

## 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

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

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 (2<sup>nd</sup> 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:**

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.