Course Syllabus
ECON 4740-001 – Health Care Economics
12.40pm-2.05pm MW, FCBE Classroom 264
Fall Semester, 2015
3.0 Credit Hours

Instructor: Albert A. Okunade, Ph.D.
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Office: FCBE #450

Office Hours: 11.30am-12.30pm MW; 6-7pm W; Other times by appointment
Communicate also, via e-mail to reduce applicable ‘transaction costs’.

Graduate Assistants:
Tolu Ayangbayi, tyngbayi@memphis.edu, Office 417 FEXC, Office Hours: tel.: 678-4210
Xiaohui (Helen) You, xyou@memphis.edu, Office 417 FEXC, Office Hours: tel.: 678-4210

Course Overview:

Health care system reform is here (since 2010)! Therefore, this very timely and exciting course introduces you to the fundamental economics of the U.S. health care sector, its regulations and its guiding policies. These are all evolving. The US health care sector currently absorbs 18% of the annual GDP. The 2010 U.S. Affordable Care Act is the largest and most sweeping reform of the U.S health care system in several decades. Health care is an engine of growth! The system reform aspects permeate the entire economy (e.g., incomes, employment, workplace benefits, individual and public health status, retirement decisions, Medicare, Medicaid and private health insurance coverage designs, physician payments, health care manpower training and skills mix, electronic records keeping, quality of care and longevity of life, disability, hospitals and nursing homes, outpatient care, prescription drugs and medical devices, medical technology innovations, etc).

Alfred Marshall, one of the classical economists of old, defined Economics as “the study of mankind in the ordinary business of life.” One important aspect of human activities in life is (health and) health care economics--a subset of the human capital economics. Workplace productivity is linked with the health of employees, and good health has both investment and consumption aspects and spillover (externalities) effects are important just as in education or schooling (another human capital so fundamental to productivity growth gains in the global knowledge (high technology) economy. Health care economics integrates across (core micro- and macro- economic theories,
applied economics tools, public finance, labor, risks & uncertainty, economics of information in general, industrial organization, etc).

Therefore, the goal of this course, as described in The University of Memphis Undergraduate Catalog, is to study and understand the “unique nature of health care as economic good, health care market and its participants including patients, physicians, and hospitals, and financing and delivery of personal health care in United States and other countries.”

Required Texts (and Related Materials):

Course Objectives:
By successfully completing this course, students will be able to:

1. Accurately understand the economic principles (theories) that guide health care resource allocation decisions, health care system design components, regulations, and policies;
2. Analyze a health care problem (e.g., should the supply of auxiliary medical care personnel be expanded?) using tools of economics;
3. Understand the roles that public economics and finance (taxation, externalities) play in health care sector consumption, investment, distribution/access, etc;
4. Undertake intellectually constructive dialogues on current aspects of the evolving US health care sector;
5. Read and understand the economic implications of published healthcare articles and ongoing debates in the common press.

Fogelman College: Learning Outcomes for Your Degree
This course is designed to help you to meet the overall learning objectives for the BBA degree offered by the Fogelman College. You should take the time to become familiar with the overall learning objectives as a student in the BBA program:


Course Methodology
Lecture format. Regular class attendance is highly important.

Professor’s Expectations of Students:
In general, you should assist the instructor in creating a positive, supportive environment for learning by staying engaged in the course and actively participating in class discussions of current topics related to course contents.
Student's Expectations of the Professor:
As your instructor, you can expect from me: well-organized and engaging learning experience, timely response to emails, and timely feedback on tests and quizzes. I will grade students fairly and afford them reasonable opportunities to ask questions and get clear responses. Make frequent use of my office hours and those of my Graduate Assistants (see, P. 1 of this syllabus).

Grading and Evaluation Criteria
This professor is highly committed to teaching excellence and will grade you fairly. In turn, you are expected to: learn by studying (before and after each lecture), ask questions on time when not clear (there are no silly questions as long as they are related to text materials and course contents), form study groups (or “course buddies” from whom to seek notes if you missed class), attend classes regularly, actively participate in class discussions, and take the required tests plus submit projects when due. Have fun learning economics! This professor reserves the professional right to alter the course syllabus in order to achieve course mastery for students.

I believe in the ‘honor code’; so, any student caught cheating or plagiarizing will earn an ‘F’ grade for that test/quiz/paper. If a test is missed, the next test (except final exam) will count twice.

COURSE GRADE will be based on 4 tests and a series of attendance participation and discussions (see, footnote 1) or a written term paper:

● Test 1, 100 Points: Chs. 1 – 4 (8/24; 8/26; 8/31; 9/2; 9/9; 9/14) Test 1 Date: SEPT. 16
● Test 2, 100 Points: Chs. 5 – 8 (9/21; 9/23; 9/28; 9/30; 10/5; 10/7) Test 2 Date: OCT. 14
● Test 3, 100 Points: Chs. 9 – 12 (10/19; 10/21; 10/26; 10/28; 11/2; 11/4) Test 3 Date: NOV. 9
● Final, 100 Points: Chs. 13 – 16 (11/11; 11/16; 11/18; 11/23; 11/30; 12/2) Final Date: DEC. 09

● A STUDENT’S CHOICE BETWEEN Class Attendance/Discussions/Participation, taken randomly throughout the semester\(^1\) and written Term Research Paper of interest to the student as long as it is within the course’s content area\(^2\): 50 Points. Choice decision taken 8/31/2015.

TOTAL POSSIBLE POINTS=450

University policy requires students to sit for the final even if s/he already earned an “A” up to the last day of classes in the semester. See: Registrar’s academic calendar website.

