Table 1: Syllabus

Syllabus	
Course number and section Course title	**ECON 374 – Health Economics** Monday Wednesday Friday: 7:00p – 10:00p Aquia Building 213
Course placement	**( )** Core **( )** Concentration **(x)** Elective **( )** Pre-requisite(s) **(x)** *Course(s) recommended before taking this course*: ECON 103 and ECON 104
Instructor	Brad Kells Economics PhD Student Graduate Research Assistant, Center for Health Policy Research and Ethics Email: bkells@gmu.edu Office Hours: ------ Office Location: ------
Course description	An introduction to the role of economics in health care and health policy. The course will motivate concepts used by economists to analyze health outcomes, health behaviors, health care markets, health insurance markets, and the role of government. Concepts are linked to current health policy debates. Relevance and limits of the health economics approach to analyzing health issues are discussed.
Course objectives	Upon completion of the course, the student will be able to: ● Explain major economic principles as they pertain to the health care system, including o Production and demand for health o Supply and demand for medical care o Uncertainty and health insurance o Models of provider behavior o Sources of market failures, o Disparities in health care utilization and health outcomes, and the o Role of government in health care and public health ● Apply economic analysis for evaluating reforms and proposals in health-care policy ● Assess the strengths and limitations of the health economic framework in analyzing public health issues ● Present results in written, visual, and verbal formats.

<table>
<tr><td>Required textbook(s) and/or materials</td><td>There is one required textbook for the course.
Health Economics by Bhattacharya, Hyde and Tu.

We will also read a number of foundational health economics journal articles. All of these can be accessed through GMU's Web of Knowledge: webofknowledge.com.mutex.gmu.edu</td></tr>
<tr><td>Evaluation</td><td>Student grades will be based on homework quizzes, a midterm exam, individual presentations, and a final exam. The key to success is to come prepared for each class.

Class Participation 10%
Homework Quizzes 30%
Midterm Exam 20%
Final Exam 30%
Individual Presentation 10%
Extra Credit Paper One grade step
Late assignments will not be accepted except in extreme cases.</td></tr>
<tr><td>Grading Scale</td><td>Grades will be awarded on the following scale:
<table><tr><td>A 95-100</td><td>B+ 87-89</td><td>C+ 77-79</td><td>D 60-69</td></tr><tr><td>A- 90-94</td><td>B 83-86</td><td>C 73-76</td><td>F/FA/W 0-59</td></tr><tr><td></td><td>B- 80-82</td><td>C- 70-72</td><td></td></tr></table></td></tr>
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DESCRIPTION OF COURSE REQUIREMENTS

1. **Class Participation**

This class is designed to teach you about the tools applied economists use to solve real-world problems in the healthcare field. However, the field is still growing, and there are many critiques that can legitimately be made of the material discussed here. Learning in this class is related to your willingness to expose your insights and viewpoints to the critical judgment of your classmates. Thus, to make the learning process much more beneficial and enjoyable for both you and me, each one of you is expected to contribute to class discussions. This includes preparing for class by reading the text and assignments and presenting your opinions or summaries of material covered in class. Feel free to ask me questions, propose alternative mechanisms and solutions, and reframe problems in new and challenging ways.

2. **Homework Quizzes**

The homework assignments are meant to give you an opportunity to practice using some of the tools and analytical techniques we will be studying throughout the course. There will be quizzes in each class based on the material covered in the previous day's lecture and readings. The lowest of these will be dropped in determining the overall quiz grade. If you have exceptional circumstances that will not enable you to submit your assignments on time, please contact me in advance.

3. **Midterm Examination**

A midterm examination will be administered, tentatively scheduled for July 10. It will cover the material from lecture or assigned in readings up to the preceding class.

4. Individual Presentation

You will be assigned to present a short (10-15 minute) presentation on a foundational journal article in health economics (Table 3). This will encourage you to become familiar with the literature and methodology currently in use in the field. Starting the week of July 5, one or two students will present on a journal article related to the topic of the day's lectures. List of papers, and their tentative presentation dates are in Table 3, below. Feel free to contact me with questions or come to office hours for feedback on your presentations.

5. Final Examination

Final will be cumulative and will include all material covered in class and assigned as reading.

6. Extra Credit: Summary Paper

For extra credit up to one grade step (B- to B, B to B+, etc), you can write a two-page paper summarizing the central themes and important details of the journal article you present, as a handout for the class. This paper should be designed to help the other students follow your presentation and learn the key takeaways from your assigned journal article, and is due the night before your presentation.

