

ECON 456/PUBP 514: Economics of Health and Health Care
Spring 2023
TR 11-12:20 pm, Chancellors 217

Instructor

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Contacting Me

Email: My W&M email address is jimmell@wm.edu. I will generally respond within 24 hours to emails received during the week; it will take me longer to reply if your email comes in close to or over the weekend, so please plan accordingly.

Student Hours: I am available for student questions every Tuesday and Thursday from 1-2 pm in my office in Chancellors (#433). No appointment is required. If these times do not work for you, I am available at other times depending on the day/week; simply email me to set up a different meeting time.

Course Description

Every day people make real-life decisions that affect their health: whether to smoke, whether to buy insurance, and even where to live, among others. They interact with other economic actors in the health care sector like insurance providers, physicians, hospitals, and nursing homes, and the decisions of those actors can affect patient health in important ways. How do health care consumers, payers, and providers make these decisions? Could these decisions be made more effectively?

This course uses economic analysis to study health and health care decisions. It is divided into two parts. The first part focuses on the determinants of health, such as medical care, socioeconomic status, health behaviors, environment, and government policy. The second part focuses on behaviors of various actors in health care-related markets, including consumers, payers, health care providers, and other members of the health care workforce. Applications and topics will generally focus on the U.S. health care sector.

A note on the composition of the class: ECON 456 and PUBP 514 are cross-listed, which means class meetings will include students in the W&M Master's in Public Policy Program and advanced undergraduate students. The content of weekly course readings and expectations for class participation will be the same for both groups of students, but some assignments will differ in ways that will be spelled out in the assignment instructions when posted on Blackboard.

This Course & the Course Catalog

For undergraduates: This course requires ECON 303 and ECON 308 and fulfills the Economics major writing requirement.

For BA-BS + MPP students: You can earn credit for either the 500-level version of this course, or the 400-level version, but not both.

For all MPP students: This course counts as elective credit toward the MPP upon earning a C or better.

Course Learning Objectives:

In completing this course, all students will:

- Learn a set of economic theories related to health production and the behavior of consumers of healthcare, buyers of health insurance, as well as health care payers and providers (e.g., hospitals and physicians).
- Apply these theories in analyses of health behaviors and public policy related to health care.
- Develop and refine skills related to research, project organization, and written and oral communication.
- Follow your intellectual curiosity and reflect on your learning progress in the field of health economics.

Evaluation and Grading

Assignments for this course are organized as two separate **“Portfolio Projects”**. By portfolio, I simply mean a group of individual assignments that all connect to a common topic or theme. In the first half of the semester, you’ll complete a series of assignments related to *health production*. Then, during the second half of the semester, you’ll complete several assignments related to *health care*. You will have a say in the specific focus of each of your portfolios, as described below.

Specifically, course grades will be determined by performance in the following:

Participation	10%
Portfolio Project 1	42%
1-1. Describing a Health Behavior	6%
1-2. Explaining Links to SES	6%
1-3. Motivating Government Action with Theory	10%
1-4. Evaluating Evidence of Policy Effectiveness	15%
1-5. Reflection	5%
Portfolio Project 2	48%
2-1. Describing a Healthcare Policy	10%
2-2. Researching the Economics Literature	10%
2-3. Describing Economic Theory (presentation)	8%
2-4. Evaluating Evidence of Policy Effectiveness	15%
2-5. Reflection	5%
Midterms/Finals/Quizzes	0%
Total	100%

Goals: The primary goal of the Portfolio Projects is to deepen your understanding of course material by encouraging you to reflect on the material outside of class and apply the material to a new topic. Secondary goals of the assignments are to improve your research skills (e.g., finding and using information), critical thinking skills, communication skills, and your own assessment of your learning, all in relation to the field of health economics. More information on each assignment will be made available on Blackboard.