\(^1\) Each student should come to class each period prepared to discuss a course-relevant newspaper, newsmagazine or academic journal article s/he has brought to bear on current chapter being covered. Professor is at liberty to call on any student to lead relevant discussions. Points earned are based on merit.

\(^2\) Clear your research topic and idea with the professor. He will guide you in structuring your paper and thought process throughout the semester.
Final Course Grades

Final course grades (earned points/450 total) are earned according to the following table:

<table>
<thead>
<tr>
<th>% Range of points</th>
<th>Assigned Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>90-100%</td>
<td>A</td>
</tr>
<tr>
<td>80-89%</td>
<td>B</td>
</tr>
<tr>
<td>70-79%</td>
<td>C</td>
</tr>
<tr>
<td>60-69%</td>
<td>D</td>
</tr>
<tr>
<td>Under 60%</td>
<td>F</td>
</tr>
</tbody>
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Course Topics:

PART 1: BASIC HEALTH CARE TOOLS AND INSTITUTIONS

Chapters 1 (Introduction), 2 (Health and Medical Care: an Economic Perspective), 3 (Cost and Benefit Analysis), 4 (Health Care Systems and Institutions); 5 (The Demand for Medical Care), 6 (Demand for Medical Insurance), 7 (Medical Care Production & Costs), 8 (Structure, Conduct, Performance, and Market Analysis)

PART 2: THE ROLE OF GOVERNMENT

Chapter 9 (Government, Health and Medical Care), 10 (Government as Health Insurer)

PART 3: INDUSTRY STUDIES

Chapters 11 (The Private Health Insurance Industry), 12 (The Physician Services Industry); 13 (The Hospital Services Industry), 14 (The Pharmaceutical Industry), 15 (The Long Term Care Industry)

PART 4: HEALTH CARE SYSTEM REFORM

Ch. 16 (Health Care System Reform)

Course Policies

E-MAIL:
All students are required to maintain and access their University of Memphis (@memphis.edu) email account. You will receive all official course correspondence at this email account. Any inability to receive incoming mail in a timely fashion (e.g., not regularly checking your email, having a “full mailbox” condition, etc.) is the student’s responsibility.

Attendance:
You are expected to stay active and engaged throughout the academic term and keep up with the schedule of activities. Your full engagement in the class begins on the first day of the semester and should be maintained until the last assignment is submitted. For students receiving federal student loans, any lack of engagement in the course may be treated as non-attendance and potentially impact access to student loans in the future.

Adding / Dropping:
If you have questions about adding or dropping classes, please refer to this page on the Registrar’s website.

Academic Integrity:
The University of Memphis has clear codes regarding cheating and classroom misconduct. If interested, you may refer to the Student Handbook section on academic misconduct for a discussion of these codes. Note that using a “Solutions Manual” is considered cheating. Should your professor have evidence that using a “Solutions Manual” has occurred, he/she may take steps as described on the campus’ Office of Student Conduct website. If you have any questions about academic integrity or plagiarism, you are strongly encouraged to review the Fogelman College’s Website on Academic Integrity.

Participation:
To be successful in this course as a student, you must stay active and involved throughout the entire semester. You should also regularly communicate with the instructor as part of your overall learning experience.

Classroom Behavior:
All participants in the course should be considerate of the other course participants and treat them (as well as their opinions) with respect. The class will operate under the assumption that any and all feedback offered is positive in nature and that the intentions of the person(s) providing feedback are strictly honorable. Insensitivity in this area will not be tolerated. If you have any questions about online communication, you should review the Fogelman College’s Netiquette website.

Late Assignments:
Assignments and projects may be submitted anytime up to and including the date due. Please review all information in this syllabus and related “Course Activity Summary / Schedule” for all due dates for formally assessed work. If your work is not submitted on time, the instructor reserves the option to deduct up to 20% of the grade value for tardiness depending upon the circumstances and appropriate communication between the student and the instructor.
**Extra Credit:**
There is no extra credit offered in this course.

**Reporting Illness or Absence:**
Due dates and deadlines have been established for each graded assignment. In this course, deadlines are taken very seriously. Please do not wait until the last day to submit assignments or to take quizzes and exams. If an emergency should arise, it is the student's responsibility to contact the instructor prior to the deadline to discuss the matter. A deadline extension will be considered only if all of the following conditions are met: (1) Extreme emergency and (2) Instructor contacted prior to the due date.

**Inclement Weather:**
In the event that inclement weather requires the cancellation of classes at The University of Memphis, local radio and television media will be immediately notified. Additionally, The University of Memphis has established an Inclement Weather Hotline at 678-0888 as well as TigerText, an emergency alert text messaging service to students, faculty and staff. This optional service is used in the event of an on-campus emergency, an unscheduled university closing, or a delay or cancellation of classes due to, for instance, inclement weather. Click Here for information on TigerText.

**Syllabus Changes:**
The instructor reserves the right to make changes as necessary to this syllabus. If changes are necessitated during the term of the course, the instructor will immediately notify students of such changes both by individual email communication and posting both notification and nature of change(s) on the course bulletin board.

**Student Services**
Please access the FCBE Student Services page for information about:

- Students with Disabilities. Click www.memphis.edu/drs
- Tutoring and other Academic Assistance
- Advising Services for Fogelman Students
- Technical Assistance

**Important Dates**
1st day of this class (Aug. 24); Labor Day (Sep. 7); Fall Break (Oct. 10-13); Thanksgiving (Nov. 25-29); Last day of classes (Dec. 2, W); Study Day (Dec. 3, R); Final Wrap-up (W, Dec. 9, 10.00am -12.00pm)