Office Hours: T,TH: 1:30-2:30 & by appointment

402 Elliott Hall: TEL: 248-370-3291

PowerPoint Slides 

ANNOUNCEMENTS (Last Update: )

TENTATIVE **EXERCISE** ASSIGNMENTS (by initials)

For Jan. 23: Ch. 2 (#s1,2RA; #3AA; #s5,6MC)

For Jan. 30: Ch. 2 (#9PA—also draw a graph; #8BC)

For Feb. 6: Ch. 17 (#1MC; #2MD;#3RG; #4FIS; #6DK); Ch. 5 (#1ML)

For Feb. 13: Ch. 19 (#2GL; #3 DM; #4SM; #5CN); Ch. 9 (#s1,2NMN;#3KR;#s4,5JS)

For Feb. 27: Ch. 6 (#4RS;#5DS;#8BW); Ch. 10 (#1MZ, #2--)

For Mar. 12: Ch. 15 ( None ); CH 8 (#1,2PA;#6AA;#7,8 MC;#9BC); Ch. 11 (None)

For Mar. 19: Preliminary paper presentations (everyone); Ch. 12 (#1,2MCC ;#3--); Ch. 14 (#1MD ,#2RG ,#3FIS,#4--,#5DK); CH 16(1,2ML,4,5GL)

For Mar. 26: Ch. 4 (#2DM,#3SM,#4CN,#5NNM,#6,7KR); Ch. 20 (#1,2JS;#6RS)

For Apr. 2:

Apr. 9: Ch. 22 (#1DS; #6MZ); Paper presentations ( FIS, ML, MZ, others?). Everyone else presents on Apr. 16.

COVERAGE & ASSIGNMENTS

# Weeks 1/2: Introduction/Micro Review

**CH: 1**—**Introduction**

Skim through the chapter but note pp. 14-17.

Discussion Questions: 1-3

Exercises: 1,2,4

Supplemental Reading: Paul Feldstein (PF): CH 1 (The Rise of Medical Expenditures)

**CH: 2**—**Microeconomic Tools for Health**

Health economics is based largely on microeconomics. Most of the material in Ch. 2 is covered in introductory courses but the concepts on pp. 30-33 and 37-39 are often left to intermediate courses. I will cover the entire chapter.

Discussion Questions: 3,5,6,7

Exercises: 1-9

# Week 3: Applying the Basic Tools

**CH: 17—The Pharmaceutical Industry:** emphasis on pp 348-355

Discussion Questions: 3,5,7-9

Exercises: 1-3,4\*,5\*,6\*

PF: CH 25 (The High Price of Prescription Drugs); CH 26 (Ensuring Safety and Efficacy of New Drugs); CH 27 (Why are Prescription Drugs Less Expensive Overseas?); CH 28 (The Pharmaceutical Industry: A Public Policy Dilemma)

**CH: 5—The Production of Health**: Note: pp. 86-88, 95; otherwise skim

Discussion Question: 2; Exercise: 1

PF: CH 3 (Do More Expenditures Produce Better Health?)

# Week 4: Demand and Supply of Health Care

**CH:19—Government Intervention in Health Care Markets:** emphasis on pp. 389-96

Discussion Questions: 2,4,8

Exercises: 1-5

PF: CH 30 (The Role of Government in Medical Care)

**CH: 9**—**Consumer Choice and Demand**: emphasis on pp. 167-76.

Discussion Questions: 3,7,9

Exercises: 1-6

**CH: 6**—**The Production, Cost, and Technology of Health Care:** emphasis on pp. 105-18

Exercises: 3-5,8

# Week 5: Information Issues

**CH: 10—Asymmetric Information and Agency**

Discussion Questions: 1,3-8

Exercises: 1,2

PF: CH 4 (In Whose Interest Does the Physician Act?)

**CH: 15—The Physician’s Practice (will not be on midterm)**

Discussion Questions: 5,6

Exercises: 1,2

PF: CH 12 (The Changing Practice of Medicine); CH 13 (Recurrent Malpractice Crises)

**Week 6: Midterm**

# Week 7: Insurance/Managed Care

**CH: 8—The Demand and Supply of Insurance:** pp. 143-148; 154-162

Exercises: 1-2, 6,7,8,9\*

PF: CH 6 (How Much Insurance Should Everyone Have?); CH 7 (Why are Those Who Most Need Insurance Least Able to Buy it)

**FGS: 11—The Organization of Health Insurance Markets:**

I will briefly talk about “who pays for insurance” (pp. 206-209) and the “uninsured” (pp. 218-24).Note also Tables 11-1 and 11-2 and Box 11-4.

No assignments.

