

▶▶ JSGS 837 – Health Economics

	University of Regina Campus	University of Saskatchewan Campus
Instructor:	Lihui Zhang	
Phone:	585-5465	
E-mail:	Please email me through UR Courses.	
Office Hours:	by appointment	
Office Location:	110 – 2 Research Drive	
Term:	Fall 2011	
Room:	CL 312	
Date and Time:	5:45 – 8:30pm on Mondays (see below for exceptions)	

TEACHING ASSISTANT

Name: Ali Kaba
 Email: Please email Ali through URCourses.
 Office Hours: 5:15 – 6:45pm on Fridays, and 4:00 – 5:30pm on Saturdays
 Office Location: AH 321

CALENDAR DESCRIPTION

This course is designed to provide students with an introduction to economic concepts and analysis relevant to health, health care and health care systems. Students will examine economic aspects of various elements of the health-care sector, identify relevant policy questions and apply economic concepts and techniques to analyze them.

COURSE CONTENT AND APPROACH

This course provides an overview of the economics literature pertaining to the health care sector, supplemented with examples from Canada and other countries. Students will learn economic theories and tools related to health policy issues and problems, practice such skills with different types of assignments, and develop an understanding of how health economics might inform policy decisions.

REQUIRED TEXTBOOKS

Hurley, Jeremiah E. (2010). *Health Economics*. McGraw-Hill Ryerson. ISBN 978-0-07-091648-7

Marchildon, Gregory (2005). *Health Systems in Transition*. Copenhagen, WHO Regional Office for Europe on behalf of the European Observatory on Health Systems and Policies (available online: http://www.euro.who.int/__data/assets/pdf_file/0009/80568/E87954.pdf)

SUPPLEMENTARY TEXTBOOK

Drummond et al. (2005). *Methods for the Economic Evaluation of Health Care Programmes*. Third Edition. Oxford University Press (on reserve in Archer library)

An introductory microeconomics or public sector economics textbook. For example:

Robert H. Frank, Ben S. Bernanke, Lars Osberg, Melvin L. Cross, and Brian K. MacLean. 2009. *Principles of Microeconomics*, 3/e. McGraw-Hill Higher Education. ISBN: 978-0070965263 (on reserve in Archer library under JSGS805)

EVALUATION

Assignments	20%
Midterm Exam	15%
Project	25%
Poster	15%
Presentation	10%
Class Participation	10%
Final Exam	30%
Total	100%

LATE ASSIGNMENTS

All assignments must be submitted by the due date. Exceptions can only be made when there are documented medical reasons or extraordinary emergencies, in which cases you are required to notify the instructor before the due date.

ATTENDANCE AND PARTICIPATION

You are expected to attend every lecture and participate actively by paying attention, asking/answering relevant questions, and sharing your comments, observations, and thoughts on relevant topics. If you are unable to attend a lecture due to documented medical reasons or extraordinary emergencies, please advise the instructor beforehand.

GRADE DESCRIPTORS

85+ excellent

A superior performance with consistent strong evidence of:

- a comprehensive, incisive grasp of the subject matter;
- an ability to make insightful critical evaluation of the material given;
- an exceptional capacity for original, creative and/or logical thinking;
- an excellent ability to organize, to analyze, to synthesize, to integrate ideas, and to express thoughts fluently; and
- an excellent ability to apply theories to real-world problems and intersect with related disciplines.

80-85 very good

An *excellent performance* with strong evidence of:

- a comprehensive grasp of the subject matter;
- an ability to make sound critical evaluation of the material given;
- a very good capacity for original, creative and/or logical thinking;
- an excellent ability to organize, to analyze, to synthesize, to integrate ideas, and to express thoughts fluently; and
- a strong ability to apply theories to real-world problems and intersect with related disciplines.

75-80 good

A *good performance* with evidence of:

- a substantial knowledge of the subject matter;
- a good understanding of the relevant issues and a good familiarity with the relevant literature and techniques;
- some capacity for original, creative and/or logical thinking;
- a good ability to organize, to analyze, and to examine the subject material in a critical and constructive manner; and
- some ability to apply theories to real-world problems and intersect with related disciplines.

70-75 satisfactory

A *generally satisfactory and intellectually adequate performance* with evidence of:

- an acceptable basic grasp of the subject material;
- a fair understanding of the relevant issues;
- a general familiarity with the relevant literature and techniques;
- an ability to develop solutions to moderately difficult problems related to the subject material; and
- a moderate ability to examine the material in a critical and analytical manner.

STUDENTS WITH SPECIAL NEEDS

Students in the course who, because of a disability, may have a need for accommodations are encouraged to come and discuss accommodations with the instructor, and to contact the Coordinator of Special Needs Services at 585-4631.

