Hamilton College  
Spring 2013  
Health Economics  
Economics 360

Instructor: Stephen Wu  
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Office: Kirner-Johnson 206  
Class Meetings: Tue, Thur 10:30-11:45am, KJ 102  
Office Hours: Mon 2-4pm, Tue 2-4pm  

Course Description:
This course will analyze the economics of health and medical care, with particular emphasis on the provision of health care in the United States. Topics include the structure of public and private health insurance programs, financing the rising costs of medical care and the impact of health status on labor supply and retirement decisions. The course will relate these issues to current public policy debates, such as HMO insurance programs and prescription drug benefits for the elderly. The goal of the course is to be able to have a solid understanding of the economic issues related to the production of health and the provision of healthcare.

Requirements:
I expect students to come to all class meetings and to be on time. The readings will consist of a mix of textbook chapters and newspaper and journal articles. Please have the assigned reading finished prior to the class period that we will be discussing it. Failure to have readings done by that class period will make discussion less beneficial to you, and to the class as a whole. You will have one midterm exam, one final exam, two papers and a few homework assignments. I will give details about the papers as we go through the semester. There will also an in-class debate and one group presentation. Grades will be determined by a combination of these factors.

Students with Disabilities:
Hamilton College will make reasonable accommodations for students with properly documented disabilities. If you are eligible to receive an accommodation(s) and would like to make a formal request for this course, please discuss it with me and allow two weeks’ notice. You will need to provide Allen Harrison, Associate Dean of Students (Elihu Root House; ext. 4021) with appropriate documentation of your disability. I request that any student with a documented disability needing academic adjustments or accommodations speak with me during the first two weeks of class. All discussions will remain confidential.

Grading:
Homework, Participation 10%  
Papers 30%  
Presentation 10%  
Midterm Exam 25%  
Final Exam 25%

First Paper: Due Thursday, March 14  
Second Paper: Due Tuesday, April 30  
Midterm Exam: Tuesday, March 5  
Final Exam: Thursday, May 16 (2pm)
Tentative Schedule:
1/22  Motivation for Studying Health Economics (Chapter 1)
1/24  Utility and Health (Chapter 2)
1/29  Obesity
   “Why Have Americans Become So Obese?” Cutler, Glaeser, and Shapiro (2003); “The Health
   Risks to Obesity,” Sturm (2005); “Childhood Obesity: Trends and Potential Causes,” Anderson
   and Butcher (2006)
1/31  The Production of Health (Chapter 3)
2/5   The Demand for Medical Care: Conceptual Framework (Chapter 4)
2/7   The Demand for Medical Care: Empirical Studies (Chapter 5)
2/12  The Rand Health Insurance Study
   “Health Insurance and the Demand for Medical Care: Evidence from a Randomized
   Experiment”, Willard Manning et al. (1987)
2/14  The Physician as a Supplier of Medical Care (Chapter 6)
2/19  The Market for Physicians (Chapter 7)
2/21  The Hospital as a Supplier of Medical Care (Chapter 8)
2/26  Hospitals in the Marketplace (Chapter 9)
2/28  Demand for Health Insurance (Chapter 10)
   “Employment-Based Health Insurance and Job Mobility: Is There Evidence of Job-Lock?”
   Brigitte Madrian (1994)
3/5   Review
3/7   Midterm Exam
3/12  Guest Speaker: Tim Finan, CEO of Upper Allegheny Health Systems
3/14  Managed Care (Chapter 11)
4/2   Medicare and Medicaid (Chapter 12)
4/4   Medical Malpractice (Chapter 13)
4/9   Externalities in Health Care (Chapter 14)
4/11  Regulation in the U.S. Health Care System (Chapter 15)
4/16  Health Reform and Universal Health Coverage (Chapter 16)
   “Is Health Care Spending Excessive?” Aaron and Ginsburg (2009); “The Cost Conundrum,”
   Gawande (2009)
4/18  Cost Control
   “Cost Sharing and Healthcare Spending Growth,” Baicker and Goldman (2011); “Reforming
   Payments to Healthcare Providers,” McClellan (2011)
4/23  Effectiveness Research and The Affordable Care Act
   “Comparative Effectiveness Research,” Chandra et al. (2011)
4/25  Global Health Issues
4/30  Organ Donation
   “Introducing Incentives in the Market for Live and Cadaveric Organ Donations,” Becker and
   Elias (2008); “Producing Organ Donors,” Howard (2008); “Repugnance as a Constraint on
   Markets,” Roth (2008)
5/2   Behavioral Issues in Health
5/7   Group Presentations
5/9   Group Presentations