

Health Economics
01:220:417:B1
Summer 2017

Class Meeting: Monday/ Wednesday 1:00pm - 4:40pm

Classroom: Scott Hall 201, CAC

Instructor: Ning Li

Office: New Jersey Hall, Room 425

Office Hour: Monday 11:30am - 12:30pm, Wednesday 11:30am - 12:30pm, or by appointment

Email: nli@econ.rutgers.edu

Course Description:

This is an upper level elective course. It requires students to apply the economics theories and econometric skills to the health sector. To better understand the topics within this course, a wide range of examples, graphs, tables and charts will be provided along with theories. Moreover, some reading work, as a supplement, helps the students to acquire ideas of how the health economists propose research questions, use real world data and econometric methodology to address some difficulties in empirical study. The course will primarily discuss the healthcare in the United States but will include other nations for comparison.

Prerequisite(s): Intermediate Microeconomic Analysis (01:220:320), Econometrics (01:220:322).

Minimum grades of C are needed for 320 and 322.

Course Goals:

At the completion of this course, students should be able to describe how the current health care system functions, explain the pros and cons of the current health care system, and analyze the economics behind alternative healthcare reform proposals. By the reading tasks and small group project, students will be trained to develop a health-related research question, search for the useful dataset(s), use some econometric skills to answer the question.

Grade Distribution:

Course grades will be given based on two exams, one small group project and quizzes in class:

	Date	Weight
Midterm	Jun 19 in class	30%
Final	Jul 5 in class	40%
Project	Jul 3	15%
Quizzes	–	15%
Homework	–	0%

Note:

- All the students are required to take exams on the day mentioned. No make-up exams are given. If you miss one exam because of illness or family emergency, please let me know as soon as possible. All the exams are **closed book, closed notes, no extra credit**.
- All the students are required to form the small groups for projects. Each small group should propose an health-related question, search for useful dataset(s), use some econometric methods, provide empirical answer to your proposed question, and then give a short presentation on Jul 3rd in class. For details of the small group project, please check the sakai for instructions.
- Quizzes are given randomly in class. It is used to help students to review the chapters that

have been discussed. There are seven quizzes. Only five quizzes (out of your seven) with the best performance will be counted. No make-ups are given for quizzes.

- To help you master the key points within this course, I will post problem sets before each exam. You don't have to submit them. I will post the solutions. You may view them as review questions, but it is **not sufficient to prepare for exams if you work only on these problem sets**. There will be rich discussion about lecture notes, reading tasks and group projects, which may emerge in exams. In a word, it is crucial for you to attend lectures.

Letter Grade Distribution:

≥ 90	A
85 - 89	B+
80 - 84	B
75 - 79	C+
70 - 74	C
60 - 69	D
≤ 59.99	F

Academic Integrity: Cheating is not tolerated in this course. Please ask questions if you need help. For more information on academic integrity of Rutgers, please access <http://academicintegrity.rutgers.edu/academic-integrity-policy/>

Self-Reporting Absence Application: Students are expected to attend all classes. If you expect to miss more than one or two classes because of illness or a family emergency, please use the University absence reporting website <https://sims.rutgers.edu/ssra/> to indicate the date and reason for your absence. An email will be automatically sent to me. You are responsible to review the missing lecture.

Textbook and Notes:

Text(s): *The Economics of Health and Health Care*, 7th Edition

Author(s): S. Folland, A. Goodman, and M. Stano

This book contains chapters which we talk about in class. Due to the time constraint, we hardly cover all of the subjects. I rely on slides in class discussion and will post slides on sakai after class. In addition, I will discuss several articles in class, which are either scholarly literature review or pioneering empirical research. I will post the reading materials on sakai.

Tentative Course Outline:

The outline of topics covered in this course is listed below. It may change due to time constraint.

- Introduction
- The Healthcare Quadrilemma
- Economic Efficiency and Cost-Benefit Analysis
- Valuing Health
- Technology Evaluation
- Production of Health

- Production, Cost and Technology of Health Care
- Demand for Health Capital
- Midterm
- Health Insurance and Adverse Selection
- Inefficient Healthcare Market - Marcus Welby Medicine and Demand Inducement
- Inefficient Healthcare Market - Insurance Moral Hazard
- Inefficient Healthcare Market - Practice Variation
- Quality
- Project Presentation
- Final Exam

Student Wellness Services:

Just In Case Web App, for a mental health crisis for you are a friend:

<http://codu.co/cee05e>

Counseling, ADAP and Psychiatric Services (CAPS), for non-emergency psychological health issues:

(848) 932-7884 / 17 Senior Street, New Brunswick, NJ 08901 www.rhscaps.rutgers.edu/

Violence Prevention and Victim Assistance (VPVA)

(848) 932-1181 / 3 Bartlett Street, New Brunswick, NJ 08901 www.vpva.rutgers.edu/

Disability Services

(848) 445-6800 / Lucy Stone Hall, Suite A145, Livingston Campus, 54 Joyce Kilmer Avenue, Piscataway, NJ 08854 / <https://ods.rutgers.edu/>

Scarlet Listeners, for confidential peer counseling and referral hotline:

<http://www.scarletlisteners.com/> or call (732) 247-5555