ACADEMIC INTEGRITY AND CONDUCT

Understanding and following the principles of academic integrity and conduct as laid out in the University of Regina's Guidelines for Academic Conduct is vital to your success in graduate school (Available at: http://www.uregina.ca/gradstudies/calendar/policy_univ.shtml#conduct). Ensuring that your work is your own and reflects both your own ideas and those of others incorporated in your work is important: ensuring that you acknowledge the ideas, words, and phrases of others that you use is a vital part of the scholarly endeavour. If you have any questions at all about academic integrity in general or about specific issues, contact any faculty member and we can discuss your questions.

DESCRIPTION OF SEMINAR PRESENTATION (SCHEDULES SUBJECT TO MINOR CHANGES)

Session 1 (Sep.12) Introduction

REQUIRED READING:

Ch.1, 6, & 16 of Hurley (25+15+11=51pp)

Ch.1 of Marchildon (18pp)

WHO (2000). Chapter 1. "Why do health systems matter?" from The World Health Report 2000. Health System: Improving Performance. Geneva: World Health Organization. (Available at: <http://www.who.int/whr/2000/en/>) (18pp)

SUPPLEMENTARY READING AND AUDIO-VISUAL RESOURCES:

Health Canada (2005). Canada's Health System. (Available at: http://www.hc-sc.gc.ca/hcs-sss/alt_formats/hpb-dgps/pdf/pubs/2005-hcs-sss/2005-hcs-sss-eng.pdf) (26pp)

Figueras, J. et al. (2008). Health Systems, Health and Wealth: Assessing the Case for Investing in Health Systems. Copenhagen: WHO Regional Office for Europe, 2008. (Available at: http://www.euro.who.int/document/hsm/3_hsc08_eBD3.pdf) (64 pp)

Reinhardt, U.E. (2008). video presentation on health systems, health and wealth and social well-being: an international perspective, WHO European Ministerial Conference on Health Systems. (Available at: <http://www.whoconference2008.org/video/10>) (running time, 20 minutes)

Sir Michael Marmot (2008). video presentation on social determinants of health and health systems, WHO European Ministerial Conference on Health Systems. (Available at: <http://www.whoconference2008.org/video/17>) (running time, 20 minutes)

Session 2 (Sep.19) Essential Economic Concepts I

REQUIRED READING:

Ch.2 & 3 of Hurley (12+28=40pp)

SUPPLEMENTARY READING AND AUDIO-VISUAL RESOURCES:

Any introductory microeconomics or public sector economics textbook.

Session 3 (moved to 12:30 – 5:00pm on Friday Sep.30) Guest Lecture by Dr. Jeremiah Hurley

Session 4 (Oct.3) Essential Economic Concepts II

REQUIRED READING:

Ch.3 & 7 of Hurley (28+14=42pp)

Ch.4 of Marchildon (10pp)

SUPPLEMENTARY READING AND AUDIO-VISUAL RESOURCES:

Any introductory microeconomics or public sector economics textbook.

Session 5 (Oct.17) Economic Evaluation

REQUIRED READING:

Ch.4 of Hurley (19pp)

Ch.3 & 4 of Drummond et al. (65pp)

SUPPLEMENTARY READING AND AUDIO-VISUAL RESOURCES:

Drummond, Michael (2004). "Economic Evaluation in Health Care: Is It Really Useful or Are We Just Kidding Ourselves?" *Australian Economic Review* 37(1): 3-11. (9pp)

Sorenson, C. et al. (2008). Policy Brief: How can the impact of health technology assessments be enhanced? Copenhagen: WHO Regional Office for Europe. (Available at: http://www.euro.who.int/document/hsm/2_hsc08_ePB_5.pdf) (26pp)

Bryan, S. et al. (2009). "Has the Time Come for Cost-Effectiveness Analysis in US Health Care?" *Health Economics, Policy and Law* 4(4): 425-43. (18pp)

Bennett, K.J. et al. (2000). "Cost-Utility Analysis in Depression: The McSad Utility Measure for Depression Health States." *Psychiatric Services* 51(9): 1171-6. (Available at: <http://psychservices.psychiatryonline.org/cgi/reprint/51/9/1171>) (6pp)

Session 6 (Oct.24) Demand for Health and Health Care

REQUIRED READING:

Ch.5 & 8 of Hurley (21+17=38pp)

Kenneth E. Boulding (1966). "The Concept of Need for Health Services." *Milbank Quarterly* 44(4): 202-23 (21pp)

Labelle, R., G. Stoddart, and R. Rice (1994). "A Re-examination of the Meaning and Importance of Supplier-Induced Demand." *Journal of Health Economics* 13(3): 347-68. (22pp)

