

ECON 450: HEALTH ECONOMICS & HEALTH POLICY

Fall 2018

Instructor:	Sepideh Modrek	Class Time:	Mondays. 16:00 - 18:45
Instructor Email:	smodrek@sfsu.edu	Class Loc.:	HSS 104
Office Phone:	415-405-7556	Office Hours:	Weds. 15:00 - 17:00

Course Objective: This course is intended to provide an introductory overview of health economics and health policy. The main objective of this course is to assist students in gaining an understanding of how economic concepts and tools can be used to examine health care and public health issues. Key areas covered include:

- The ways in which health care is similar or different from other sectors in the economy.
- Economic theories used to understand and evaluate health services and health policy proposals.
- Trade-offs in the health policy debate in US and around the world.

Student Learning Outcomes: At the end of this course students should be able to 1) demonstrate an understanding of economic theories that apply to the healthcare market (major program goal 1) ; 2) examine data related to the healthcare and be able to interpret them (major program goal 2); and 3) critically evaluate and discuss trade-offs in health policy proposals (major program goal 3). These learning outcomes will be assessed through written in class exams, quizzes, presentations and a written group paper.

Office Hours: Wednesdays 3pm-5pm in HSS 386. The first hour and a half will be open to everyone for first come and first serve. I do student advising during this time as well. If you have a private matter or a particular assignment that you'd like to discuss one on one, please sign up on Wejoinin.com at <https://www.wejoinin.com/smodrek@sfsu.edu>. I will only have reserved meetings from 4:30pm-5pm.

Textbooks: I will keep an extra copy of the textbook at the library for check out.

Required:

- Jay Bhattacharya, Timothy Hyde, Peter Tu, *Health Economics*, referred to as BHT.
- Articles listed under each section which will be posted on iLearn or will have a link in the syllabus

Prerequisites: Econ 101 & Econ 102

Grading Policy: Grades will be based on biweekly quizzes, two in class exams, one group presentation, a final paper and class participation. The grading distribution will be 10% for quizzes, 25% for each mid-term, 10% for your group presentation, 10% class participation and 20% for your final paper. Problem sets will also be assigned for practice, but they will not be graded.

I grade your midterms on a curve. That means I assign grades based on your performance relative to the class as a whole. This allows me to write a challenging questions without penalizing most students and gives top students an opportunity to shine. After I grade the exams I identify clusters of scores separated by breaks in the distribution, then I use these gaps as a threshold for assigning grades. **I will give an A or B on the midterms to AT LEAST half this class if not more.** I will translate your mid-term points to a percentage out of the 25 points possible, so you will always know your grade or standing in the class. Also, please note I will not give an incomplete grade unless you have an **unforeseen & documented emergency**.

Your final grade will be based on a 100 points possible in the class.

Total Points	Grade	
100-97	A+	89-87 B+ 79-77 C+ 69-67 D+
96-93	A	86-83 B 76-73 C 66-63 D
90-92	A-	80-82 B- 70-72 C- 60-62 D-

Course Details: The class will have a regular weekly lecture section, occasional structured discussion of the readings when assigned, and a brief problem set lab. Lecture notes will be posted on iLearn. I will also post all the readings there. All students should make sure they are included on the iLearn roster for this class.

You should attend all classes. This is the first step to ensure that you are able to stay on top of the course material. If for any unavoidable reason, you miss a class, you must make sure to review the posted class notes before the next class. I am happy to clarify concepts in office hours but not to reteach the material covered in class. Active class participation is highly encouraged.

Grading Exams: There will be two mid-terms on 10/5 and 11/30. The format will be true and false questions, short answer questions, and simple calculations. The exam questions will be similar to HW problems from the textbook. There will be no make-up exams. Please ensure that you are here those dates. Should we have to go online the exams will be proctored.

