

Hamilton College, Fall 2023
Economics 360: Health Economics

Instructor: Stephen Wu

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Text: Charles E. Phelps, Health Economics, 6th edition

Office: KJ 206

Office Hours: Thurs 10-11:30am

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 at least one of the following two public lectures: one on **Monday October 2** at 7pm by Professor Caitlin Myers (Middlebury) and one on **Thursday October 26 at 7pm** by Professor Christopher Carpenter (Vanderbilt).

Use of AI Programs:

I discourage the use of AI programs such as ChatGPT for any of your assignments, including your policy papers, as much of the material generated by these programs may be inaccurate, incomplete, or fictitious. However, if you do include material generated by an AI program, it must be cited like any other reference material (with due consideration for the quality of the reference, which may be poor).

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.

Student Wellbeing

Many of us may feel overwhelmed, anxious, or depressed for various reasons. If at any point you feel unable to complete work for this class, please reach out and discuss with me. I also encourage you to make use of the resources available on campus to help and support you, such as Student Support Care Team (315-859-4020; studentsupport@hamilton.edu), the Counseling Center (315-859-4340), or an RA

or Area Director in your residence hall. For academic matters, please contact the Associate Dean of Students for Academics, Adam Van Wynsberghe (315-859-4600; avanwyns@hamilton.edu).

Grading:

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

Important Dates:

Public Lectures: Monday 10/2 at 7pm, Thursday 10/26 at 7pm (both in Science Auditorium)

Midterm Exam: Tuesday 10/9 in class

Policy Paper: part 1 due Monday 10/23, part 2 due Monday 12/4

Final Exam: Friday December 15 at 2pm

Final Exam

Please note that the Final Exam is scheduled for Friday December 15 at 2pm. For the final exam, please schedule your travel plans around this date. If you anticipate having a conflict with the exam time, please let me know during the first two weeks of class.

Tentative Schedule:

- 8/28 Motivation for Studying Health Economics (Chapter 1)
- 8/30 Utility and Health (Chapter 2)
- 9/4 Production of Health (Chapter 3)
- 9/6 The Demand for Medical Care: Conceptual Framework (Chapter 4)
- 9/11 The Demand for Medical Care: Empirical Studies (Chapter 5): *"The Demand for Medical Care: What People Pay Does Matter"*, Eichner (1998)
- 9/13 The Rand Health Insurance Study: *"Health Insurance and the Demand for Medical Care: Evidence from a Randomized Experiment"*, Willard Manning et al. (1987)
- 9/18 Externalities in Health Care (Chapter 14)
- 9/20 COVID-19
"Mental Health Costs of Lockdowns" Altindag et al. (2022)
- 9/25 Alcohol, Drugs, Addictive Substances: *"Rising Mortality among White non-Hispanic Americans"* Case and Deaton (2015); *"Crime and Legalization of Marijuana"* Dragone et al. (2019)
- 9/27 Reproductive Policies: *"Career and Marriage in the Age of the Pill"* Goldin and Katz (2000); *"Economics of Abortion Bans"* (2023)
- 10/2 Guest Speaker: Caitlin Myers
- 10/4 Obesity: *"Why Have Americans Become So Obese?"* Cutler et al. (2003); *"The Economics Of Childhood Obesity,"* Cawley (2010); *"Who Pays for Obesity?"* Bhattacharya and Sood (2011)
- 10/9 **Midterm Exam**
- 10/11 Physicians (Chapter 6)
- 10/16 Hospitals (Chapter 8)
- 10/18 Demand for Health Insurance (Chapter 10)
- 10/23 Health Insurance and Managed Care (Chapter 11)
- 10/25 Medicare and Medicaid (Chapter 12)
- 10/30 Medical Malpractice (Chapter 13)
- 11/1 Regulation in the U.S. Health Care System (Chapter 15)
- 11/6 Health Reform and Universal Health Coverage (Chapter 16)
- 11/8 Cost Control: *"The Cost Conundrum,"* Gawande (2009), *"Overkill,"* (Gawande 2015); *"Reforming Payments to Healthcare Providers,"* McClellan (2011)

- 11/13 Group Presentations
- 11/15 Group Presentations
- 11/27 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)
- 11/29 Behavioral Issues in Health: “*Behavioral Economics and Health Economics*,” Frank (2004)
“*Improving Public Health Prevention with a Nudge*,” Ouilier et al. (2010)
- 12/4 Health, Happiness and Subjective Well Being: “*Explaining Happiness*,” Easterlin (2003);
“*Happiness And Health*,” Graham (2008); “*The Happiness-Suicide Paradox*,” Daly, Oswald,
Wilson and Wu (2011)
- 12/6 Review

Final Exam on Friday December 15 at 2pm