Choice: You get to choose the theme of each portfolio from a list of possible themes. For Portfolio 1, all the possible themes are types of *risky health behaviors* by individuals, and you get to choose one of the

behaviors as the unifying theme for all assignments in the Portfolio. For Portfolio 2, all the possible themes are types of *public policies that affect consumers/payers/providers of health care*, and you get to choose one of public policies as the unifying theme for all assignments in the Portfolio.

Public Policy Master's students, please note:

You will complete some writing assignments that are somewhat longer and incorporate more scholarly sources, including interdisciplinary sources. In some assignments, you will include more detail to policy background and policy relevance. These additional requirements will be noted in the assignment instructions.

Participation

Discussion of course concepts is important for both individual and collective learning. Effective participation in this class means sharing your points of understanding, points of confusion, and points of view on the topics of the day with others in the course. Effective participation is not just speaking often; what you say is as or more important than how often you speak. Though not required, students may wish to share any contributions by email sent to me before the start of class. The kinds of contributions that are most encouraged are those that:

- Respond to pre-posted questions on Blackboard or other aspects of readings
- Link to what others have said, prior course readings, or advance or deepen discussion
- Lead to a clearer statement of concepts being discussed, or attempt to synthesize the discussion

I take attendance and assess classroom discussion daily. More than two absences over the semester will reduce your maximum possible participation grade. If/when you need to miss class, please let me know as soon as possible and follow-up with me about your plans to catch up on what you missed.

Required Text and Readings

The textbook for the course is *Health Economics*, by Jay Bhattacharya, Timothy Hyde, and Peter Tu, 2014, Palgrave Macmillan. I will refer to the textbook as BHT. Readings from other sources will be assigned to complement the text and are available on Blackboard. Textbook and other readings are required; class discussions and course assignments will draw heavily from the readings. Complete the readings before coming to class.

Student Wellbeing

W&M recognizes that students juggle different responsibilities and can face challenges that make learning difficult. There are many resources available at W&M to help student navigate emotional/psychological, physical/medical, material/accessibility concerns, including the [W&M Counseling Center](#) (757-221-3620), where services are free and confidential, and the [W&M Health Center](#) (757-221-4386). For additional support or resources and questions, please contact the Dean of Students at 757-221-2510. For a list of many other resources available to students, see [Health and Wellness Resources for Students](#).

Course Policies

Grading scale. Letter grades for the course will be based on a standard 100-point scale as determined by the following ranges: A (≥ 93 through 100), A- (≥ 90 through < 93), B+ (≥ 88 through < 90), B (≥ 83 through < 88), B- (≥ 80 through < 83), C+ (≥ 78 through < 80), C (≥ 73 through < 78), C- (≥ 70 through < 73), D+ (≥ 68 through < 70), D (≥ 63 through < 68), D- (≥ 60 through < 63), and F (less than 60).

Blackboard. The Blackboard website is the central repository for the course. I will use it to communicate to the class as a group, accept and grade response paper submissions, and post materials for the course. Make sure that you regularly check both it and the email account associated with Blackboard.

Late work. Assignments submitted after the due date will receive reduced grades.

Etiquette. Please do not use devices during class for non-class-related activities. Several methodologically strong academic studies show that using laptops during class to browse social media, shop, catch-up on email, etc. distracts other students, lowers the quality of classroom interaction, and affects the multi-taskers' grades and comprehension. I reserve the right to ask you to close laptops during face-to-face meetings.

Disabilities. W&M accommodates students with disabilities in accordance with federal laws and university policy. Any student who feels they may need an accommodation based on the impact of a learning, psychiatric, physical, or chronic health diagnosis should contact Student Accessibility Services staff at 757-221-2512 or at sas@wm.edu to determine if accommodations are warranted and to obtain an official letter of accommodation. For more information, please visit www.wm.edu/sas.

Honor Code. Academic integrity is at the heart of W&M, and we all are responsible for upholding the ideals of honor and integrity. The [Student Handbook](#) includes your responsibilities as a student and the full Code. The use or incorporation of any AI-generated content (from ChatGPT, Dall-e, etc.) in assignments is not allowed and if suspected will be treated as an Honor violation. Submitted work may be reviewed, as needed, for AI-generated content. I expect your full participation and observance of the Honor Code.