Table 2: Schedule

Schedule		
Date	**Topics**	**Associated Readings**
June 26	Introduction to Health Economics Review of Econometrics Review of Microeconomics	Chapter 1
June 28	Demand for Health and Healthcare	Chapters 2, 3
June 30	Inequality in Healthcare Options, Inequality in Healthcare Results	Chapter 4
July 3	---------NO CLASS----------	Chapters 5, 6
July 5	Supply of Healthcare: Physicians and Hospitals	
July 7	Why Insurance? Adverse Selection	Chapter 7 Chapters 8, 9
July 10	**Midterm Exam**	-
July 12	Adverse Selection continued Moral Hazard	Chapter 10 Chapter 11
July 14	Health Innovation: Pharmaceuticals, Technology, and QALYs	Chapters 12, 13, 14
July 17	The Problem of Health Policy	Chapter 15
July 19	Health Provision Around the World	Chapters 16, 17, 18

July 21	The ACA and AHCA	To be assigned
July 24	Health Externalities	Chapters 20, 22
July 26	Behavioral Health Economics	Chapters 23, 24
July 28	**Final Exam**	-

Table 3: Weekly Papers and Assignment

Weekly Paper Assignments				
Date	**Topics**	**Selected Foundational Papers**		**Student**
June 26	*Introduction to Health Economics*	*Uncertainty and the Welfare Economics of Medicare Care – Kenneth J Arrow, 1963.*		*Brad Kells*
June 28	*Demand for Health and Healthcare*	*On the Concept of Health Capital and the Demand for Health - Michael Grossman, 1972.*	*(RAND Experiment, Willard G Manning, 1987) and (Oregon Experiment, Amy Finkelstein, 2011)*	*Brad Kells*
July 30	*Inequality in Healthcare Options, Inequality in Healthcare Results*	*Health, inequality, and economic development, Angus Deaton, 2001.*		*Brad Kells*
July 3	***NO CLASS***	-	-	-
July 5	Supply of Healthcare: Physicians and Hospitals	Demand inducement and the physician-patient relationship, David Dranove, 1988.	Pricing by non-profit institutions: the case of hospital cost-shifting, David Dranove, 1988.	
July 7	Why Insurance, Start Adverse Selection	Selection in Insurance Markets, Steven E Landsburg, 1993.	The market for lemons, George Akerlof, 1970.	
July 10	**Midterm Exam**	-	-	
July 12	Finish Adverse Selection; Moral Hazard	The economics of moral hazard: comment, Mark V Pauly, 1996.	Moral hazard and risk spreading in medical partnerships, Martin Gaynor, 1995	
July 14	Health innovation: pharmaceuticals, technology, and QALYs	Is technological change in medical care worth it? David M Cutler, 2001.	Using cost-effectiveness analysis to improve health care - Peter J Neumann, 2005.	
July	The Problem of	United States Health	The Affordable Care	

17	Health Policy	Reform: Progress to Date and Next Steps, Barack Obama, 2016.	Act at 5 years, David Blumenthal, 2015.	
July 19	Health provision across the world	The ethics and reality of rationing in medicine, Leslie Scheunemann, 2011.	The cost of rationing medical care by insurance coverage and by waiting, Roger Feldman, 1994.	
July 21	The ACA and AHCA	Kaiser Family Foundation Summary of the American Health Care Act	To be determined	
July 24	Health Externalities	Organ sales and moral travails: lessons from the living kidney vendor program in Iran, Ben Hippen, 2008.	Interrelations between legal and economic processes, Warren Samuels, 1971	
July 26	Behavioral Health Econ	Prospect theory: An analysis of decision under risk, Kahneman, 1979	Toward a positive theory of consumer choice, Richard Thaler, 1980.	
July 28	**Final Exam**	-	-	-
Extra papers	GMU authors	The Nature of Surgeon Human Capital Depreciation, J Hockenberry, 2014.	What price should we pay for specialty drugs, Len Nichols, 2015.	
	More GMU authors	Strategic integration of hospitals and physicians, Alison Cuellar, 2006.	Genetic testing – an economic and contractarian analysis, Alex Tabarrok, 1994.	
	ACA-related	The impacts of the Affordable Care Act: How reasonable are the projections?, Jonathan Gruber, 2011.	Government intervention in health markets is practical, necessary and morally sound, Len Nichols, 2012.	
	Something else?	**Do you have an idea? Let me know!**		

