Instructor: Cyril F. Chang, PhD
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URL: https://fcbeacad.memphis.edu/faculty/list/faculty_details.php?id=39

Office Hours: Tuesdays, 4:30pm – 5:30pm and by appointment.

I. Course Overview

“Applies basic economic concepts to analyze health care market and evaluate health policies; including distinctive economic characteristics of health, health care industry, and health care professionals; American system of health care; current health care policy issues such as health care reform, managed care, and manpower planning.”

The Graduate catalog.

Course Objectives:

1. To analyze and evaluate, from the standpoint of economics, the American systems of health care financing and delivery;
2. To understand the distinctive economic characteristics of health and health care industries and the incentives that influence the behaviors of health care decision makers; and
3. To discuss various current policy issues such as health care reform, access to health care, health care costs, disparities in health and health care, and health care regulation and competition.

Pre-Requisites/Co-Requisites:

ECON 7100 (MBA Economics) or equivalent, or permission of instructor.

Required Texts (and Related Materials):


Recommended Texts (and Related Materials): It is recommended that students have access to health care news and blog articles (Kaiser Health News, Health Affairs Blog, HealthLeaderMedia Daily News, etc.)
Location of Course Materials:

Course materials (lecture notes, extra readings, news, etc.) are located on my UMDrive: https://umdrive.memphis.edu/cchang/public/Health%20Care%20Economics/

Fogelman College’s Learning Outcomes for MBA (or MA):

This course is designed to help you to meet the overall learning objectives for either the MBA or the MA degree offered by the Fogelman College of Business and Economics. You should take the time to become familiar with the overall learning objectives in the MBA (or MA) program:

Course Methodology:

Lectures, group learning, and self development.

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 classroom and online discussions.

Student’s Expectations of the Professor:

Well-organized and engaging learning experience, response to emails within two (2) business days, and feedback on all work submitted within 7-10 calendar days.

II. Grading and Evaluation Criteria:

Final course grades are earned according to the following scale:

<table>
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<tr>
<th>Point Range</th>
<th>Assigned Grade</th>
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<tbody>
<tr>
<td>90-100 Points</td>
<td>A</td>
</tr>
<tr>
<td>80-89 Points</td>
<td>B</td>
</tr>
<tr>
<td>70-79 Points</td>
<td>C</td>
</tr>
<tr>
<td>60-69 Points</td>
<td>D</td>
</tr>
<tr>
<td>Under 60 Points</td>
<td>F</td>
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Summary of Graded Activities:

Assessed activities and points earned will be distributed as follows:

- There will be a midterm exam and a final, and they will consist of essays only. There will also be a term paper (8-10 pages of text). The two exams will count 30% each while the term paper will count 30%. The remaining 10% rests with your class participation.
- There are several ways to participate in the class. Class attendance is important so don’t miss classes unless you have a legitimate reason. Some of you may choose to make
presentations to the class on topics that I will assign. Thirdly, all of you will participate in peer review of term papers.

- The Instructor reserves the right to give plus-minus grades within the grading scale shown in the preceding section.

III. Course Topics and Readings*

Part I - INTRODUCTION - Health, Health Care, and Health Care Economics

Santerre/Neun, Ch. 1 – Introduction*
Santerre/Neun, Ch. 2 – Health and Medical Care: An Economic Perspective*
Santerre/Neun, Ch. 4 - Health Care Systems and Institutions*

Self-Study E-Courses (Recommended):

*Economics of Health Care: This on-line interactive e-source title, “Economics of Health Care-Office of Health Care Ec.pdf” is aimed at students who have never taken an economics course but wish to develop an understanding of the basic principles of health care economics. It is prepared by a British consulting firm, The Office of Health Care Economics, and can be downloaded from my UMDRIVE.

US National Library of Medicine, Health Economics Information Resources: A Self-Study Course, Module 1, Part 1: This excellent on-line e-course is maintained by the National Library of Medicine and can be accessed here.

An overview of the American health care system:

*Health Care Costs 101* provides general background on U.S. health spending, with details for California where available. It shows how much we spend, what services the funds are spent on, and how much of the spending comes directly from the government, consumers, etc.

Articles on national health care expenditures are available from my UMDRIVE. Download them here.

An overview of the American medical device industry:

- Medical Device – Wikipedia.
Part II - DEMAND ISSUES
Santerre/Neun, Ch. 5 - The Demand for Medical Care*
Santerre/Neun, Ch. 6 - The Demand for Medical Insurance*

Part III - COST-BENEFIT AND COST-EFFECTIVENESS ANALYSES
Santerre/Neun, Ch. 3 - Cost-Benefit Analysis*


Additional articles and PowerPoint presentations are available from my [UMDRIVE](#).

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<thead>
<tr>
<th>Midterm, Tue., Oct 6, 2015; Fall Break, Oct. 10–13, 2015; Term paper outline due to Dr. Chang (via e-mail), Oct. 20, 2015</th>
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Part IV - GOVERNMENT AND HEALTH
Santerre/Neun, Ch. 9 - Government, Health, and Medical Care*
Santerre/Neun, Ch. 10 - Government as Health Insurer*

**Peer Review of Term Paper** – First draft of term paper due for peer review on Nov. 17 (Class will be divided into groups of 2-3 students. Members of each peer review group will review each other’s papers and provide written comments). Peer reviewed papers returned to authors on Nov. 24. You revised final paper due to Dr. Chang on Dec. 1, 2015.

