COURSE SYLLABUS

ECON 8711-001(CRN 88604) – 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 more efficient and preferred.

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

******** UNIVERSITY POLICY ON COVID-19 ********
https://www.memphis.edu/coronavirusupdates/plaagreement.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 doctoral students to the economics of health and health care with inferences and their implications for policy and human health capital formation. The core, underlying theories generally come from standard economics at the 1st year graduate level (or equivalent, or instructor’s permission), 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). Ph.D. (Economics Program) Students interested in the Applied Micro track (or a mixture of this track and another such as International, for example) are advised to be innovative at the outset to consider using the required term research paper (see grading components, below) as one of the essays set to later comprise a Dissertation. Contributions of cross-listed course students employed in the health sector economy (MDs, Nurses, Pharmacists, etc) are important when 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), continue 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 US 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 texts achieve course objectives and learning outcomes for the degree program.

Required Texts:


Some Helpful Additional Resources: Most of these Classic and Contemporary materials available at the University Library or through the library’s ‘Interlibrary Loans System’

4. Hal Varian, Microeconomic Analysis, Norton Publishers, 3rd or later Edition
17. The-Wei Hu and Chee-Ruey Hsieh (Editors), The Economics of Health Care in Asia-Pacific Countries (Academia Studies in Asian Economies), Cheltenham, UK: Edward Elgar, 2002 or later.

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 economic and public policy implications of published healthcare articles in leading and high quality academic (Ph. D. students) and practitioner (Masters' students) 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) and Ph.D. (ECON 8711) programs in the FCBE. You should take the time to become familiar with the overall learning objectives as a student in your respective degree program.

**Course Methodology**

Lecture format. Regular class attendance (online presence and participation) is necessary. Per the UoM’s latest policies on COVID-19, the first 4 weeks of semester is online (remote instruction). I will be lecturing synchronously 7.10-10.10 p.m., on ZOOM. Adjustment **may** be made to this format, at the Instructor’s discretion, if COVID-19 improves. **Visit course eCourseware and check your official UofM emails regularly! The professor reserves the right to schedule additional zoom sessions (TBA) during which articles assigned to individuals will be presented.**

**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 teacher, 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.

**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.

This course professor adheres to the intellectual ‘honor code’; so, any student caught cheating or plagiarizing will earn an ‘F’ grade for the affected assessment component. “Turn It In” Program will automatically check all written submitted materials on eCourseware “Drop Box” for plagiarism.

Grading

1. “Individual effort” Take Home MidTerm Test (Due Oct. 5, eCourseware Drop Box) ... 30%


3. “Individual effort” Take Home Final (Due Nov. 23, eCourseware Drop Box) ... 30%

4. Presence at Lectures & presentations of assigned papers during Zoom sessions ... 15%

________________________________________________________
100%

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.

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>
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<tbody>
<tr>
<td>90-100%</td>
<td>A</td>
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<tr>
<td>80-89%</td>
<td>B</td>
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<td>70-79%</td>
<td>C</td>
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<td>60-69%</td>
<td>D</td>
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<tr>
<td>Under 60 %</td>
<td>F</td>
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Course Topics: Syllabus Coverage Materials

Note: SH refers to the Sloan & Hsieh (2012) textbook; BM-G refers to the Barros & Martinez-Giralt (2012) book. AJR stands for related Journal Articles (to be selected in advance of class treatment by the Professor from among the latest published on innovative research, in leading journals, under each topical area.). Course teaching is Seminar type (allows for fluid interactive discussions and learning).

Course Topics: Syllabus Coverage Materials

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

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

BM-G: Ch. 8 (Essential Concepts in Health Economics); Ch. 2 (Demand); Ch. 9 (Demand for Health and Health Care); Ch. 10 (Insurance).

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

Readings:


Online (eCourseware) Discussion Question Assigned ______________________________________

9/16; 9/23; 9/30; 10/7
BM-G: Ch. 3 (Supply); Ch. 5 (Regulation); Ch. 6 (Mergers and Acquisitions); Ch. 11 (Contracts and Asymmetric Information); Ch. 16 (Referrals, Gate-keeping, and Levels of Care); Ch. 17 (Pharmaceuticals).

PART II (SH) SUPPLY OF HEALTH CARE SERVICES AND INSURANCE. \hspace{1cm} 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

Readings:

Online (eCourseware) Discussion Question Assigned

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

BM-G: Ch. 4 (Markets); Ch. 7 (For-profit and nonprofit organizations); Ch. 12 (Competition in Health Care Markets); Ch. 13 (Public and Private Provisions).

PART III (SH) MARKET STRUCTURE IN THE HEALTH CARE SECTOR, \hspace{1cm} 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

Readings:

Online (eCourseware) Discussion Question 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

Readings:

Online (eCourseware) Discussion Question 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 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 (eCourseware).

**Student Services**
Please access the [FCBE Student Services](#) page for information about:

- Students with Disabilities. Click [www.memphis.edu/drs](http://www.memphis.edu/drs)
- Tutoring and other Academic Assistance
- Advising Services for Fogelman Students
- Technical Assistance

**Important Dates**

- 1st day of THIS COURSE class (W, 8/19);
- 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 (Drop Box on eCourseware)