Course goals: This course provides an overview of the economics of health and medical care with special attention to the role of government regulation. By the end of the quarter students should have the institutional knowledge and analytic tools needed to contribute to current public policy debates about health and medical care.

Prerequisites: At least two quarters of microeconomics and one quarter of statistics.

Requirements and grading: Grades will be based on problem sets (40%), a “policy exercise” (20%), a final exam (30%), and class participation (10%).

Text: Health Economics, Charles Phelps, 2\textsuperscript{nd} ed. (1997), Addison-Wesley. Available at the Seminary Coop bookstore.

Additional readings: Additional readings, all of which are required, are listed below. A packet containing these readings is available at the SSA copy center and is also on closed reserve at Regenstein library.

1. Introduction: Why health economics? (Tues. 3/28)

Phelps ch. 1 – 2


2. The production of health and the demand for medical care (Thurs. 3/30)

Phelps ch. 3 – 4


3. How insurance affects the demand for medical care (Tues. 4/4)

Phelps ch. 5


4. Medical care I: Physician training and supply (Thurs. 4/6)

Phelps ch. 6


5. Medical care II: Physician behavior (Tues. 4/11)

Phelps ch. 7


6. Medical care III: Hospitals (Thurs 4/13)

Phelps ch. 8 - 9


7. Medical care IV: Technology diffusion and pharmaceuticals (Tues. 4/18)

Phelps ch. 16 (section on drug and medical device regulation only)


8. Private insurance I: The employment-based system (Thurs. 4/20)

Phelps ch. 10 - 11


9. Private insurance II: Fee-for-service vs. managed care (Tues. 4/25)

(incl. in Phelps ch. 11)


Robert Miller and Harold Luft, “Does Managed Care Lead to Better or Worse Quality of Care?” *Health Affairs*, September/October 1997, 7 – 25.

10. Public insurance I: Medicare (Thurs. 4/27)

Phelps ch. 12


11. Public insurance II: Medicaid and CHIP (Tues. 5/2)

Phelps ch. 13


12. Non-medical inputs to health I: Health behavior and public health (Thurs. 5/4)


13. Non-medical inputs to health II: Income, wealth, socioeconomic status (Tues. 5/9)


14. Disability insurance and the labor market impact of poor health (Thurs. 5/11)


15. Medical malpractice and ERISA liability issues (Tues. 5/16)

Phelps ch. 14


16. Health care reform (Thurs. 5/18)

Plus the following articles in the *Journal of Economic Perspectives*, Vol. 8, No. 3. (Summer, 1994):


17. **Policy exercise** (Tues. 5/23)

Readings TBA

18. **CLASS CANCELLED** (Thurs. 5/25)

19. **Medical care in other developed countries** (Tues. 5/30)

Phelps ch. 17


20. **Health policy issues in less developed countries** (Thurs. 6/1)

Schieber, George and Akiko Maeda, “Health Care Financing and Delivery in Developing Countries,” *Health Affairs* 18 (3), May/June 1999, 193 - 205.


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<thead>
<tr>
<th>Week</th>
<th>Tuesday</th>
<th>Thursday</th>
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<tr>
<td>1</td>
<td>3/28 Introduction</td>
<td>3/30 The production of health and the demand for medical care</td>
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<tr>
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<td>PS 1 handed out</td>
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<td>2</td>
<td>4/4 How insurance affects the demand for medical care</td>
<td>4/6 Medical care I: Physician training and supply</td>
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<tr>
<td>3</td>
<td>4/11 Medical care II: Physician behavior</td>
<td>4/13 Medical care III: Hospitals</td>
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<td>4</td>
<td>4/18 Medical care IV: Technology diffusion and pharmaceuticals</td>
<td>4/20 Private insurance I: The employment-based system</td>
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<tr>
<td>5</td>
<td>4/25 Private insurance II: Fee-for-service vs. managed care</td>
<td>4/27 Public insurance I: Medicare</td>
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<td>6</td>
<td>5/2 Public insurance II: Medicaid and CHIP</td>
<td>5/4 Non-medical inputs to health I: Health behavior and public health</td>
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<td>5/9 Non-medical inputs to health II: Income, wealth, socioeconomic status</td>
<td>5/11 Disability insurance and the labor market impact of poor health</td>
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<td>5/16 Medical malpractice and ERISA liability issues</td>
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<td>5/23 Policy exercise</td>
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<td>10</td>
<td>5/30 Medical care in other developed countries</td>
<td>6/1 Health policy issues in less developed countries</td>
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