Course Overview
This course explores the health care sector and health policy issues from an economic perspective. Issues to be studied include the value of health, the demand for health care, health insurance markets, managed care, medical technology, the Medicare and Medicaid programs, national health reform, and the pharmaceutical industry. The course will focus on the U.S. health care sector but will also feature discussion of other developed and developing countries. The goal of the course is to teach you to use basic economic principles to develop a better understanding of the health care sector and health policy issues, so that you may become a more informed citizen, patient, or doctor. The course will feature several case studies and in-class discussions of current issues in health policy.

Prerequisites
Economics 101 (or an approved exemption) is required in order to register for this course, as the course will presume knowledge of concepts such as supply, demand, elasticity, monopoly, etc.

Readings
The required textbook for the course is Health Economics and Policy by James Henderson (South-Western/Thomson Learning, 2nd edition, 2002). The book is available at the college bookstore and will be placed on reserve at Clapp Library.

In addition to the textbook, articles listed on the syllabus are also required reading for the course. Reading the articles is essential for understanding the material presented in class and for contributing to class discussions. These articles will be made available on the course conference one or two lectures ahead of time.

Course Requirements
Grades will be based on a midterm exam (20%), final exam (40%), problem sets/policy analysis exercises (20%), and a group paper and presentation (20%). Class participation is not graded, but is essential for your understanding of the material and for lively in-class discussions. Please come to class prepared to participate.

Students are expected to comply with the College’s honor code. Working with other students on some assignments may be allowed; this will be specified on the assignment. Please notify me in the first week of the course about any foreseeable conflicts with the midterm; after this, make-ups will be allowed only for serious medical or personal problems and a note from a doctor or Class Dean may be required. Late problem sets or papers will result in a penalty of one-half a grade per day and will not be accepted more than 3 days late. Assignments are due at the beginning of class.
Syllabus

I. Introduction to Health

September 6  No Class

September 10 Introduction

Henderson, Chapters 1, 2 (review), 3 (pages 76-84 only)

September 13 The Value of Health


September 17 Case Study: Matters of Life and Death: Defunding Organ Transplants in the State of Arizona

Reading: Case Study
Henderson, Chapter 12 (pages 393-401 only)
Sherman Folland, Allen C. Goodman, and Miron Stano, The Economics of Health and Health Care, pages 438-441.

September 20 Socioeconomic Status and Health


II. Demand for Health and Health Insurance

September 24 Demand for Health and Health Care

Henderson, Chapter 4

September 27 Health Insurance I: Demand and Moral Hazard

Henderson, Chapter 5 (pages 170-188 only)
October 1

Health Insurance II: Adverse Selection


*Note: read pages 433-435, 444-446, 451-453 only.*

October 4

Case Study: HIV and DC: The AIDS Testing Issue

Reading: Case Study

October 11

Employer-Provided Health Insurance


*Note: read pages 27-33 only.*


III. The Supply of Health Care

October 15 and 18

Managed Care

Henderson, Chapter 6


*Note: read pages 1-10 only.*


October 19

MIDTERM
(Pick up any time from 8am-4pm, return 1.5 hours later)

October 22

Technology


*Note: read pages 529-552 only.*


*Note: read pages 11-19 only.*
October 25

Hospitals

Henderson, Chapter 8

October 29

Physicians and Malpractice

Henderson, Chapters 7 and 11
*Note: read pages 99-104 only.*

IV. Government Intervention in Health Markets

November 1

Reasons for Government Intervention

Henderson, Chapter 3 (*pages 84-115 only*)

November 5 and 8

Medicare and Long-Term Care

Henderson, Chapters 13 (*pages 424-433*), 14, and 10
*Note: read pages 1-15 only.*

November 12 and 15

Medicaid and Policies for the Uninsured

Henderson, Chapters 13 (*pages 433-452*) and 5 (*pages 189-203*)
November 19 and 26  Fundamental Health Care Reform

Henderson, Chapter 16


Note: read pages 21-29 only.

V. Prescription Drugs

November 29  Pharmaceutical Industry

Henderson, Chapter 12 (pages 401-423 only)

December 3  Case Study: Vaccines for the Developing World: The Challenge to Justify Tiered Pricing

Reading: Case Study

VI. International Comparisons

December 6 and 10  Class Presentations
Health Care in Other Developed and Developing Countries

Henderson, Chapter 15


December 10  Papers due at 5pm