

Health Economics

Spring 2013

Instructor Information

Name: Marta Podemska-Mikluch, PhD

Office: Campbell Hall 103

Office Phone: (608) 363-2722

Email: podemskam@beloit.edu

Office Hours: Fridays 1 pm – 3 pm and by appointment

Course Information

Code: Econ 271

Location: Science Center 302

Hours: Tuesdays and Thursdays 2:00 pm - 3:50 pm

Prerequisites: Econ 199

This course applies the economic way of thinking to the analysis of individual decision-making in regard to the consumption and provision of health care as well as to the organization and operation of the health care industry. Students learn to evaluate the performance of various health care systems by comparing the efficiency and effectiveness of the American health care system against other countries. Covered topics: the demand and supply of health care, the demand and supply of health insurance, incentives inherent in different organizational structures, the role of regulation, the history of health care provision.

Required Textbooks

Health Policy Issues: An Economic Perspective by Paul J. Feldstein

Grading Policy

There is no pre-set grade distribution for this class. Note, however, that Section IX of the Beloit College Academic Policy Manual (APM) clearly discusses the definitions of specific grades. According to the APM:

Grade is awarded for credit earned in a manner that demonstrates:

- A Unusual ability and distinctive achievement.
 - B Articulate, above-average performance.
 - C Satisfactory performance.
-

I note this language for two reasons. First, I wish to highlight that a C is not a failing grade. It is, by definition, satisfactory performance and grades of C should be viewed in that light. Several of you might find yourselves in the C range. This grade merely reflects that while your work is satisfactory, there remains room for improvement. Second, it is important to note that A's are awarded for exceptional performance.

Your final grade will constitute of the following:

Item	Points
Midterm	20 points
Final Exam	20 points
Book Review	20 points
Discussion Leadership	20 points
Discussion Participation	20 points
Total: 100 points	

Grade scale:

		B+	87 - 89	C+	77 - 79	D+	67-69
A	94+	B	84 - 86	C	74-76	D	60-66
A-	90-93	B-	80 - 83	C-	70-73	F	0-59

Midterm and Final Exam

Your midterm and final exam will constitute of short essay questions. Before each exam, I will provide you with a study guide containing a set of practice problems. If you master the study guide, you will have no difficulties on the exam.

Exam Dates:

- Midterm Exam: February 21st, class time
- Final Exam: May 3rd 2-5 pm

Book Review

Economics is first and foremost a way of thinking. To see how economics can be used and misused in the analysis of health care issues, you will be required to read one of the following books and to write an approximately 1000 word summary and critique. It is essential that you demonstrate your mastery of the economic way of thinking in the review. You will first submit a draft version of your review to which I will respond with comments that should put you on the right track for your final version.

Your grade will be determined by your ability to analyze the material from the economic perspective as well as by the quality of your writing, including spelling, grammar, and style.

1. Baumol, William J. 2012. *The Cost Disease: Why Computers Get Cheaper and Health Care Doesn't*. Yale University Press.
2. Berry, Leonard, and Kent Seltman. *Management Lessons from Mayo Clinic: Inside One of the World's Most Admired Service Organizations*. McGraw-Hill, 2008.
3. Brawley, Otis Webb, and Paul Goldberg. *How We Do Harm: A Doctor Breaks Ranks About Being Sick in America*. St. Martin's Griffin, 2012.
4. Goodman, John C. *Priceless: Curing the Healthcare Crisis*. Independent Institute, 2012.
5. Madden, Bartley J. *Free To Choose Medicine: Better Drugs Sooner at Lower Cost*. LearningWhatWorks, Inc., 2012.
6. Murray, John E. *Origins of American Health Insurance: A History of Industrial Sickness Funds*. Yale University Press, 2007. Reid,
7. Topol, Eric. *The Creative Destruction of Medicine: How the Digital Revolution Will Create Better Health Care*. Basic Books, 2012.

Submission Deadlines:

Draft: February 28th

Final Version: April 9th

Reminder: Late submissions will be penalized by a twenty percent grade decrease for each day of lateness.

Discussion Leadership

Each student will be asked to lead multiple class discussions. Discussions will be based on the assigned readings. Each time you are leading a discussion, you will start with a ten-minute long summary and three questions for your classmates. Upon delivering your presentation, you will lead a thirty-minute-long class discussion.

Participation in Student-led Discussions

Participation in the discussions is a vital element of the learning process. I will expect you to be always prepared and engaged, especially when your peers are presenting. The specific grading criteria are listed in the table below. Please note that receiving three points is equivalent to getting full participation credit, four points means you have exceeded expectations.