PolLEV. I may use PolLEV to facilitate discussion and check understanding of concepts. If you are a new PolLEV user, please visit this site to create an account: <https://www.polleverywhere.com/login>. You must use your W&M credentials when creating the account.

COVID and this course. Please follow W&M requirements and guidelines about COVID safety which are available here: https://www.wm.edu/about/administration/emergency/current_issues/coronavirus/.

Course Resources

Writing Resources Center (for Undergraduates). This is a great resource to assist you with your writing assignments, research papers, and presentations in any course. Feel free to book a time with them to meet and chat here: <https://www.wm.edu/as/wrc/>.

The A&S Graduate Center (for Master's Students). The A&S Graduate Center supports all W&M graduate students in various ways, including with writing skills. Students are encouraged to make use of the Graduate Writing Resources Center (see <https://www.wm.edu/as/graduate/graduate->

center/gwrc/index.php) and to check out the other workshops, programs, and resources available within the A&S Graduate Center (see <https://www.wm.edu/as/graduate/studentresources/index.php>).

Course Calendar

The table below shows the topics we will cover this semester and due dates for all assignments completed as part of the Portfolio Projects. For example, Assignment 1-1 is the first assignment associated with Portfolio Project 1, on Health Production. Additional details on readings are available on Blackboard. I reserve the right to make slight adjustments to topics/readings for select class periods based on our progress in previous class periods. I will notify you in advance of any such changes.

Econ 456 Spring 2023	Week	Topic	Due
1/26	Th	1 Introduction	
1/31	T	2 Grossman Model	
2/2	Th	Statistical Tools for Health Economists	Assignment 1-1 due Sun 2/5 11pm
2/7	T	3 Socioeconomic Status and Health	
2/9	Th	Health Behaviors and Rational Addiction	Assignment 1-2 due Sun 2/12 11pm
2/14	T	4 Health Behaviors and Rational Addiction	
2/16	Th	Health Externalities	
2/21	T	5 Economics of Obesity	
2/23	Th	Behavioral Economics and Health	Assignment 1-3 due Sun 2/26 11pm
2/28	T	6 Opioid Abuse Epidemic	
3/2	Th	Place, Race, and Health	
3/7	T	7 Role of Medical Care	Assignment 1-4 due Mon 3/5 11pm
3/9	Th	<i>Discussion of lessons learned/reflections from Portfolio 1</i>	Assignment 1-5 due Fri 3/10 5pm
3/14		Spring Break	
3/16		Spring Break	
3/21	T	8 Consumers & Demand for HC	
3/23	Th	Consumers & Demand for insurance	
3/28	T	9 Adverse Selection; Environment & Health	
3/30	Th	Payers	Assignment 2-1 due Sun 3/26 11pm
4/4	T	10 Paying for Long Term Care	
4/6	Th	Physicians	
4/11	T	11 <i>Research paper meetings - no class today</i>	
4/13	Th	Hospitals	
4/18	T	12 Multipayer System Concepts & Models	Assignment 2-2 due Mon 4/10 5pm
4/20	Th	Nursing Facilities	
4/25	T	13 Healthcare Workforce Issues	
4/27	Th	Informal Caregiving	
5/2	T	14 <i>Research presentations on Portfolio 2</i>	Assignment 2-3 due T 5/2 11am (half of students)
5/4	Th	<i>Research presentations on Portfolio 2</i>	Assignment 2-3 due Th 5/4 11am (half of students)
5/12	F	Finals pd Research paper due May 12, 5pm	Assignment 2-4 due Fri 5/12 5pm
		Relection due May 12, 5 pm	Assignment 2-5 due Fri 5/12 5pm

Other Important Dates to Know

The last day to *drop* a course (disenrolling from a course without receiving a “W” on your transcript) is Friday, February 3, and last day to *withdraw* from a course is Monday, March 27. When you withdraw from a course, a “W” will appear on your transcript.