GMU Honor Code Expectations

Students must adhere to the GMU honor code at all times:

"To promote a stronger sense of mutual responsibility, respect, trust, and fairness among all

members of the George Mason University community and with the desire for greater academic and personal achievement, we, the student members of the university community, have set forth this honor code: Student members of the George Mason University community pledge not to cheat, plagiarize, steal, or lie in matters related to academic work" (George Mason University Catalog, 2015-2016, http://catalog.gmu.edu/content.php?catoid=27&navoid=5426).Academic Integrity

Academic Integrity will be strictly enforced. Students are prohibited from cheating on exams, plagiarizing papers, submitting the same paper for credit in two courses without authorization, buying papers, submitting fraudulent documents, and forging signatures. Internet copying is easy to do and easy to identify so be careful.

GMU faculty has been advised to use SafeAssign to check on plagiarism. Its education and prevention service is available through Blackboard to help detect plagiarism. It supports a multi-faceted approach to teaching and learning about plagiarism. While some plagiarism may be deliberate, often it is unintentional and occurs for many reasons, including forgetting to keep track of sources; lack of clarity about how to cite sources; not understanding the distinction between quoting, paraphrasing and expressing original ideas; or differences between generations about what constitutes plagiarism. For more information see:

http://doit.gmu.edu/documents/safeassign_instructions_for_students.pdf

Any of the following acts, when committed by a student, shall constitute academic dishonesty:
CHEATING: intentionally using or attempting to use unauthorized materials, information, or study aids in an academic exercise.
FABRICATION: intentional and unauthorized falsification or invention of any information or citation in an academic exercise.
FACILITATING ACADEMIC DISHONESTY: intentionally or knowingly helping or attempting to help another to violate any provision of this code.
PLAGIARISM: intentionally or knowingly representing the words or ideas of another as one's own in any academic exercise. Plagiarism is the theft of another person's intellectual property without attribution. By way of example, plagiarism occurs when someone extracts text from a Google search and places that text in a document which is then offered as the 'extractors' original contribution. For more information, please see the George Mason University Honor System and Code at catalog.gmu.edu (2015- 2016 Catalog). Evidence of any attempt to plagiarize in the production of assigned papers will be referred to the appropriate authorities at George Mason University for disciplinary action.

Accommodations for Students with Disabilities
The University has a legal obligation to provide appropriate accommodations for students with disabilities. If you are a student with a disability and you need academic accommodations, please see me and contact the Office of Disability Services (ODS) at 993-2474. All academic accommodations must be arranged through the ODS.
http://ods.gmu.edu/students/services.php

Religious Observances

Students should not be penalized because of observances of their religious beliefs; students shall be given an opportunity, whenever feasible, to make up within a reasonable time any

academic assignment that is missed due to individual participation in religious observances. It is the student's responsibility to inform the instructor of any intended absences for religious observance in advance.

GMU Email Accounts

Students must use their Mason email accounts to receive important University information, including messages related to this class. See http://masonlive.gmu.edu for more information.

GMU Academic Support Services

Learning Services
Provides study skills workshops, academic skills program, and academic counseling.
Student Union Building I, Room 3129
http://caps.gmu.edu/learningservices/
703-993-2999

Counseling and Psychological Services (CAPS)
Provides individual and group counseling, workshops and outreach programs.
Student Union 1, Room 3129
http://caps.gmu.edu/
703-993-2380

Office of Disability Services (ODS)
Assists students with disabilities to obtain reasonable accommodations, auxiliary aids, and support services.
Student Union 1, Room 2500
http://ods.gmu.edu
ods@gmu.edu
703.993.2474 or 703.993.2476 (TTY)

Assistive Technology Initiative (ATI)
Provides Assistive Technology assessments, support and training. Also provision of accessible text. The referral process is initiated through the Office of Disability Services.
Aquia Building, Room 238
http://ati.gmu.edu
ati@gmu.edu
703-993-4329

The Writing Center
Free writing support and writing workshops.
Various locations (see website)
http://writingcenter.gmu.edu/
wcenter@gmu.edu

Math Tutoring Center
Free tutoring for freshman/sophomore math courses (up to MATH 290).
Johnson Center room 344
http://math.gmu.edu/tutorcenter.htm
703-993-1483

Tutor Referral
Recruits and maintains a tutor referral program. Tutors are available for most subjects offered at GMU.
http://caps.gmu.edu/learningservices/tutorreferral.php
703-993-2999