**HCMI 5243: Health Care Economics**

**Spring 2019 6:00 PM – 9:00 PM Mon Room GBLC 504**

**Instructor: Shane Murphy; Email:** [**shane@uconn.edu**](mailto:shane@uconn.edu)**; Website:** [**https://shane-murphy.uconn.edu/teaching/spring-2019-hcmi-5243/**](https://shane-murphy.uconn.edu/teaching/spring-2019-hcmi-5243/)**; Office: BUSN 460**

**Office Hours: Mon & Wed 11:00 AM – 12:30 PM and by appointment**

**Course Description:** The structure of the health care economy and the health behavioral choices people make play an important role in society and everyday life. This class will explore the economics of the health care economy and use economic tools to explore health behaviors of individuals. The course will rely heavily on academic research, focusing on leading lights in the field. Topics covered include: supply and demand modeling; cost-benefit analysis; industrial organization of health markets; the role of private and government health insurance; and reform and the Affordable Care Act.

**Course Objective:**

* Use the language of economics to express problems in health care
* Identify assumptions and their importance in health economic research
* Identify key models and methods from economics used in health economics
* Understand how to evaluate empirical evidence
* Describe the general structure of the US health economy
* Explain the effects of major health policies

**Readings:** There is no textbook – weekly readings will be assigned on the website.

**Announcements and Email:** Most announcements will be made in class, although some announcements will be posted on the webpage. The best way to contact the instructor is via email.

**Attendance and Participation:** Since we meet only once a week, attendance and participation is very important. If you will miss a lecture, please let me know in advance and we can arrange a way to make up what is missed.

**Lecture Material:** PowerPoint slides, when used for lectures, will be posted to the webpage after or before class. It is the student’s responsibility to obtain any lecture notes from a classmate if the student is unable to attend class.

**Hybrid class:** This class meets in class 8 times in the semester, with no meetings the other 5 weeks. There will be one to four papers assigned each week with a number of optional additional papers. Weeks where we don’t meet in class will be augmented by lectures viewable online.

**Homework:** Homework will consist of 12 weekly reading responses, one economic theory assignment, and 5 online lecture responses. Students will choose one of each week’s readings for reading responses.

**Paper:** Details on the paper will be posted to the website.

**Grading:** Grades are based on weekly reading assignments and online lecture responses (30%), economic theory assignment (5%), an paper (30%), and a final exam (30%). The scale is: A [100, 92.5], A- (92.5, 90], B+ (90, 87.5], B (87.5,82.5], B- (82.5,80], C+ (80, &7.5], C (77.5,72.5], C- (72.5,70] , D+ (70, 67.5], D (67.5,62.5], D- (62.5,60], F (60,0]

**Calculators:** I do not anticipate the need for calculators on the exams. Any use of electronics (calculators, laptop, tablet, cell phone, etc.) during exams may result in a zero for the exam grade.

**Honor Code:** As a member of the University of Connecticut student community, you are responsible for acting in accordance with the University of Connecticut’s Student Code. Please review and become familiar with these expectations – in particular, make sure you have read the section on Academic Integrity. Cheating and plagiarism are taken very seriously by the university.

**Accessibility:** The University of Connecticut is committed to protecting the rights of individuals with disabilities and assuring that the learning environment is accessible. If you anticipate or experience physical or academic barriers based on disability or pregnancy, please let me or the Center for Students with Disabilities know as soon as possible. Contact information for the Center for Students with Disabilities is: Wilbur Cross Building Room 204, (860) 486-2020, or http://csd.uconn.edu/.

**Electronic Devices During class:** Please keep all cell phones, mp3 devices, pagers, etc. turned off or in silent mode. Laptops and tablets may be used for note-taking, following class lectures, or related material at instructor discretion.

**Preliminary Schedule:**

**January 28 (meet in class): Landscape of health in the US**

* **Fuchs, Victor R. “Major trends in the US health economy since 1950.” New England Journal of Medicine 366, no. 11 (2012): 973-977.**
* **Dieleman, Joseph L., et al. “US spending on personal health care and public health, 1996-2013.” Jama 316.24 (2016): 2627-2646.**

**February 4 (online): History of health economics and health economics in history**

* **Fuchs, Victor R. "Economics, values, and health care reform." American Economic Review 86, no. 1 (1996): 1-24.**
* **Deaton, Angus. "The great escape: A review of robert fogel's the escape from hunger and premature death, 1700-2100." Journal of Economic Literature 44, no. 1 (2006): 106-114.**
* **Cutler, David, and Grant Miller. "The role of public health improvements in health advances: the twentieth-century United States." Demography 42, no. 1 (2005): 1-22.**

**February 11 (meet in class): Health economic theory**

* **Cutler, David M., and Richard J. Zeckhauser. "Adverse selection in health insurance." In Forum for Health Economics & Policy, vol. 1, no. 1. De Gruyter, 1998.**

**February 18 (online): Rand and Oregon health experiments**

* **Gruber, Jonathan. The role of consumer copayments for health care: lessons from the RAND health insurance experiment and beyond. Menlo Park, CA: Henry J. Kaiser Family Foundation, 2006.**
* **James, Julia. “The Oregon Health Insurance Experiment, " Health Affairs Health Policy Brief, July 16, 2015.**