Grading Presentation and Paper: Health care and health policy are highly debated topics. An important part of this course is to be able to do an economic analysis of a policy proposal. The purpose is to look beyond the text book, conduct research, and learn to think creatively about health issues from an economics perspective. I will ask you to get into groups of three to do an economic analysis of a policy proposal and turn this into a group presentation. I will provide 6 or 7 options or you can propose your own. You will be asked to do a 20 minute presentation of the policy analysis where you incorporate economic principles. You will get feedback from me and your peers.

I will also ask you to write a paper based on your policy analysis (10-12 pages, double spaced, standard font, size 12, one inch margins). While the presentation will be done by the group, you will have an individual paper. You are welcome and encouraged to talk to each other about your topic. Your grade will depend on the ability to convey your own understanding on the topic (e.g., textbook and outside resources), employ economic reasoning and critiques of underlying assumptions, and present your arguments in a clear and cohesive manner. Please note that any late papers will be penalized half a grade each day late.

Suggested Topic:

- How does the health system in a specific country compare to that of the United States?
- Find an issue in the current health care debate and examine one aspect such as health care costs, access, delivery and quality? What are the distributional consequences of the policy?
- Explore demographics trends. For example future demands and needs of the health care system depending on mortality rates, population aging, decreases in birth rates, etc.
- Find an example of important positive or negative externalities and discuss them in detail. What market and non-market based tools do we have at our disposal to deal with the externalities?
- Examine a current policy proposal. Examples include value based insurance design, fertility coverage, end of life care or neonatal care.
- Discuss the use of behavioral economics in health care.
- Compare and contrast state-level experiments in health care policy and implementation of Affordable Care Act (ACA).

I suggest you look for references in the textbook, other health care related books available in the library or the World Wide Web for necessary material. Please list all consulted sources to avoid suspicion of

plagiarism.

You will be required to submit an outline and progress report on November 16 for your project. This progress report should indicate what topic your group has chosen to study, what aspects you would like to discuss in your presentation and paper in detail. This report should contain outlines of materials in each section, your bibliography, and a discussion of any difficulties that you are facing in doing this research and how that has influenced your choice of topics.

Important Dates for the semester

- Midterm 1: 10/5
- Presentation topic approval:10/26
- Paper outline/progress report:11/16
- Midterm 2: 11/30
- Presentations:12/7 & 12/14
- Final paper due: 12/21

Tentative Course Outline and Subject to Change:

- Lecture 1 (8/24): Overview of Health Economy
 - BHT 1
 - Keehan et al.National Health Expenditure Projections, 2019–28: Expected Rebound In Prices Drives Rising Spending Growth, Health Affairs, 39(4)(2020):704-14.
- Lecture 2 (8/31): Demand for Health & Health Disparities
 - BHT Chapters 2, 3, 4
 - Class Case: [Lead Poisoning](#)
- Lecture 3 (9/14): Supply of Health
 - BHT 5 & 6
 - [The Political History Medicare](#)
 - [The AMA](#)
- Lecture 4 (9/21): Information Economics I: Demand for Insurance
 - BHT 7, 8
- Lecture 5 (9/28): Information Economics II: Adverse Selections
 - BHT 9 & 10
 - Midterm Review
- Lecture 6 (10/5): Midterm I
- Lecture 7 (10/12): Information Economics III, Moral Hazard and Realities in Insurance Markets
 - BHT 10 & 11
 - [Shopping for Health Insurance](#)
 - [Complexities in Death Spirals](#)
- Lecture 8 (10/19): Health Policy I: Overview