Grade	Criteria
4	Equivalent to A+ (110 percent) <ul style="list-style-type: none">• Demonstrates excellent preparation: has analyzed material well.• Contributes in a very significant way to ongoing discussion: keeps analysis focused, responds very thoughtfully to other students' comments, contributes to cooperative argument-building, suggests alternative ways of approaching material and helps class analyze which approaches are appropriate, etc.• Demonstrates ongoing and very active involvement.
3	Equivalent to A (100 percent) <ul style="list-style-type: none">• Demonstrates good preparation: knows reading facts• Offers interpretations and analysis of material to the class.• Contributes well to discussions in an ongoing way: responds to other students' points, thinks through own points, questions others in a constructive way, offers and supports suggestions.• Demonstrates consistent ongoing involvement.
2	Equivalent to B (85 percent) <ul style="list-style-type: none">• Demonstrates adequate preparation: knows basic reading facts, but does not show evidence of trying to interpret or analyze them.• Offers straightforward information (e.g., straight from the case or reading), without elaboration or very infrequently (perhaps once a class).
1	Equivalent to C (75 percent) <ul style="list-style-type: none">• Present, not disruptive.• Tries to respond when called on but the offered answer is incomplete.• Demonstrates very infrequent involvement in discussion.
0	Equivalent to F (0 percent) <ul style="list-style-type: none">• Absent either physically or mentally.

Scheduled Lectures and Events

			Readings
1	01/15	Introduction	
	01/17	The Rise of Medical Expenditure How Much Should We Spend on Medical Care?	Ch. 1, 2
2	01/22	Do More Medical Expenditures Produce Better Health? In Whose Interest Does the Physician Act?	Ch. 3 Ch. 4
	01/24	Rationing Medical Services	Ch. 5
		The Politics of Healthcare Reform	Ch. 35
3	01/29	Planners vs. Searchers The Role of Government in Medical Care	Moodle Ch. 30
	01/31	Health Care and Consumer Welfare	Moodle
	02/05	After the ACA	Moodle
4	02/07	How Much Health Insurance Should Everyone Have? Why Are Those Who Most Need Health Insurance Least Able to Buy it?	Ch. 6 Ch. 7
	02/12	Can Price Controls Limit Medical Expenditure Increases?	Ch. 18
5	02/14	Has Competition Been Tried?	Ch. 20
	02/19	Review and Video Discussion	
6	02/21	Midterm	
	02/26	Medicare Medicaid	Ch. 8 Ch. 9
7	02/28	How Does Medicare Pay Physicians? Is There an Impending Shortage of Physicians?	Ch. 10 Ch. 11
	03/05	<i>No Class: Mid-Term Break</i>	-
8	03/07	<i>No Class: Mid-Term Break</i>	-
	03/12	Recurrent Malpractice Crisis?	Ch. 13
9	03/14	Do Nonprofit Hospitals Behave Differently than For-Profit Hospitals? Competition Among Hospitals: Does it Raise or Lower Costs	Ch. 14 Ch. 15
	03/19	The Future Role of Hospitals Cost Shifting	Ch. 16 Ch. 17
10	03/21	The Evolution of Managed Care	Ch. 19
	03/26	Why Is Getting into Medical School So Difficult? The Shortage of Nurses	Ch. 23 Ch. 24
11	03/28	The High Price of Prescription Drugs Ensuring Safety and Efficacy of New Drugs	Ch. 25 Ch. 26
	04/02	Why Are Prescription Drugs Less Expensive Overseas? The Pharmaceutical Industry: A Public Policy Dilemma	Ch. 27 Ch. 28
12	04/04	Should Kidneys and Other Organs Be Bought and Sold?	Ch. 29
	04/09	Medical Research... Who Should Pay?	Ch. 31
13	04/11	<i>No Class: Student Symposium</i>	-
	04/16	<i>No Class: Conference Travel</i>	-
14	04/18	The Canadian Healthcare System	Ch. 32
	04/23	Employer-Mandated National Health Insurance National Health Insurance: Which Approach and Why	Ch. 33 Ch. 34
15	04/25	Financing Long-Term Care	Ch. 35
	04/30	Review and Video Discussion	

Disability Statement

If you have a disability and need accommodations, contact the Learning Enrichment and Disability Services Office located on 2nd floor Pearsons (north side) or call x: 2572 or email learning@beloit.edu. For accommodations in my class you must bring me an Accommodation Verification Letter from the Director of that office which will indicate appropriate accommodations. Contact that office promptly; accommodations are not retroactive.

Tutoring

Free peer tutoring is available for most classes. To access a tutor, apply at the Learning Enrichment and Disability Services Office located on 2nd floor Pearsons (north side) during their office hours (8 a.m. - 4:30 p.m., Monday - Friday).