COURSE SYLLABUS

ECON 7711-001 (CRN 88603) – Appl. Health Care Economics

7.10pm-10.10pm W (FCBE Classroom 267)
Fall Semester, 2020
3.0 Credit Hours

Instructor: Prof. Albert A. Okunade
Phone: 901.678.2672
E-mail: aokunade@memphis.edu
Office: FCBE #318

Office Hours: email communication and ZOOM discussions are ‘time-efficient’ and preferred.

Graduate Teaching Assistant: Maurice Goldstein, email mrgldstt@memphis.edu

****** UNIVERSITY POLICY ON COVID-19 ******
https://www.memphis.edu/coronavirusupdates/plan/agreement.php

Course Overview:

Course Description and Objectives:
This course centers broadly yet specifically on the use of standard (and extended) economic theories and related methodologies to illuminate an array of health and health care issues. The course evaluates theoretical propositions, empirical evidence and (local, state, federal, international) policy issues in the context of health and health care economics. The course covers the structure, conduct, and performance of markets for physician, hospital, pharmaceutical, and long-term care, as the public policy issues relating to health and health care and how they affect human health and economic conditions.

The course exposes graduate (Masters and Ph.D.) students to the economics of health and health care with inferences and their implications for policy and human health capital formation. The underlying theories generally come from standard economics at the 1st year graduate (or equivalent, or instructor’s permission) level, modified (as needed) in the context of health and health care economics. Health and health care economics broadly draw from economics sub-fields
including public finance, labor, nonprofit, finance & insurance, industrial organization, risks and uncertainty, and other related areas within and outside of economics. Additional relevant theories from adjuvant disciplines, from Medicine to Psychology, Demography, Epidemiology, public health policies, and others, will be brought in at the margin to complement those of economics. That is, the Applied Health Care Economics course derives in the main from sound economic theories modified for relevance to the health systems of US and other countries (LDCs, OECD, EU, etc). Masters’ degree students in Business Administration, Public Health, and etc, and other disciplines might consider thinking about their projects with the goal of further developing it into a Thesis or Project paper. Contributions of course students employed in the health care sector (physician offices, hospitals, pharmacies, public health departments, etc) are important for illustrating practical applications, current regulations, and public policy debates.

US health care system reforms, here since 2010 in the form of Affordable care Act (ACA), continues to evolve the latest of which is the 2017 repeal of the ‘individual health insurance mandate’ (as part of the then passed tax reforms. http://time.com/money/5043622/gop-tax-reform-bill-individual-mandate/). Adjustments to these repeal policies, including through frequent Presidential Trump’s Executive Orders, are continuing to date. Therefore, this very timely and exciting course introduces students to the fundamental economics of the U.S. health care sector, its regulations and its guiding policies and implications for cost containment, consumers, insurers, hospitals, physicians (and other health care personnel) and policy decision makers. These are evolving. The US health care sector currently absorbs 18% of the annual GDP. The ACA is the largest and most sweeping reform of the U.S health care system in decades. Health care is an engine of economic growth! The system reform aspects permeate the entire economy (e.g., incomes, employments, 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).

Graduate Catalog describes course as using “… economic theories and related methodologies to illuminate an array of health and health care issues. Evaluates theoretical and empirical problems in health and medical care. Covers the structure, conduct, and performance of markets for physicians, hospitals, pharmaceuticals, and long-term care. Covers health and health care policies of the US (local, state, federal) and select other countries. Prereq. EC 7710 or instructor permission. This course is applied health care economics. Because it is an economics course, it uses economic theories as the core foundation for applications but it also draws from allied fields to instruct students on how economics is a fundamentally powerful set of tools for studying health sector policy proposals and analyzing implemented public policy proposals in health and health care. The REQUIRED Text achieves the course objectives and learning outcomes (see, below) for the applicable UofM degree programs.

Required Text:


Helpful Additional (RECOMMENDED) Resources, if lacking basic economic knowledge:

Can be available via the UofM Library or purchased online from low-cost online sellers of used textbooks.


**Course Objectives:**

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

1. Accurately understand the economic theories that guide health care sector resource allocation decisions, health care system design components, regulations, and public policies;
2. Analyze health care problems (e.g., should the supply of auxiliary medical care personnel be expanded?) using the methodology 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, at the graduate level, on current or emerging aspects of the evolving US health care sector;
5. Read and understand the economics and public policy implications of published healthcare trade articles in leading and high quality academic and practitioner journals.

**Fogelman College: Learning Outcomes for Your Degree**

This course is designed to help you to meet the overall learning objectives for the Masters degree (ECON 7711) program in the FCBE. You should take the time to become familiar with the overall learning objectives as a student in your respective degree program.

