Economics of Health

This is a one-semester course on a topic of major policy interest. Health care has been a major political issue in recent years. The overall objective of the course is to provide an interesting application of concepts learned in microeconomics. Intermediate microeconomics (Economics 149) is a prerequisite.

There will be two mid-terms, a paper, and a final examination.

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<th>Points</th>
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<tr>
<td>Mid-term exam</td>
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<td>Final Exam</td>
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<td>Term Paper</td>
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My office hours will be in Room 233 from 12:10 to 1:10 on Thursday and otherwise by appointment. I check e-mail frequently. A good way to get in touch is by e-mail.

A coursepak of readings is available for purchase at the Bryan Center. The textbook is Health Economics by Charles Phelps. The final exam is obligatory and will be administered at the scheduled time as established by the University.
I. Background

II. Demand for Medical Care and Health Insurance
   A. Demand for Medical Care: Overview
   B. Risk Aversion and the Demand for Health Insurance
   C. Insurance Background
   D. Moral Hazard
   E. Adverse Selection
   F. Non-economic Determinants of Demand

III. Managed Care

   First Mid-Term Examination

IV. The Market for Hospital Services
   A. Overview and Models of Hospital Behavior
   B. Hospital Pricing and Cost Shifting
   C. Hospital Ownership and Performance
   D. Regulation and Competition Among Hospitals
   E. Medicare Prospective Payment System
   F. Medicaid
   G. Technological Change

V. The Market for Physicians' Services
   A. The Market for Physicians' Services: Overview
   B. Competition, Regulation, and Induced Demand
   C. Too Many? Too Few
   D. Paying the Physician
   E. Medical Malpractice
THANKSGIVING HOLIDAY

VI. Health Reform November 25

VII. Cost Benefit and Cost Effectiveness Analysis December 2

Paper Presentations December 7-9

FINAL EXAMINATION