week before they are to give their oral presentation. During this meeting you should bring the research materials you have found with you and be ready to discuss what you think you would like to say in your lecture.

### **Class Notes:**

The class notes should be concise. I suggest no more than 15 pages long. You can email me these notes and I will post them on the web. You may also want to email them to the class. Your class notes must include a complete bibliography of the material used to prepare the notes. Feel free to give the class a couple of readings if you think that would help the class participate.

### **Participation Points/Questions:**

You must prepare two questions for each lecture and hand the question(s) into me at the beginning of class. You can use the class notes to develop your questions. You will be awarded participation points for handing in your questions. You will receive 0 points if you do not hand in a question, 1 point for an irrelevant question, and 2 points for a relevant question(s). If you miss more than one class, you will get a zero for the participation points for this section. You will get more points if you ask the questions in class.

### **Oral Presentation:**

You will teach a class on one of the topics below. You may suggest a topic and I will add more topics if needed. You should plan on talking for an hour and leave 15 to minutes for class discussion and wrap up.

Suggested List of Topics:

1. Drug Policy in the Developed World
2. Drug Policy in the Developing World
3. The Economics of HIV/AIDS
4. Social Insurance in the US: Medicaid and the Managed Care Revolution
5. User-fees in Developing Countries
6. Health Savings Accounts

## **INDIVIDUAL PROJECT**

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. The project will consist of 4 stages:

### **Stage 1: Overview of the Health Care System**

Produce a maximum 4-page executive summary plus bibliography. It should outline the country's health care system. You may want to note:

- When it was created and what were the forces that lead to its creation.
- Is there a private and public sector?
- Who does the public sector cover? Who does the private sector cover?
- What type of insurance system is available (universal, employment-based)
- How is care delivered (by the private sector, public sector, NGOs ?)
- How is health care financed (who pays what)

### **Stage 2: Performance of the Health Care System**

Produce a maximum 2-page executive summary plus tables (i.e. tables are not included in the 2 page limit). Also include your references. You should reference your data sources and any other reports you used. In this summary you want to use health data to report on the performance of the health care system (i.e. expenditure, morbidity, mortality, health care resources). It is always good to make comparisons so you may want to report how your country is doing compared to the average for other countries in the region and other countries at a similar level of income (i.e. low income, middle income, high income or OECD countries). You also want to show how the trends have changed in your country. Based on the data and your readings outline some of the challenges you think this country faces.

Here is a website where you can look up what income level your country is classified as:  
[www.worldbank.org/data/countryclass/classgroups.htm](http://www.worldbank.org/data/countryclass/classgroups.htm)

### **Stage 3: Problems and Solutions**

Produce a maximum 3-page executive summary plus bibliography. In this summary you want to outline one or two important health care problem the country is facing and either:

1. Suggest a change in health care policy (health care reform) and the economic rationale for this reform.
2. Describe how the country is tackling this problem and provide a critique using economic rationale.

### **Stage 4: Oral Presentation:**

You should plan a presentation reviewing the three stages of your project. Once we have the final class numbers I'll let you know the length of the presentation.

### **Students with Disabilities:**

If you qualify for accommodations because of a disability, please submit to me a letter from Disability Services in a timely manner 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>

### **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 by January 24<sup>th</sup> 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); 303-725-2273). 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 discrimination or harassment based upon race, color, national origin, sex, age, disability, 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)