

HSERV/ECON 346
Using Economics to Solve Today's Health Care Problems

Autumn 2016

When: Monday & Wednesday; 3:00-4:20pm

Where: Odegaard Library Active Learning Classroom 141

Faculty: Norma B. Coe, PhD
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Health Sciences Building, H670-F
Voice 616-8530; nbcoe@uw.edu
Office Hours: Monday and Wednesday, 4:20-5:00pm
Odegaard Library

TA: Tricia Rodriguez, MPH Student
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Office Hours: Raitt Hall; Tuesdays 1:30-3:00pm

Credits: 4 credit hours for quarter; W-optional credit

Instructional Hours: In addition to two in-class sessions per week, students will be expected to complete pre-class activities. As an active learning strategy, instructors expect that students will prepare for class by reading, viewing videos of lectures, viwering/reading online resources, and completing various writing assignments. While this is an unusual distribution, students will have 3 in-class contact hours and 9 out-of-class hours, complying with the department requirements for 12 weekly hours of work for 4 credit courses.

Course Description

Health economics is a growing field and is an important aspect of public policy. This course is designed to introduce undergraduate students in Public Health and related fields to the field of Health Economics, and the tools economists use to analyze current issues in health care. This course should further your understanding of economics and how it is used in current debates.

Overall Course Goals

1. To provide applications of the principles of microeconomics
2. To discuss the hot topics in health care
3. To foster intellectual debate/discussion skills

Specific Learning Objectives

Upon course completion students should be able to:

- Analyze competitive supply and demand models

- Compare competitive supply and demand models with monopolistic buyers or purchasers
- Critique the relationship between medical spending and health outcomes
- Explain physician-induced demand, and its prevalence in society
- Define asymmetric information, adverse selection and moral hazard in a market
- Compare competitive markets with and without insurance
- Compare different solutions to market failures
- Discuss the strengths and weaknesses of cost benefit and cost effectiveness analysis
- Explain how different countries and agencies have adopted the use of cost effectiveness in policy decisions

Course Format

This course is ACTIVE-LEARNING based. While there were be short lectures at times, most of the class time will include discussion groups, debates, presentations, and simulations. This requires students to come to class, and to come to class prepared.

Each module introduces a new “hot topic” in health policy. The goal of that module is to understand the economic perspective on the issue. A primary focus is energetic discussion and respectful debates of current health topics.

The course is designed to provide opportunities for mutual engagement, critical reflection, and development of ideas to address current and future health care issues.

Required Readings:

1. Journal articles and website readings are listed in class syllabus (Canvas provides link)

Instructor Responsibilities

The instructor will facilitate the course objectives by doing the following:

1. Elaborating and clarifying key topics and issues in health economics.
2. Posing questions, comments, and reflections on course content and classroom process.
3. Helping create a classroom environment conducive to dialogue and discussion.
4. Provide timely, constructive feedback on assignments.

Learner’s Responsibilities

You will facilitate your mastery of course objectives by doing the following:

1. Being on time and prepared with questions and concepts from readings and assignments aimed at understanding the material. You are expected to attend class and participate in discussions and group activities, as well as complete group projects and individual assignments.

2. Respectful engagement: Due to differences in experiences that may lead to differences in perspectives, it is likely that a variety of opinions will be expressed in the classroom. Instructor and students share the responsibility for fostering a learning environment that is supportive, welcoming, and respectful of individual differences and viewpoints.

Course Assignments and Grading

Course grades will be based on active class participation, group assignments and presentations, individual written homework assignments, and a final exam.

The instructor will use a percentage system (final percentage translated to 4 point scale) to determine student grades.

Summary of Assignments

[Written homework is due in canvas; no late submissions will be accepted].

ASSIGNMENT	Includes	POINTS	% of grade
Course participation/contribution	7 Jigsaw 6 In-class activities	5 points per class =65 points	16.25%
Group Assignments	3 Debates 2 group presentations Creating a health insurance plan	15 points per activity =90 points	22.5%
Individual homework assignments	4 in-class Activity follow-up assignments	10 points each = 40 points	10%
Individual Essays (4)		35 points each= 140 points	35%
Final Exam		65 points	16.25%

Jigsaw Readings: Each jigsaw activity requires individuals to pre-read materials and be prepared to teach them to the class. Questions to guide your reading will be provided. Each student is expected to come to class with prepared answers to these questions to be handed in at the beginning of class.

In-Class Activities: In-class activities will demonstrate economic concepts. Students are expected to actively participate in the activity.

Group Assignments: For every group assignment, I expect each person to “grade” the other individuals in the group. I will take these self-evaluations into account when assigning individual grades for the group assignments. Thus not all people in the group will necessarily earn the same grade for the same assignment.

Individual Essays: This should be a 3-page essay (1000 words) with an introduction, body, and summary section. These essays should demonstrate your understanding of the main points and counterpoints of the debate. The introduction should define the

problem/context, the body of the paper should define alternatives based on positive analysis of the problem and known attempts to address the problem, then conclusion should make the normative case for one of the alternatives, explaining your position on the issue. Not stating an opinion is not an option.

W-optional credit: Students wanting Writing credit will be required to revise two of their essays after receiving detailed feedback from the instructor. The student can select which of the 4 essays he/she revises. The total writing requirement is 12 pages, not including the 2 revisions.

Grading Policies

1. No “Incompletes” will be issued unless there is a medical or family emergency. Students are advised to concentrate on doing well on all assignments.
2. There are no extra credit assignments.
3. The course instructor is always willing to meet with you to discuss your progress or to clarify course assignments or requirements. Please contact Dr. Coe or Ms. Rodriguez by email or telephone to schedule an appointment.