Part V - HEALTH INDUSTRY STUDIES
Santerre/Neun, Ch. 11 - The Private Health Insurance Industry*
Santerre/Neun, Ch. 12 - The Physician Services Industry*
Ch. 13 - The Hospital Services Industry*
Ch. 14 - The Pharmaceutical Industry*

Part VII – WHERE DO WE GO FROM HERE
Santerre/Neun, Ch. 16 – Health Insurance Care Reform*

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<th>Final Exam – Tuesday, Dec. 8, 2015 Happy Holidays!</th>
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Term Paper Instructions

Paper Format:
You must follow a commonly used manuscript style such as the Univ. of Chicago style, the American Psychological Assn (APA) style, or the JAMA style. The paper is suggested to include:

I. Introduction and Statement of Problem: You need to address clearly in the Intro section the following fundamental research questions: What is the thesis of the paper? (Provide a concise problem statement.) Why is the topic important? (Describe the motivation behind your paper, its significance, and policy implications.) How do you plan to approach your problem and carry out the research? (Sketch the methodology). Finally, outline how the paper is organized.

II. Review of Relevant Literature: This is the place where you sketch the background of the topic and show how your work is related to the existing research. Score points with the reader with your familiarity with the origin and evolution of the issues that have been discussed in the relevant literature. It is important that you review only the works that are relevant to your work so as to keep this section concise and to the point.

III. Presentation of Theory and Empirical Evidence: Present a theoretical analysis of the thesis, assemble the necessary evidence to support the hypotheses, and evaluate the results critically.

IV. Conclusion and Recommendations: Present the conclusion or answers of the paper, discuss policy implications, and explain what unanswered questions you feel remain.

Other Details:

- Select a health economics topic that interests you and is narrow enough to allow you to cover it in sufficient depth. Topic selection is one of the most important steps of the research process, and you should expect the process to involve substantial research and reading.
- The paper should be divided into sections, with each section and subsection having succinct and appropriate titles. It should also conform to an acceptable style and be thoroughly and correctly documented through the use of references, endnotes, or footnotes.
- The paper outline should include: 1) Title of the paper, 2) Introduction and statement of the problem (specific theme, research question(s) studied, why the topic is important, etc.), 3) Background and/or review of the relevant literature, 4) Analysis, interpretation, arguments, 5) Conclusions and recommendations.
- You must participate in the peer review of term papers in this class. Form a peer review group of 2 or 3 persons and exchange drafts of term papers among yourselves following the timeline outlined in the syllabus.
- The final paper should be approximately 8-10 pages of text in length, double-spaced with 1 inch margins.
- A good paper has an attractive and well-developed thesis that uses economic theory and empirical evidence to advance and support its major points. Put yourself in the background and avoid expressions based on personal experience and opinion.
Suggested Term Paper Ideas

- If you build it will they come? Should the government subsidize supermarkets in food deserts?
- The paradox of hunger (food insecurity) and obesity
- Why is American health care ranked so low internationally? What’s the true story?
- Consumer-Driven Health Plans are a bright spot in health care reform
- Should Tennessee expand Medicaid?
- Is TennCare a failure or a public-sector managed care program that has worked?
- What can we learn from the TennCare Experiment?
- The ObamaCare Should be Repealed and Replaced by a Market-Drive System
- What are the economic reasons for and against individual mandate as a policy lever to promote universal insurance coverage?
- Improving quality while reducing costs: Barriers and challenges
- What have we learned from the Massachusetts Experiment (or the Oregon Medicaid Experiment)?
- How are physicians paid in the U.S.? How should physician payment methods be changed?
- How are hospitals paid in the U.S.? How should hospitals be paid?
- How can the way providers are paid be changed to improve quality and reduce costs?
- Should Medicare provide prescription drug benefits?
- Should all preventive services be provided with no co-pays? Why or why not?
- Managed Care has outlived its purpose
- Defined benefit style of health insurance can save Medicaid
- Who are the uninsured? Is it the government’s responsibility to take care of the uninsured? What are the options?
- The Tobacco Controversy - health consequences, tobacco control strategies, and cost effectiveness of smoking cessation therapies
- Why does health care cost so much?
- How does the bundled payment model work? How does it differ from the traditional cost-based reimbursement and the episode-based payment model?
- Who should pay for medical education?
- Do hospitals shift costs and why it matters to understand this question?
- How good are our hospitals? How can hospital quality be improved?
- Why is drug utilization so high in Tennessee?

IV. 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: May be taken at each class start and end times. The Instructor reserves the right to use attendance data in determining final grades.
The official policies regarding classroom misconduct of the University of Memphis and the Fogelman College of Business and Economics will be enforced. Details of these policies can be found here.

**Academic Conduct and Integrity:** The official policies regarding classroom misconduct of the University of Memphis and the Fogelman College of Business and Economics will be enforced. Details of these policies can be found following this link: http://www.memphis.edu/studentconduct/code.php. If you have any questions about academic integrity or plagiarism, you are strongly encouraged to review the Fogelman College’s Website on Academic Integrity.

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

**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.

V. **Student Services**

Please access the FCBE Student Services page for information about:

- Students with Disabilities
- Tutoring and other Academic Assistance
- Advising Services for Fogelman Students
- Technical Assistance