

HSA7437- Advanced Health Economics (Spring 2014)

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Course Description

Advanced economic analysis of choices made in production, exchange and consumption of goods and services in the healthcare sector.

Course Objectives

- Become familiar with the basic definitions, concepts and tools used in the economic analysis of healthcare markets.
- Review economic theory of utility maximization and use to analyze the demand for health
- Become familiar with health production functions and the empirical evidence regarding the effect of medical care on health status.
- Investigate the determinants of demand for medical care and survey the results of empirical demand studies.
- Analyze the effect of health insurance on the demand for medical care.
- Become familiar with the economics of health insurance.
- Review economic theory of the firm and understand modifications needed to reflect special characteristics of healthcare sector.
- Use the economic approach to examine the market for physician services.
- Understand the economics of the market for hospital services.

Competences

Several of the HSR PhD competencies are addressed by the material covered in this course.

- Know how to apply alternative theoretical and conceptual models from a range of relevant disciplines to HSR.
- Apply in-depth disciplinary knowledge and skills relevant to health services research.
- Use knowledge of the structures, performance, quality, policy, and environmental context of health and health care to formulate solutions for health policy problems.
- Pose innovative and important research questions, informed by systematic reviews of the literature, stakeholder needs, and relevant theoretical and conceptual models.
- Select appropriate interventional (experimental and quasi-experimental) or observational (qualitative, quantitative, or mixed methods) study designs to address specific health services research questions.

- Use appropriate analytical methods to clarify associations between variables and to delineate causal inferences.
- Effectively communicate the findings and implications of health services research through multiple modalities to technical and lay audiences.

Course Outline

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| Jan 7, 9 | Math for Economists Lecture only |
| Jan 14 | Economic Valuation of Life and Health Ch2, pp17-73. |
| Jan 16 | Problem Set 1: 2.6, 2.8, 2.9, 2.10, 2.11 * Drummond, 2002; **Drummond, Economic Evaluation in Health Care |
| Jan 21, 23 | Demand for Health * Grossman |
| Jan 28, 30 | Winter Break |
| Feb 4 | Health Production Function Ch3, pp75-118 |
| Feb 6 | Problem Set 2: 3.1-5, Handout * Fuchs 1968 |
| Feb 11 | Demand for Medical Care Ch4, pp119-153 |
| Feb 13 | Problem Set 3: 4.1, 4.2 * Comanor, et al, 2006 |
| Feb 18 | Health Insurance Ch5, pp155-201 |
| Feb 20 | Problem Set 4: 5.1, 5.2, 5.3, Handout * Arrow, 1963 |
| Feb 25 | *** MIDTERM *** |
| Feb 27 | Health Insurance Ch7, pp253-291 * Nyman, 2004 |

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| Mar 4, 6 | Spring Break |
| Mar 11 | Health Insurance Ch6, pp203-252; (Ch7) |
| Mar 13 | Problem Set 5: 6.1, 6.6, Handout * Krueger, Kuzeimko, 2013; (Nyman, 2004) |
| Mar 18 | Theory of the Firm Handout, Lecture only |
| Mar 20 | Problem Set 6: Handout * Palangkaraya, Yong, 2012 |
| Mar 25, 27 | Physicians Ch8, pp293-309 |
| Apr 1 | Physicians Handout, Lecture only |
| Apr 3 | Problem Set 7: 8.1, 8.2, Handout * Hickson, 1987; * NEJM, 1990; * JAMA 1992 |
| Apr 8 | Hospitals Handout, Lecture only |
| Apr 10 | * Harris, 1997 |
| Apr 15, 17 | Delivery of Medical Care Ch11, pp379-400 |
| Apr 22 | Future Challenges to Health Care Ch14, pp447-482 |
| Apr 24 | Wrap-up, Reading day |

*** FINAL EXAM ***

* Required

** Optional, recommended

Students with Disabilities

Students requesting classroom accommodation must first register with the Dean of Students Office, which will provide documentation to the student. The student should then provide this documentation to me.

Required Textbook

Zweifel, P., Breyer, F. and Kifman, M., Health Economics (2nd Edition), Springer, 2009

Discussion Days

Thursday of each week is a “discussion day.” A discussion leader is assigned for each week. Students read the required article(s) and propose discussion questions and interesting points (due Sunday at midnight, sent to instructor and the discussion leader). The discussion leader compiles the questions into a discussion agenda and submits the finalized agenda to the instructor (due Tuesday at midnight). The discussion agenda is not just a list of each person’s question; the questions are used to create a list of questions to guide the discussion. On Thursday, the discussion leader will run the class according to their agenda.

Required Readings

Readings will be available on the Sakai website. Required readings are prefixed with an asterisk; recommended readings are prefixed with two. Students are expected to have read all required readings prior to each lecture and should understand the issues covered in each article.

Problem Sets

Problem sets are assigned for many weeks. Problem sets are required and are due at the beginning of class on Thursday in the week they are assigned. Late problem sets will not be accepted

Course Evaluations and Grading

Your grade will be based on your performance on your discussion submissions (5%), your discussion agenda/leadership (10%), problem sets (15%), a midterm (35%), and a final examination (35%).

There will be no makeup exams except for extreme circumstances (e.g. admitted to hospital) with valid evidence of the extreme circumstance. Late problem sets will be scored at no more than 50%.

Grading Scale:

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| A: | 93 – 100% |
| A-: | 90 – 92% |
| B+: | 87 – 89% |
| B: | 83 – 86% |
| B-: | 80 – 82% |
| C+: | 75 – 79% |
| C: | 70 – 74% |

C-: 65 – 69%
Fail: Below 65%

Academic Integrity Statement

Your grade should be a reflection of your own individual understanding and mastery of the material covered in the course. Cheating or dishonesty in any manner (including, but not limited to, plagiarism of copyrighted material, lying, and/or presenting work from others as your own) will not be tolerated. Should academic dishonesty be suspected or detected, it will be dealt with according to University of Florida policies. The following statement is from the Honor Code Preamble: “Students who enroll in the university commit to holding themselves and their peers to the high standard of honor required by the honor code. Any individual who becomes aware of a violation of the honor code is bound by honor to take corrective action. The quality of a University of Florida education is dependent upon community acceptance and enforcement of the honor code.”

Accommodation for students with disabilities:

Students who request classroom accommodation must first register with the Dean of Students office. The Dean of Students will provide documentation to the student who can then present it to me when making a request for an accommodation in this course.