



ST. FRANCIS XAVIER UNIVERSITY

ECONOMICS

Econ 364: Health Economics

FALL 2018

F. SUMMERFIELD

Email: fsummerf@stfx.ca

Office Hours: Lane Hall A207

Wednesday 10:00 – 12:00

Thursday 16:00 – 17:00

Friday 9:30 – 10:30

Lectures: BB337

Wednesday 12:45 – 14:00

Friday 11:15 – 12:30

COURSE DESCRIPTION

This course explores issues around health, health care and health policy from the standpoint of economic theory. Basic microeconomic principles will be used to understand the demand for health and healthcare, and the supply of healthcare services. The course ideas from information economics to understand important public policy challenges, including moral hazard and adverse selection.

COURSE MATERIALS

There is no required textbook. For the information of students interested in further reading, lectures follow closely to the content in the following books:

- Bhattacharya, Hyde & Tu. *Health Economics*. Palgrave MacMillan, 2014.
- Goodman, Sherman and Stano. *The Economics of Health and Health Care 7ed.* Pearson, 2013.

Students are responsible for taking their own notes based on the lecture content. Please note that occasional figures discussed on the projector will be provided on Moodle but full copies of course notes will not be provided.

Throughout the term, articles will also be assigned for reading. Students will be tested only against lecture materials (including prerequisite knowledge) and main details from assigned articles.

COURSE OUTLINE*

Part I: Introduction

(3 Lectures)

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| 1 | What is Health Economics | Sept 5 th |
| 2 | Cross Country Comparisons | Sept 7 th & 12 th |

Part II: Demand for Health & healthcare

(6 Lectures)

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| 3 | The Grossman Model | Sept 14 th & 19 th |
| 4 | SES and Health Disparities | Sept 21 st & 26 th |
| 5 | Demand for Healthcare | Sept 28 th & Oct 3 rd |

Part III: Supply of Health Care

(2 Lectures)

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| 6 | Physician Labour Markets and Hospitals | Oct 10 th & 12 th |
| 7 | Pharmaceutical Industry | Oct 17 th |

Part IV: Innovation and Technology

(2 Lectures)

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| 8 | Health Technology Evaluation | Oct 19 th & 26 th |
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Part V: Information and Insurance

(7 Lectures)

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| 9 | Demand for Insurance | Oct 31 st , Nov 2 nd & 7 th |
| 10 | Adverse Selection | Nov 9 th , 14 th & 16 th |
| 11 | Moral Hazard | Nov 21 st |

Part VI: Public Health

(2 Lectures)

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| 12 | Externalities, Disease and Obesity | Nov 23 rd & 28 th |
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| Review | | Nov 30 th |
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*Schedule is approximate and progress through the material may vary during the term.

EVALUATION

Your grade for the course will be determined by the following weighting scheme:

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|---------------------------|---|----------|
| • Short Policy Essays (2) | Due: Sept 28 th , Nov 23 rd | 10% each |
| • Problem Sets (2) | Due: Oct 3 rd , Nov 14 th | 10% each |
| • Midterm Exam | In Class: Oct. 24 th | 30% |
| • Final Exam | TBA | 30% |

Exams: Proper medical documentation must be provided for missed exams. The final exam for the course is cumulative and will cover material from the whole term.

Problem Sets: You must submit your **own** set of answers at the start of the lecture in which they are due. Late problem sets will not be accepted and will receive a mark of zero. If you cannot attend a lecture where problem sets are due, make arrangements to have them submitted by a classmate or submit them early.

Short policy essays: Essays must be comprised of your own unique work. The essay question to be answered will be assigned in class one week prior to the due date. Please note that extensions will not be possible so plan ahead and manage your time accordingly. Instructions and examples will be circulated in class.

General guidelines:

- All sources used should be cited in a bibliography or footnotes
- Reports must be less than 1000 words - you will need to edit your work and write concisely.
- Be sure to make arguments from the point of view of an Economist, a common mistake is to argue your point only on a political or moral basis.
- Double spaced, Arial font (size 12), printed on plain white paper. No points awarded for looks/color printing, just a simple staple will do.
- A component of the grade will include writing clarity, so ensure that you spell and grammar-check your work. Do not trust your computer with this task.