**Fogelman College: Learning Outcomes for the MBA Degree**

| MBA | [http://www fcbeassessment net/LearningOutcomes/MBADegreeLearningOutcomes pdf](http://www.fcbeassessment.net/LearningOutcomes/MBADegreeLearningOutcomes.pdf) |

**Course Methodology**

Lecture format. Regular class attendance (online) is highly important. Per the UoM’s latest policies on COVOD-19, the first 4 weeks of semester is online (remote instruction). I will be lecturing synchronously 7.10-10.10p.m., on ZOOM. Adjustment may be made to this format, at the Instructor’s discretion, if COVID-19 improves. Visit course eCourseware regularly!
**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: well-organized and engaging learning experience, timely response to emails and feedbacks on tests and quizzes. I will grade students fairly and afford them reasonable chances to ask questions and get clear responses. If questions, email me (aokunade@memphis.edu) or my Graduate Assistant (mrgldstt@memphis.edu).

**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. Semester research (Ph.D. students) or project (Masters’ students) will be run through “Turn It In” program.

**Grading Components**

1. **Individual effort Mid-term Take-home Test, Due Oct. 5**  
   \(\text{(Drop Box on eCourseware)}\)  
   ..... 30%

2. **Semester Project with Report (2 students per team, project concept needs Instructor approval. Report, Due Nov. 16**  
   \(\text{(Drop Box on eCourseware)}\)  
   ..... 30%

3. **Individual effort Final Take-home Test, Due Nov. 23**
   \(\text{(Drop Box on eCourseware)}\)  
   ..... 30%

4. **Online attendance, participation, and discussion (random)**  
   ..... 10%

**Final Course Grades**
Final course grades are earned, according to this table.

<table>
<thead>
<tr>
<th>% Range of points</th>
<th>Assigned Grade</th>
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<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>
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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.

**Course Topics: Syllabus Coverage Materials**

*Note: SH refers to the (REQUIRED) Sloan & Hsieh (2012) textbook. Course teaching follows the Seminar format (to allow for fluid interactive discussions and participatory learning).*

**8/19; 8/26; 9/2; 9/9**

**PART I (SH) DEMAND FOR HEALTH, HEALTH CARE, AND INSURANCE. Pgs. 1-168**

Ch. 1  *Introduction and Overview*, 1-38

Ch. 2  *Health & Health Behaviors*, 39-82

Ch. 3  *Demand for Health Care Services*, 83-126

Ch. 4  *Demand for Private Health Care Insurance*, 127-126

**Online (eCourseware) Discussion Questions Assigned ________________________________**

**9/16; 9/23; 9/30; 10/7**

**PART II (SH) SUPPLY OF HEALTH CARE SERVICES AND INSURANCE. Pgs. 169-466**

Ch. 5  *The Market for Physicians' Services*, 171-218

Ch. 6  *Hospitals*, 219-274

Ch. 7  *Quality of Care and Medical Malpractice*, 275-318

Ch. 8  *Nurses in Hospitals and Long-term Care Service*, 319-366

Ch. 9  *Pharmaceutical Manufacturers*, 367-416

Ch. 10  *The Supply of Private Health Insurance*, 417-466

**Online (eCourseware) Discussion Questions Assigned ________________________________**

**10/14; 10/21; 10/28; 11/4**

**PART III (SH) MARKET STRUCTURE IN THE HEALTH CARE SECTOR, Pgs. 467-614**
Ch. 11  Private Financing of Health Care Services, 469-502
Ch. 12  Government Financing and Private Supply, 503-562
Ch. 13  Public Supply and Financing, 563-614

Online (eCourseware) Discussion Questions Assigned ____________________________

11/4; 11/11; 11/18

PART IV (SH) PERFORMANCE OF THE HEALTH CARE SECTOR: POSITIVE AND NORMATIVE ASPECTS, Pgs. 615-752
Ch. 14  Cost and Cost-Effectiveness Analysis, 617-656
Ch. 15  Measuring Cost and Cost-Benefit Analysis, 657-692
Ch. 16  The Contribution of Personal Health Services to Longevity, Population Health, and Economic Growth, 693-736

Online (eCourseware) Discussion Questions Assigned ____________________________

Course Policies

E-MAIL:
All students are required to maintain and access their OFFICIAL University of Memphis (@memphis.edu) e-mail account. They 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 need to stay active and interact 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 class (M, 8/17);
- Labor Day (M, 9/2)
- Last day of regular classes for this course (W, Nov. 11)
- Final exam for course: 7.00-9.00pm, M, 11/23/2020