**FGS:12—Managed Care:** pp. 230-249; 253-255

Discussion Questions: 5,9

Exercises:12.1-12.3

PF: CH 19 (The Evolution of Managed Care)

# Week 8: Nonprofit Firms and Hospitals

**Preliminary Paper presentation as per template**

**CH: 13—The Role of Nonprofit Firms (skim)**

No assignments.

**CH: 14—Hospitals and Long-Term Care**

Discussion Questions: 1,2,8,10

Exercises: 1-5

# Week 9: Labor Markets

**CH: 16—Health Care Labor Markets and Professional Training**

Discussion Questions: 5,7,13,14

Exercises: 2,4,5

Week 10: Regulation/Social Insurance/Cost-Benefit Analysis

**CH: 4—Economic Efficiency and Cost-Benefit Analysis:** pp: 64-68; 76-79

Discussion Questions: 4,6

Exercises: 2-7

**CH:20—Government Regulation: Principal Regulatory Mechanisms:** pp. 406-415; 424-426: (you just need to have some general knowledge of the material in this chapter)

Exercises: 1,7

**CH:21—Social Insurance:** pp. 436-450; 454-464 (you just need to have some general knowledge of the material in this chapter)

No assignments

**Week 11: International Health Systems**

**CH:22--Comparative Health Care Systems** (you just need to have some general knowledge of the material)

Exercises: 1,6

**Week 12: Health System Reform**

**CH: 18—Equity, Efficiency and Need**

The material on need and equity is very interesting but I won’t have time to deal with this chapter. Econ majors should have a good knowledge of Pareto efficiency and its relevance to health economics.

**CH:23--Health System Reform**

This is an extremely relevant and timely chapter that you should read carefully.

No specific assignments.

# Week 13: Presentation of Papers/Celebration

**Final: April 23: 7-9pm**

OTHER ASSIGNMENTS

Assignment 1: Due Jan. 23 (Everyone): Go to the Kaiser Family Foundation (KFF) Web page: [www.kff.org](http://www.kff.org). Go to ‘Kaiser Slides’ (middle of page). Browse through the slides and select one slide that you find interesting or insightful or important. Write a brief paragraph that describes the information and explains your interest (or importance/relevance of the information). Staple your paragraph (typed or word processor) to the slide and turn in on Jan. 23. Be prepared to discuss it in class.

Assignment 2: Due Feb 27 for those whose last names begin with I-M (N-Z was Feb 6; A-G was Feb. 13). Find an article from: (1) Health Affairs ([www.health](http://www.health) affairs.org) published since January 2010, or, (2) select one of the chapters from Feldstein, Health Policy Issues (the 4th edition is on reserve at KL). Prepare a 1-page double-spaced overview with:

1. The article title, authors, date, etc. i.e., proper citation

2. Main Issue(s) that the article or chapter deals with

3. Main conclusions

4. Your thoughts/critique

Be prepared to provide a brief overview in class. I will collect your page along with the 1st page of the article.

Assignment 3: Due Mar. 19 (Preliminary paper presentations)

Exercise Assignments (2)

LINKS TO USEFUL MATERIAL

I will provide links when possible. Otherwise access sources through Kresge Library home page (<http://library.oakland.edu>). ABI Inform and EconLit are excellent databases. Also Google Scholar and the Web of Science.

**The 2010 NHE data were just released:** [**http://www.cms.gov/NationalHealthExpendData/02\_NationalHealthAccountsHistorical.asp**](http://www.cms.gov/NationalHealthExpendData/02_NationalHealthAccountsHistorical.asp) **Total expenditures: 2.6 trillion (17.9% of GDP & $8,400 per capita)**

POTENTIAL PAPER TOPICS

Health Reform (U.S)

Individual Mandate

Health Care Systems/Reform (other countries)

Electronic Health Records

State Initiatives (e.g., Massachusetts, Oregon)

Malpractice Insurance Reform

Markets for Organ Transplants

Alternative Health Care Providers

Long-term Care

Uncompensated Care and Cost Shifting

Cost Effectiveness Analysis/Health Care Guidelines

Managed Care

Pharmaceutical Industry

DTC Marketing

Mental Health, Alcoholism, Substance Abuse

Using Market Forces to Reform Health Care Delivery

Reimbursing Providers

Medical Tourism

Small Area Variations (SAV)

Workplace Wellness Programs

Economic of Obesity, diabetes (and/or other major diseases)

CDHPs/Medical Savings Accounts (MSAs)

Antitrust Issues

Please review the plagiarism tutorial. Go to <http://library.oakland.edu/> click on ‘Tutorials’ and select ‘Plagiarism Tutorial’.

Reminder: The papers are due on Apr. 16. Remember to follow the format/requirements that I described in class and to include a signed checklist page as your first page. Be sure also to have appropriate cites for you reference material. The date accessed for Web references should also be noted.