**February 25 (meet in class): Experiments in health economics**

* **Ahuja, Amrita, Sarah Baird, Joan Hamory Hicks, Michael Kremer, and Edward Miguel. "Economics of Mass Deworming Programs." DCP-3 Education (2018): 201.**

**March 4 (online): Determinants of health**

* **Cutler, David, Angus Deaton, and Adriana Lleras-Muney. "The determinants of mortality." Journal of economic perspectives 20, no. 3 (2006): 97-120.**
* **Cutler, David M., Edward L. Glaeser, and Jesse M. Shapiro. "Why have Americans become more obese?." Journal of Economic perspectives 17, no. 3 (2003): 93-118.**
* **Almond, Douglas, and Janet Currie. "Killing me softly: The fetal origins hypothesis." Journal of economic perspectives 25, no. 3 (2011): 153-72.**

**March 11 (meet in class): Cost-effectiveness analysis/Cost-benefit analysis**

* **Viscusi, W. Kip. "The value of risks to life and health." Journal of economic literature 31, no. 4 (1993): 1912-1946.**
* **Cutler, David M., and Mark McClellan. "Is technological change in medicine worth it?." Health affairs 20, no. 5 (2001): 11-29.**
* **Skinner, Jonathan S., Douglas O. Staiger, and Elliott S. Fisher. "Is technological change in medicine always worth it? The case of acute myocardial infarction." Health affairs 25, no. 2 (2006): w34-w47.**

**March 25 (meet in class): Health industrial organization**

* **Thomasson, Melissa A. "The importance of group coverage: How tax policy shaped US health insurance." American Economic Review 93, no. 4 (2003): 1373-1384.**
* **Gaynor, Martin. "Issues in the industrial organization of the market for physician services." Journal of Economics & Management Strategy 3, no. 1 (1994): 211-255.**
* **Berndt, Ernst R. "Pharmaceuticals in US health care: determinants of quantity and price." Journal of Economic perspectives 16, no. 4 (2002): 45-66.**

**April 1 (meet in class): Provision quality and pay-for-performance**

* **Rosenthal, Meredith B., and R. Adams Dudley. "Pay-for-performance: will the latest payment trend improve care?." Jama 297, no. 7 (2007): 740-744.**
* **Mendelson, Aaron, Karli Kondo, Cheryl Damberg, Allison Low, Makalapua Motúapuaka, Michele Freeman, Maya O’neil, Rose Relevo, and Devan Kansagara. “The effects of pay-for-performance programs on health, health care use, and processes of care: a systematic review.” Annals of internal medicine 166, no. 5 (2017): 341-353.**
* **Jha, Ashish K., Karen E. Joynt, E. John Orav, and Arnold M. Epstein. "The long-term effect of premier pay for performance on patient outcomes." New England Journal of Medicine 366, no. 17 (2012): 1606-1615.**

**April 8 (online): Global health**

* **Pritchett, Lant, and Lawrence H. Summers. Wealthier is healthier. Vol. 1150. World Bank Publications, 1993.**
* **Mills, Anne. "Reflections on the development of health economics in low-and middle-income countries." Proceedings of the Royal Society B: Biological Sciences 281, no. 1789 (2014): 20140451.**

**April 15 (meet in class): Cost**

* **Dieleman, Joseph L., Ellen Squires, Anthony L. Bui, Madeline Campbell, Abigail Chapin, Hannah Hamavid, Cody Horst et al. “Factors associated with increases in US health care spending, 1996-2013.” Jama 318, no. 17 (2017): 1668-1678.**
* **Newhouse, Joseph P. "Medical care costs: how much welfare loss?." Journal of Economic perspectives 6, no. 3 (1992): 3-21.**
* **Pozen, Alexis, and David M. Cutler. “Medical spending differences in the United States and Canada: the role of prices, procedures, and administrative expenses.” INQUIRY: The Journal of Health Care Organization, Provision, and Financing 47, no. 2 (2010): 124-134.**

**April 22 (online): Medicare/Medicaid**

* **Sommers, Benjamin D., Katherine Baicker, and Arnold M. Epstein. "Mortality and access to care among adults after state Medicaid expansions." New England Journal of Medicine 367, no. 11 (2012): 1025-1034.**
* **Card, David, Carlos Dobkin, and Nicole Maestas. "Does Medicare save lives?." The quarterly journal of economics 124, no. 2 (2009): 597-636.**

**April 29 (meet in class): Health insurance reform**

* **Quadagno, Jill. “Why the United States has no national health insurance: Stakeholder mobilization against the welfare state, 1945-1996.” Journal of Health and Social Behavior (2004): 25-44.**
* **Obama, Barack. “United States health care reform: progress to date and next steps.” Jama 316, no. 5 (2016): 525-532.**
* **Courtemanche, Charles, James Marton, Benjamin Ukert, Aaron Yelowitz, and Daniela Zapata. “Early Effects of the Affordable Care Act on Health Care Access, Risky Health Behaviors, and Self‐Assessed Health.” Southern Economic Journal 84, no. 3 (2018): 660-691.**
* **Antonisse, Larisa, Rachel Garfield, Robin Rudowitz, and Samantha Artiga. “The effects of Medicaid expansion under the ACA: Updated findings from a literature review.” (2017). KFF**