Academic Integrity (<http://sph.washington.edu/students/academicintegrity/>)

Students at the University of Washington (UW) are expected to maintain the highest standards of academic conduct, professional honesty, and personal integrity.

*The UW School of Public Health (SPH) is committed to upholding standards of academic integrity consistent with the academic and professional communities of which it is a part. Plagiarism, cheating, and other misconduct are serious violations of the University of Washington **Student Conduct Code** (WAC 478-120). We expect you to know and follow the university’s policies on cheating and plagiarism, and the **SPH Academic Integrity Policy**. Any suspected cases of academic misconduct will be handled according to University of Washington regulations. For more information, see the University of Washington **Community Standards and Student Conduct** website.*

Access and Accommodation:*Your experience in this class is important to me. If you have already established accommodations with Disability Resources for Students (DRS), please communicate your approved accommodations to me at your earliest convenience so we can discuss your needs in this course.*

If you have not yet established services through DRS, but have a temporary health condition or permanent disability that requires accommodations (conditions include but not limited to; mental health, attention-related, learning, vision, hearing, physical or health impacts), you are welcome to contact DRS at 206-543-8924 or uwdrs@uw.edu or disability.uw.edu. DRS offers resources and coordinates reasonable accommodations for students with disabilities and/or temporary health conditions. Reasonable accommodations are established through an interactive process between you, your instructor(s) and DRS. It is the policy and practice of the University of Washington to create inclusive and accessible learning environments consistent with federal and state law.

Using Economics to Solve Today's Health Care Problems
Autumn 2016
Monday/Wednesday Lecture Schedule

Topic 1: Macroeconomics of Health Care

Sept 28: *Introduction to the course and topics*

1. Introduction: review mechanics of course and classroom.
2. Discuss current trends in health and medical spending in the U.S.

Required Readings for Oct 3rd:

1. Gawande, Atul. "The Cost Conundrum." *The New Yorker*, June 1, 2009
2. Group-specific readings for jigsaw

Oct 3: Jigsaw: Do medical expenditures produce better health?

1. Analyze the literature about the relationship between medical expenditures and health outcomes.

Group Homework 1: due Oct 5th: prepare a short (5-minute) presentation of current trends in health and medical spending in selected country.

Oct 5: Presentations

Group Discussion of the relationship between health and medical spending

Required Reading for Oct 10:

1. Khan academy video on opportunity costs

Oct 10: Activity: Economic Efficiency and Opportunity Costs

Individual Homework 1: due Oct 17th: Activity follow-up

Group Homework 2: prepare for debate

Oct 12: Debate: How much should the US spend on Medical care? Which country has it right?

Essay 1 due Oct 19: Debate reflection

Topic 2: Markets

Required Reading for Oct 17:

1. Khan Academy Video: Supply, Demand and Market Equilibrium

Oct 17: Activity: Spot Market

Individual Homework 2 due Oct 24: Activity follow-up

Required Reading for Oct 19:

1. Group specific readings for jigsaw
2. Khan Academy video: Forms of Competition

Oct 19: Jigsaw: Consequences of market assumptions that do not hold in health care

Required Reading for Oct 21:

1. Group specific readings for jigsaw

Oct 24: Jigsaw: Solutions to market failures

Required Reading for Oct 26:

1. Feldstein, Chapter 29

Group Homework 3: prepare for debate

Oct 26: Debate: *Should organs be bought and sold?*

Essay 2 due Nov 2: Debate debrief. What is your solution to the organ donation problem?

Topic 3: Health Insurance

Required Readings for Oct 31:

1. Khan Academy Video: Elasticity

Oct 31: Activity: Health Insurance Market

1. Describe the demand for health insurance

Individual Homework 3 due Nov 7: Activity follow-up

Required Reading for Nov 2:

1. Group specific readings for jigsaw

Nov 2: Jigsaw: Effect of Health Insurance on Individual Behavior

Required Readings for Nov 7:

1. Group specific readings for jigsaw

Nov 7: Activity: Principal-Agent Issues

Jigsaw: In whose interest does the physician act?

1. Define asymmetric information
2. Analyze supplier-induced demand, and the literature supporting and refuting it.

Individual Homework 4 due Nov 14: Activity follow-up

Required Readings for Nov 9:

1. Summary of the ACA provisions
2. Group-specific readings for jigsaw

Group Homework 4: Draft by Nov 16: Design a health insurance plan for the exchange

Essay 3 due Nov 23: Select your health insurance plan!

Nov 9: Jigsaw: ACA provisions on: costs, labor market, quality of care, access to care, physician behavior

**Nov 14: Discuss Health Insurance Design: critique Group Homework 4
Group Homework 5: prepare for debate
Group Homework 4 due Dec 2: prepare final draft of health insurance plan.**

**Nov 16: Debate: *How much health insurance should everyone have?*
Essay 4: Debate reflection: due Dec 7**

Nov 21-23: No Class

Topic 4: Behavioral Economics in Health

**Nov 28: Introduction to Behavioral Economics
Activity: Using Heuristics**

Required Readings for Nov 30:

1. Group-specific readings for jigsaw

Nov 30: Jigsaw: Examples of behavioral interventions

**Dec 5: Design your behavioral health intervention
Group Homework 6: prepare your presentations**

**Dec 7: Presentations of Behavioral Health Intervention
Review and class assessment**

Final: Dec 15. 2:30-4:20pm