

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

**Autumn 2015**

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

**Where:** Odegaard Library Active Learning Classroom 141

**Faculty:** Norma B. Coe, PhD  
Assistant Professor, Dept. of Health Services  
Department of Health Services, H683  
Voice 616-8530; nbcoe@uw.edu  
**Office Hours: Monday and Wednesday, 4:20-5:20pm**  
**Odegaard Library**

**TA:** David Kim, PhD Student, Dept. of Health Services  
[ddkim62@uw.edu](mailto:ddkim62@uw.edu)  
**Office Hours: Friday 3:00-4:30pm**  
**Location: TBD**

**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 an introduction to 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. Your conclusion should explain your position on the issue.

**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 Mr. Kim by email or telephone to schedule an appointment.

**Academic Integrity:** 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 (SHP) 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 (<http://sphcm.washington.edu/students/academicintegrity>).

**Disability Access and Accommodations:** Your experience in this class is important to us, and it is the policy and practice of the University of Washington to create inclusive and accessible learning environments consistent with federal and state law. If you experience barriers based on a disability or temporary health condition, please seek a meeting with DRS to discuss and address them. If you have already established accommodations with DRS, please communicate your approved accommodations to your instructor at your earliest convenience so we can discuss your needs in this course.

Disability Resources for Students (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. If you have not yet established services through DRS, but have a temporary health condition or permanent disability that requires accommodations (this can 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](mailto:uwdrs@uw.edu) or [disability.uw.edu](http://disability.uw.edu)

**Using Economics to Solve Today's Health Care Problems**  
**Autumn 2015**  
**Monday/Wednesday Lecture Schedule**

**Topic 1: Macroeconomics of Health Care**

**Sept 30: *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 5<sup>th</sup>:**

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

**Oct 5: 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 7<sup>th</sup>:** prepare a short (5-minute) presentation of current trends in health and medical spending in selected country.

**Oct 7: Presentations**

**Group Discussion** of the relationship between health and medical spending

**Required Reading for Oct 12:**

1. Khan academy [video](https://www.khanacademy.org/economics-finance-domain/microeconomics/choices-opp-cost-tutorial/production-possibilities/v/production-possibilities-frontier) on opportunity costs  
(<https://www.khanacademy.org/economics-finance-domain/microeconomics/choices-opp-cost-tutorial/production-possibilities/v/production-possibilities-frontier>)

**Oct 12: Activity: Economic Efficiency and Opportunity Costs**

**Individual Homework 1: due Oct 19<sup>th</sup>:** Activity follow-up

**Group Homework 2: prepare for debate**

**Oct 14: Debate: How much should the US spend on Medical care? Which country has it right?**

**Essay 1 due Oct 21: Debate reflection**

**Topic 2: Markets**

**Required Reading for Oct 19:**

1. Khan Academy [Video](https://www.khanacademy.org/economics-finance-domain/microeconomics/supply-demand-equilibrium): Supply, Demand and Market Equilibrium  
(<https://www.khanacademy.org/economics-finance-domain/microeconomics/supply-demand-equilibrium>)

**Oct 19: Activity: Spot Market**

**Individual Homework 2 due Oct 26:** Activity follow-up

**Required Reading for Oct 21:**

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

**Oct 21: Jigsaw: Consequences of market assumptions that do not hold in health care**

**Required Reading for Oct 26:**

1. Group specific readings for jigsaw

**Oct 26: Jigsaw: Solutions to market failures**

**Required Reading for Oct 28:**

1. Feldstein, Chapter 29

**Group Homework 3: prepare for debate**

**Oct 28: Debate: *Should organs be bought and sold?***

**Essay 2 due Nov 4:** Debate debrief. What is your solution to the organ donation problem?

**Topic 3: Health Insurance**

**Required Readings for Nov 2:**

1. Khan Academy [Video](https://www.khanacademy.org/economics-finance-domain/microeconomics/elasticity-tutorial): Elasticity  
(<https://www.khanacademy.org/economics-finance-domain/microeconomics/elasticity-tutorial>)

**Nov 2: Activity: Health Insurance Market**

1. Describe the demand for health insurance

**Individual Homework 3 due Nov 9:** Activity follow-up

**Required Reading for Nov 4:**

1. Group specific readings for jigsaw

**Nov 4: Jigsaw: Effect of Health Insurance on Individual Behavior**

**Required Readings for Nov 9:**

1. Group specific readings for jigsaw

**Nov 9: 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 16:** Activity follow-up

**Required Readings for Nov 16:**

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

**Group Homework 4: Draft by Nov 18:** Design a health insurance plan for the exchange

**Essay 3 due Nov 25:** Select your health insurance plan!

**Nov 11: Veteran's Day [no class]**

**Nov 16: Jigsaw: ACA provisions on: costs, labor market, quality of care, access to care, physician behavior**

**Nov 18: 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 23: Debate: *How much health insurance should everyone have?***

**Essay 4: Debate reflection: due Dec 9**

**Topic 4: Behavioral Economics in Health**

**Nov 30: Introduction to Behavioral Economics**

**Activity: Using Heuristics**

**Required Readings for Dec 2:**

1. Group-specific readings for jigsaw

**Dec 2: Jigsaw: Examples of behavioral interventions**

**Dec 7: Design your behavioral health intervention**

**Group Homework 6: prepare your presentations**

**Dec 9: Presentations of Behavioral Health Intervention**

**Review and class assessment**

**Final: December 17, 2:30-4:20pm**