

ECON 465: Health Economics

Winter 2023

Section 001: Tuesdays and Thursdays from 9:30 - 10:15am, HBLL 3712

Instructor Information

Name: Paul Eliason

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Office Location: WVB 2147

Email expectations: Please use the above email address for communication. If you message me via LearningSuite I won't see it, so please don't do it. To gauge expectations I batch my emails so please allow me at least 24 hours to respond to emails.

Office Hours

Time: 11:00 to 12:00pm on Tuesdays, 3:00 to 4:00pm on Wednesday, or by appointment

Location: WVB 2147 or at Zoom Meeting ID 801 422 5928

Course Description

This is an advanced course that will explore topics in health care economics. The emphasis of this class will be on the organization of health care markets in the U.S. Content will consist of a mix of underlying theory, empirical findings and methods, and health care policy and institutions. The broad topics we will study include institutions and features of U.S. health care markets, health insurance markets, health care provider agency problems, hospital pricing and competition, pharmaceutical markets, and COVID-19.

Prerequisites

ECON 388 and ECON 382. Concurrent enrollment in 382 is reasonable. Concurrent enrollment in 388 is discouraged.

Learning Outcomes

Econ 465 students will be able to

1. Explain the structure of the U.S. health care system and its history

2. Demonstrate a theoretical understanding of selection in health insurance and employ data to examine its effect on real-world health insurance markets
3. Demonstrate a theoretical understanding of the health care provider agency problem, use such a model to analyze financial incentives in health care, and empirically explore the effects of agency
4. Demonstrate a theoretical understanding of hospital pricing, competition, and negotiations with insurers.
5. Demonstrate a familiarity with the effects of health care innovation, pharmaceutical markets, the opioid epidemic, and short-run effects of COVID-19 on the health care system.
6. Prepare a written report on a health care system outside of the U.S. and give an in-class presentation on that system.
7. Demonstrate an ability to relate the models and concepts in this class to the current policy situation and discussion.

Required text

The textbook for this course is *Health Economics and Policy* by James W. Henderson. Unfortunately, the economics in this book are a little simplistic for students with backgrounds from Econ 380, 382, and 388. We will rely on the book to provide an outline of the topics covered, as well as excellent background information. Beyond that, we will follow a calendar of readings drawn from a variety of sources ranging from academic press to current events and policy discussion. For each scheduled topic you should complete the readings specified in the schedule on LearningSuite before class so you are prepared to participate in discussions.

Recommended text

- Optional: *Health Economics*, by Bhattacharya, Hyde, and Tu
- Optional: *Introductory Econometrics 6E*, by Wooldridge, J.
- Optional: *Microeconomic Theory: Basic Principles and Extensions*, by Nicholson and Snyder

Health Economics News and Blogs

You are encouraged to follow current events as they relate to the health and health care realms. There are *many* of them. Here I provide links for a variety of blogs that engage with health economics, particularly in the context of current policymaking. Should you find/follow others, feel free to share them with me.

- <http://themorningconsult.com/news/>
- <http://theincidentaleconomist.com>
- <https://thehealthcareblog.com/blog/tag/economics/>
- <https://www.healthaffairs.org/blog>
- <https://www.nytimes.com/section/upshot>
- <https://www.healthcare-economist.com/>
- <https://www.npr.org/sections/health-shots/>
- <https://www.wsj.com/news/business/health-industry>

Course Structure

Grading Policy

Grades will be based on weekly blog posts (5%), in-class participation (15%), five homework assignments (40%), country report project (15%), and a final exam (25%). Assignments are due at 11:59pm on the indicated due date. All assignments will be submitted through LearningSuite. Late work will be accepted at a discount of 10% per day it is late.

Assignments

Reading and Blog Posts

The readings detailed on the schedule on LearningSuite are required. Do the readings before class to prepare for class engagement. At the end of each week, I also want to hear about what you've learned, how you see it relating to current events, and what questions you still have. To communicate these, you will submit a 1-3 paragraph blog post before 11:59pm each Friday, submitted via LearningSuite (see the Exams tab). A blog entry should consist of discussing course material, relating it to specific current events (cite at least one news story), and bring up any questions you have.