- BHT 15
- Journal reading assignment in class
- Lecture 9 (10/26): Health Policy II: Beveridge & Bismarck
 - BHT 16 & 17
 - Practice problem review
 - Presentation topics due
- Lecture 10 (11/2): Health Policy III: US Model in Flux: Past, Present & Future
 - BHT 18
 - ACA Overview
 - [Update on ACA](#) as of July 2018
 - [Insurance Prices and ACA enrollment](#)
 - [Distributional Impact of ACA](#)
 - [The Short-Term Limited Duration Coverage Final Rule](#)
 - [Large Hidden Costs of Medicare Part D](#)
- Lecture 11 (11/9): Aging Populations & Health Policy from an International Point of View
 - BHT 19
 - Scheunemann, Leslie P. et al. "The Ethics and Reality of Rationing in Medicine." CHEST 140.6 (2011): 1625 - 1632
 - French, Eric B., et al. "End-Of-Life Medical Spending In Last Twelve Months Of Life Is Lower Than Previously Reported." Health Affairs 36.7 (2017): 1211-1217.
 - [America's "NICE"](#)
- Lecture 12 (11/16): Public Health Externalities & Bads
 - BHT 20 & Mid-term review
 - Paper Outline Due on 11/15
 - [When Should Governments Subsidize Health? The Case of Mass Deworming](#)
- Lecture 13 (11/30): Midterm II
- Lecture 14 (12/7): Student Presentations
- Lecture 15 (12/14): Student Presentations
- Finals meeting time (12/21): Turn in paper & discussion

Withdrawal Policy: Please note that students are responsible for officially withdrawing from the course if they choose to do so. I will not process a drop when you stop doing your coursework or attending class. If you choose to withdraw from the course and do not complete the formal withdrawal procedures, you will receive "F". It is students' responsibility to keep up with all college deadlines. Please see <http://senate.sfsu.edu/policy/withdrawal-courses> for details on course withdrawals.

Statement on Cheating and Plagiarism: Lack of knowledge of the academic honesty policy is not a reasonable explanation for a violation.

There are likely many instances where collaboration will be encouraged, but NOT academic dishonesty. I abide by standard university policies in this regard who offer the following wording:

Cheating is the actual or attempted practice of fraudulent or deceptive acts for the purpose of improving one's grade or obtaining course credit; such acts also include assisting another student to do so. Typically, such acts occur in relation to examinations. However, it is the intent of this definition that the term 'cheating' not be limited to examination situations only, but that it include any and all actions by a student that are intended to gain an unearned academic advantage by fraudulent or deceptive means. Plagiarism is a specific form of cheating which consists of the misuse of the published and/or unpublished works of others by misrepresenting the material (i.e., their intellectual property) so used as one's own work. Penalties for cheating and plagiarism range from 0 or F on a particular assignment, through an F for the course, to expulsion from the university. For more information on the University's policy regarding cheating and plagiarism, refer to the University Catalog ('Policies and Regulations') or posted Academic Misconduct Guidelines. For College of Business Guidelines see [San Francisco State University College of Business Undergraduate Academic Standards](#)

Statement on Services for Students with Disabilities: Americans with Disabilities Act (ADA) Accommodations: The University is committed to providing reasonable academic accommodations to students with disabilities. The Disability Programs and Resources Center provides university academic support services and specialized assistance to students with disabilities. Individuals with physical, perceptual, or learning disabilities as addressed by the Americans with Disabilities Act should contact Services for Students with Disabilities for information regarding accommodations. Students with disabilities who need reasonable accommodations are encouraged to contact the instructor. The Disability Programs and Resource Center (DPRC) is available to facilitate the reasonable accommodations process. The DPRC is located in the Student Service Building and can be reached by telephone (voice/TTY 415-338-2472) or by email (dprc@sfsu.edu).

Student Disclosures of Sexual Violence: SF State fosters a campus free of sexual violence including sexual harassment, domestic violence, dating violence, stalking, and/or any form of sex or gender discrimination. If you disclose a personal experience as an SF State student, the course instructor is required to notify the Dean of Students.

To disclose any such violence confidentially, contact:

- The SAFE Place - (415) 338-2208: http://www.sfsu.edu/~safe_plc
- Counseling and Psychological Services Center - (415) 338-2208: <http://psyservs.sfsu.edu>
- For more information on your rights and available resources: <http://titleix.sfsu.edu>