

**Hamilton College, Spring 2020**  
**Economics 360: Health Economics**

**Instructor:** Stephen Wu  
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**Text:** Charles E. Phelps, Health Economics, 6<sup>th</sup> edition

**Office:** KJ 206  
**Office Hours:** Mon 1-3pm, Wed 1-3pm

**Course Description and Goals:**

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, medical malpractice, and the causes and consequences of health behaviors. This course will specifically address several of Hamilton College's education goals: (1) intellectual curiosity and flexibility: we will explore different ways to measure health and understand health care policy; (2) disciplinary practice and (3) analytical discernment: we will study new economic theories and statistical methods that economists use to provide systematic evidence in empirical analyses; (4) communication and expression: you will complete a variety assignments to develop your written and oral communication skills; and (5) ethical, informed, and engaged citizenship: we will examine why and how the allocation of health care impacts the well-being of individuals and societies.

**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 academic journal articles. I will occasionally circulate newspaper and magazine articles. I encourage you to forward me articles of interest that you read in various outlets. Please have the assigned reading finished prior to the class period that we will be discussing it (with the exception of the first day of class). This will make discussion more beneficial to you and the class. You will have one midterm exam, one final exam, a health policy paper (written in two parts) and occasional homework assignments. For your paper, I will require you to schedule at least one Writing Center appointment. There will also be one group presentation on a health care system of a foreign country. I am also asking you to attend a panel discussion on **Thursday March 12 at 7pm** by Gregory Mankiw (Harvard) and Christina Romer (UC-Berkeley), two former chairs of the Council of Economic Advisors.

**Students with Disabilities:**

Hamilton College will make reasonable accommodations for students with properly documented disabilities. 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. You will need to provide Allen Harrison, Associate Dean of Students (Elihu Root House; ext. 4021) with appropriate documentation of your disability.

**Grading:**

Policy Paper	40% (20% for each part)
Group Presentation	10%
Midterm Exam	22.5%
Final Exam	22.5%
Homework, Participation	5%

**Important Dates:**

Midterm Exam: Tuesday 3/3 in class  
Public Lecture: Thursday 3/12, 7pm  
Policy Paper: part 1 due Thursday 3/12, part 2 due Thursday 4/23  
Final Exam: Friday May 15, 2pm

### **Tentative Schedule:**

- 1/21 Motivation for Studying Health Economics (Chapter 1)
- 1/23 Utility and Health (Chapter 2)
- 1/28 Obesity  
“*Why Have Americans Become So Obese?*” Cutler, Glaeser, and Shapiro (2003); “*The Economics Of Childhood Obesity*,” Cawley (2010); “*Who Pays for Obesity?*” Bhattacharya and Sood (2011)
- 1/30 Production of Health (Chapter 3)
- 2/4 The Demand for Medical Care: Conceptual Framework (Chapter 4)
- 2/6 The Demand for Medical Care: Empirical Studies (Chapter 5)  
“*The Demand for Medical Care: What People Pay Does Matter*”, Eichner (1998)
- 2/11 The Rand Health Insurance Study  
“*Health Insurance and the Demand for Medical Care: Evidence from a Randomized Experiment*”, Willard Manning et al. (1987)
- 2/13 The Physician as a Supplier of Medical Care (Chapter 6)
- 2/18 The Market for Physicians (Chapter 7)
- 2/20 The Hospital as a Supplier of Medical Care (Chapter 8)
- 2/27 Hospitals in the Marketplace (Chapter 9)
- 3/3 **Midterm Exam**
- 3/5 Demand for Health Insurance (Chapter 10); “*Employment-Based Health Insurance and Job Mobility: Is There Evidence of Job-Lock?*” Madrian (1994)
- 3/10 Managed Care (Chapter 11)
- 3/12 Medicare and Medicaid (Chapter 12)
- 3/31 Medical Malpractice (Chapter 13)
- 4/2 Externalities in Health Care (Chapter 14)
- 4/7 Regulation in the U.S. Health Care System (Chapter 15)
- 4/9 Health Reform and Universal Health Coverage (Chapter 16)
- 4/14 Cost Control  
“*The Cost Conundrum*,” Gawande (2009), “*Overkill*,” (Gawande 2015); “*Reforming Payments to Healthcare Providers*,” McClellan (2011)
- 4/16 Global Health Issues  
“*The Global AIDS Epidemic*” UNAIDS (2012) ; “*The Economics of HIV*” Canning (2006)
- 4/21 The Market for Organs  
“*Introducing Incentives in the Market for Live and Cadaveric Organ Donations*,” Becker and Elias (2008); “*Repugnance as a Constraint on Markets*,” Roth (2008)
- 4/23 Behavioral Issues in Health; “*Behavioral Economics and Health Economics*,” Frank (2004)  
“*Improving Public Health Prevention with a Nudge*,” Ouillier et al. (2010)
- 4/28 Health, Happiness and the Economics of Subjective Well Being; “*Explaining Happiness*,” Easterlin (2003); “*Happiness And Health*,” Graham (2008); “*The Happiness-Suicide Paradox*,” Daly, Oswald, Wilson and Wu (2011)
- 4/30 Group Presentations
- 5/5 Group Presentations
- 5/7 Review