Attendance, Participation and Paper Presentations

Class attendance is a crucial part of the course, and learning outcomes depend on it. Part of the grade is determined by class attendance and active participation—I really want to encourage participation and discussion. Participation and attendance may be tracked by the TA to determine grades. I expect everyone to get full credit on this so just do it.

In addition, twice this semester you (with a group) will be expected to create and present a 20-25 minute PowerPoint presentation of an assigned paper, and lead a discussion on this assignment. See the instruction sheet posted on Learning Suite for requirements for these presentations.

Homework Assignments

There will be five problem sets in this course. Each problem set may consist of short answer questions, a theory portion where students will be asked to demonstrate their ability to employ the economic models covered in class and in the readings, and an empirical portion where students will use real-world data to explore the implications of those theoretical models. It is recommended that students do these empirical portions in Stata. This is available in the Department's computer lab and on the University's network. Students interested in using other statistical software packages may do so with one exception: You may not use Excel.

To get credit for each assignment there are three files that should be uploaded:

1. A handwritten/typed document including your work and answers,
2. A Stata ".do" file,
3. And a Stata ".log" file.

The document including your work should be a single PDF that is in order and legible. The Adobe Scan app is recommended for scanning handwritten work using your phone and converting it into a single PDF. These three files (PDF of answers, .do file and .log file) should be uploaded separately, not as a .zip file. Students are encouraged to work in groups but each student must upload their own unique set of answers.

Country Report

This course focuses largely on the healthcare system in the US. As such, in groups of two (if the number of students in the class is odd I will authorize a group of three) you will create a handout, give a presentation and write a report describing the healthcare system of another country. More details are outlined in the CountryReportProjects document, found in the Assignments section on LearningSuite.

Exams

There will be no midterm. The final exam will be held at the time and location appointed by the University.

Schedule

See LearningSuite.

COVID-19 Addendum

All students and employees are required to adhere to BYU's COVID-19 health and safety standards. These are detailed at <https://www.byu.edu/coronavirus/>.

University Policies

Honor Code

In keeping with the principles of the BYU Honor Code, students are expected to be honest in all of their academic work. Academic honesty means, most fundamentally, that any work you present as your own must in fact be your own work and not that of another. Violations of this principle may result in a failing grade in the course and additional disciplinary action by the university. Students are also expected to adhere to the Dress and Grooming Standards. Adherence demonstrates respect for yourself and others and ensures an effective learning and working environment. It is the university's expectation, and every instructor's expectation in class, that each student will abide by all Honor Code standards. Please call the Honor Code Office at 422-2847 if you have questions about those standards.

Sexual Misconduct

In accordance with Title IX of the Education Amendments of 1972, Brigham Young University prohibits unlawful sex discrimination against any participant in its education programs or activities. The university also prohibits sexual harassment-including sexual violence-committed by or against students, university employees, and visitors to campus. As outlined in university policy, sexual harassment, dating violence, domestic violence, sexual assault, and stalking are considered forms of "Sexual Misconduct" prohibited by the university.

University policy requires all university employees in a teaching, managerial, or supervisory role to report all incidents of Sexual Misconduct that come to their attention in any way, including but not limited to face-to-face conversations, a written class assignment or paper, class discussion, email, text, or social media post. Incidents of Sexual Misconduct should be reported to the Title IX Coordinator at t9coordinator@byu.edu or (801) 422-8692. Reports may also be submitted through EthicsPoint at <https://titleix.byu.edu/report> or 1-888-238-1062 (24-hours a day).

BYU offers confidential resources for those affected by Sexual Misconduct, including the university's Victim Advocate, as well as a number of non-confidential resources and services that may be helpful. Additional information about Title IX, the university's Sexual Misconduct Policy, reporting requirements, and resources can be found at <http://titleix.byu.edu> or by contacting the university's Title IX Coordinator.

Student Disability

Brigham Young University is committed to providing a working and learning atmosphere that reasonably accommodates qualified persons with disabilities. If you have any disability which may impair your ability to complete this course successfully, please contact the University Accessibility Center (UAC), 2170 WSC or 422-2767. Reasonable academic accommodations are reviewed for all students who have qualified, documented disabilities. The UAC can also assess students for learning, attention, and emotional concerns. Services are coordinated with the student and instructor by the UAC. If you need assistance or if you feel you have been unlawfully discriminated against on the basis of disability, you may seek resolution through established grievance policy and procedures by contacting the Equal Employment Office at 422-5895, D-285 ASB.

