

Economics/Medical Humanities 4350
The Economics of Health and Medical Care
Professor James Henderson

Fall 2011 Course Syllabus

Prerequisites:

Knowledge of microeconomic theory is expected prior to enrollment in this course. Taking Economics 1305 or 2306 may satisfy this prerequisite.

Goals and Objectives:

The primary goals of this course are to enable the student to:

1. Recognize the relevance of economics to health and medical care and apply economic principles to related health issues.
2. Understand the mechanisms of the health care delivery system within the broad social, political, and economic contexts.
3. Explore the changing nature of health and medical care and the implications for medical practice, medical education and research, and health policy.
4. Analyze public policy in health and medical care from an economic perspective.

Course Requirements:

In addition to a mid-term exam and a comprehensive final exam, students will be required to write two (2) critical review papers of published research in health economics and participate in one of the structured discussions scheduled throughout the semester. Course grading will be as follows:

Midterm exam	30 percent
Critical reviews (2)	20 percent
Structured discussion	5 percent
Structured discussion essay	5 percent
Class participation	10 percent
Final examination	30 percent

- Midterm exam – The midterm exam is a traditional in-class exam using short-answer and essay format.
- Critical review papers – you will be required to write two critical reviews of two different journal articles. The body of your papers should be 1,000 to 1,500 words (or approximately 3-5 pages, 12 point type, and double-spaced). More details are provided below.
- Structured discussion and essay – On six occasions the class will be assigned a discussion topic that can easily be translated into a specific pro-or-con format. Students are required to participate in one of these discussions. Information on preparing for your discussion is provided below, including dates and topics.
- Class participation – class attendance (especially attendance on structured discussion days) and participation during daily discussions will be recorded.
- Final examination – a comprehensive final examination will be based on a posted list of questions available on the class blackboard 2 weeks before the final exam.

Writing a critical review of a journal article

Your goal in this assignment is to write a paper that can be understood by the typical student in this class. Your grade will be determined by how well you accomplish the assigned tasks. More specifically, I am looking for:

- **style and presentation** that is clear, well-organized, and free from misspellings, grammatical errors, faulty punctuation, and other mechanical problems that obscure the meaning (20 percent);
- an **internal structure** that is consistent with the article you are reviewing. This will likely include information provided in the article: an introduction, a purpose statement, a discussion of the previous research in the topic area, a clear statement of the testable hypotheses and issues, and a summary-conclusion that includes a statement of the current status of the issue and implications for the future (20 percent).
- **content** consistent with the paper's internal structure, providing a clear statement of the principle issues, methodology, and other pertinent details presented in the article (60 percent);

A rubric for grading is provided on the Blackboard.

Follow these steps in conducting a critical review of an article. Organize your evaluation as follows:

1. What is the principle issue examined in the article? Is it clearly presented and well motivated?
2. Comment on the methodology used in the study. Was the sample selection appropriate? How well did the authors control for confounding factors?
3. Describe the statistical analysis used in the study. Were the results well explained?
4. Were the article's main conclusions supported by the statistical analysis? What additional analysis might have been done to improve the results?

Preparing for the structured discussion

Structured discussions are an important part of getting students to think about important policy issues in health economics.

- Each student is required to formally participate in one discussion. Decide which issue you want to discuss and sign up.
- Prior to the discussion, students will be divided into two groups. Each group is assigned either the pro or con side of the argument. Groups are encouraged to meet prior to the discussion to choose their strongest arguments and strategies for presentation.
- Each group should prepare five pro and five con arguments on the discussion topic. Each argument must be supported with evidence comprised of an economic theory, a concept, or a study. These arguments/evidence papers are due the class meeting before the discussion.
- You have a great deal of latitude in choosing a format for your discussion. At minimum you should prepare a PowerPoint presentation, touch on the main points found in your research, and summarize the current thought on the issues associated with the topic.
- You will be graded on the quality of your written arguments and your participation in the discussion.
- In addition, you must write a 2-3 page essay incorporating your personal thoughts on the subject discussed. You may choose either side in the argument and incorporate the evidence gathered and presented. This essay is due one week after the date of the discussion.

Structured discussion topics

1. The most important goal in a healthcare system is to ensure universal access and improve quality. Only secondarily should we worry about how much it costs.
2. The US should provide the Federal Coordination Council for Comparative Effectiveness Research with the regulatory powers of the UK's NICE to slow the adoption of new medications and set limits on how much will be paid to lengthen a life.
3. To promote competition in the hospital system, policymakers should allow physicians to own financial interest in specialty hospitals.
4. Parallel trading in pharmaceuticals should be legalized so US citizens can purchase cheap drugs from Canada.
5. Illegal immigration is creating financial problems for US hospitals. Individuals in this country illegally do not have a right to health care services unless they can pay for them.
6. The problems associated with the newly reformed U.S. healthcare system are simply too numerous to tackle. The best alternative now is to repeal the law and start over again.

Required Texts:

James W. Henderson, *Health Economics & Policy*, 5th edition, South-Western CENGAGE Publishing, 2012.

Hankamer School of Business Attendance Policy:

To earn academic credit in a particular course, a student must be officially enrolled in that course by the end of the second full week of the semester and must attend at least 75 percent of all class sessions for that course. Students who do not fulfill these requirements will receive a grade of "F" in the course.

Important dates to remember:

September 20

Last day to drop a class without a grade assigned. Courses dropped after this day recorded as W or WF, according to the report of the professor

October 18

Courses dropped after this date will be recorded as failed.

Office:

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All other times by appointment only.

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Course Schedule and Readings:

All readings are required. A schedule of class discussions and associated readings is attached. The serious student will undertake all readings prior to the corresponding class discussion. This is imperative for meaningful class discussions.

Date	Topic of discussion	Assignments	Reading
Aug 23	The medical care dilemma		1
25	Using economics in health care		2
30	Analyzing medical care markets		3
Sep 1	Government intervention		3
6	Economic evaluation in health care		4
8	<i>Health care priorities</i>	Structured Discussion 1	
13	Cost-effectiveness analysis		4
15	Demand for health and medical care		5
20	<i>Role of cost-effectiveness analysis</i>	Structured Discussion 2	
22	The theory of private insurance		6
27	Health insurance access and affordability	1 st critical review due	6
29	Cost-savings and managed care		7
Oct 4	Market for physicians' services		8
6	Market for hospital services		9
11	<i>Specialty hospitals</i>	Structured Discussion 3	
13	Mid-term exam		1-9
18	Pharmaceutical market		10
20	<i>Parallel trading of drugs</i>	Structured Discussion 4	
25	Flex day		
27	Confounding issues		11
Nov 1	Government's role in improving access		12
3	Strategies to control costs	2 nd critical review due	13
8	International comparisons		14
10	<i>Illegal immigration and the right to health care</i>	Structured Discussion 5	
15	Flex day		
17	<i>Thanksgiving holiday</i>		
22	The Swiss model		14
24	Health care reform		15
29	<i>Repeal and rewrite</i>	Structured Discussion 6	
Dec 1	Policy options		15
	Final Exam—TBA	Comprehensive final	