Academic Honesty

The first injunction of the Honor Code is the call to "be honest." Students come to the university not only to improve their minds, gain knowledge, and develop skills that will assist them in their life's work, but also to build character. "President David O. McKay taught that character is the highest aim of education" (The Aims of a BYU Education, p.6). It is the purpose of the BYU Academic Honesty Policy to assist in fulfilling that aim. BYU students should seek to be totally honest in their dealings with others. They should complete their own work and be evaluated based upon that work. They should avoid academic dishonesty and misconduct in all its forms, including but not limited to plagiarism, fabrication or falsification, cheating, and other academic misconduct.

Mental Health Concerns

Mental health concerns and stressful life events can affect students' academic performance and quality of life. BYU Counseling and Psychological Services (CAPS, 1500 WSC, 801-422-3035, caps.byu.edu) provides individual, couples, and group counseling, as well as stress management services. These services are confidential and are provided by the university at no cost for full-time students. For general information please visit <https://caps.byu.edu>; for more immediate concerns please visit <http://help.byu.edu>.

Plagiarism

Intentional plagiarism is a form of intellectual theft that violates widely recognized principles of academic integrity as well as the Honor Code. Such plagiarism may subject the student to appropriate disciplinary action administered through the university Honor Code Office, in addition to academic sanctions that may be applied by an instructor. Inadvertent plagiarism, which may not be a violation of the Honor Code, is nevertheless a form of intellectual carelessness that is unacceptable in the academic community. Plagiarism of any kind is completely contrary to the established practices of higher education where all members of the university are expected to acknowledge the original intellectual work of others that is included in their own work. In some cases, plagiarism may also involve violations of copyright law. Intentional Plagiarism-Intentional plagiarism is the deliberate act of representing the words, ideas, or data of another as one's own without providing proper attribution to the author through quotation, reference, or footnote. Inadvertent Plagiarism-Inadvertent plagiarism involves the inappropriate, but non-deliberate, use of another's words, ideas, or data without proper attribution. Inadvertent plagiarism usually results from an ignorant failure to follow established rules for documenting sources or from simply not being sufficiently careful in research and writing. Although not a violation of the Honor Code, inadvertent plagiarism is a form of academic misconduct for which an instructor can impose appropriate academic sanctions. Students who are in doubt as to whether they are providing proper attribution have the responsibility to consult with their instructor and obtain guidance. Examples of plagiarism include: Direct Plagiarism-The verbatim copying of an original source without acknowledging the source. Paraphrased Plagiarism-The paraphrasing, without acknowledgement, of ideas from another that the reader might mistake for the author's own. Plagiarism Mosaic-The borrowing of words, ideas, or data from an original source and blending this original material with one's own without acknowledging the source. Insufficient Acknowledgement-The partial or incomplete attribution of words, ideas, or data from an original source. Plagiarism may occur with respect to unpublished as well as published material. Copying another student's work and submitting it as one's own individual work without proper attribution is a serious form of plagiarism.

FHSS Diversity and Inclusion Statement

In the College of Family, Home, and Social Sciences, our classroom participation and behavior are guided by our mission statement, the BYU honor code, and principles of Christian discipleship. It is imperative

that we value and respect every person as a child of Heavenly Parents who has divine worth. Consequently, we need to take steps to listen to, learn from, and love one another by striving to consider thoughtfully the opinions of others and use language that is polite, considerate, and courteous even when we strongly disagree. It is essential to create an educational environment that ensures "the gift of personal dignity for every child of God". This includes embracing one another compassionately and "eliminating any prejudice, including racism, sexism, and nationalism" "regardless of age, personal circumstances, gender, sexual orientation, or other unique challenges." It is vital to delight in individuality and welcome diverse perspectives and experiences as we "work tirelessly to build bridges of understanding rather than creating walls of segregation." To accomplish these goals we seek unity in higher principles of equity, charity, collaboration, and inclusiveness in order to build an environment in which all students, faculty, and staff can participate in, contribute to, and benefit equally from the academic community.