Richardson, J. and S. Peacock (2006). Reconsidering Theories and Evidence of Supplier Induced Demand. Centre for Health Economics, Research Paper 2006. Monash University, Australia. (Available at: <http://www.buseco.monash.edu.au/centres/che/pubs/rp13.pdf>) (13pp)

SUPPLEMENTARY READING AND AUDIO-VISUAL RESOURCES:

Grossman M. (1972). "On the concept of health capital and the demand for health." *Journal of Political Economy* 80(2): 223-255. (34pp)

Auster, R.D, and R.L. Oaxaca (1981). "Identification of Supplier Induced Demand in the Health Care Sector." *Journal of Human Resources* 16(3): 327-42. (17pp)

Mysliwiec, P.A. et al. (2004). "Are Physicians doing too much Colonoscopy? A National Survey of Colorectal Surveillance after Polypectomy." *Annals of Internal Medicine* 141(4): 264-71. (Available at: <http://www.annals.org/content/141/4/264.full.pdf+html>) (7pp):

Session 7 (Oct.31) Midterm Exam (5:45 – 7:15pm) & Demand for Health Care Insurance (7:30 – 8:30pm)

REQUIRED READING:

Ch.9 & 10 of Hurley (20+17=37pp)

Pauly, Mark (2007). "The truth about moral hazard and adverse selection." Center for Policy Research. Paper 7. (Available at: <http://surface.syr.edu/cpr/7>) (22pp)

Nyman, J. A. (2004). "Is 'Moral Hazard' Inefficient? The Policy Implications of a New Theory." *Health Affairs* 23(5): 194-199. (6pp)

SUPPLEMENTARY READING AND AUDIO-VISUAL RESOURCES:

Arrow K. (1963). "Uncertainty and the Welfare Economics of Medical Care." *American Economic Review* 53(5): 941-973. (34pp)

Besley, T. (1989). "The Demand for Health Care and Health Insurance." *Oxford Review of Economic Policy* 5(1): 21-33. (12pp)

Culyer, A.J. (1989). "The Normative Economics of Health Care Finance and Provision." *Oxford Review of Economic Policy* 5(1): 34-58. (24pp)

Manning, W.G. et al. (1987). "Health Insurance and the Demand for Health Care: Evidence from a Randomized Experiment." *American Economic Review* 77(3): 251-77. (26pp)

Stoddart, G., M. Barer, R. Evans, and V. Bhatia (1993). "Why Not User Charges: The Real Issues." Toronto: The Premiers Council on Health, Well-being and Social Justice, September. (20pp)

Session 8 (5:45 – 7:00 pm Nov.7) Health Care Financing and Funding

REQUIRED READING:

Ch.11 & 12 of Hurley (20+17=37pp)

Ch. 3, 8 of Marchildon (22+12=34pp)

SUPPLEMENTARY READING AND AUDIO-VISUAL RESOURCES:

Kutzin, J. (2001). "A descriptive framework for country-level analysis of health care financing arrangements." *Health Policy* 56 (3): 171-204. (34pp)

Video session on financing at WHO European Ministerial Conference on Health Systems, 2008. (Available at: <http://www.whoconference2008.org/video/35>)

van Doorslaer, E., A. Wagstaff, et al. (1999). "The Redistributive Effect of Health Care Finance in Twelve OECD Countries." *Journal of Health Economics* 18(3): 291-314. (23pp)

Mossialos, E. et al. (2002). Policy Brief: Funding health care: options for Europe. Copenhagen: WHO Regional Office for Europe. (Available at: <http://www.euro.who.int/document/obs/Fhcpolbrief4.pdf>) (16pp)

Session 9 (Nov.14) The Supply Side of Health Care Provision – Physicians

REQUIRED READING:

Ch.13 of Hurley (19pp)

Ch.6 of Marchildon (15pp)

SUPPLEMENTARY READING AND AUDIO-VISUAL RESOURCES:

Brown, D. and Lapan, H. (1979). "The supply of physician services." *Economic Inquiry* 17(2): 269-79. (11pp)

Woodward, Robert and Warren-Boulton, Frederick (1984). "Considering the financial incentives and professional ethics on 'appropriate' medical care." *Journal of Health Economics* 3(3): 223-237. (15pp)

Session 10 (Nov.21) The Supply Side of Health Care Provision – Hospitals

REQUIRED READING:

Ch.14 of Hurley (19pp)

Ch.6 of Marchildon (15pp)

Harris, J.E. (1977). "The Internal Organization of Hospitals: Some Economic Implications." *Bell Journal of Economics* 8(2): 467-82. (17pp)

SUPPLEMENTARY READING AND AUDIO-VISUAL RESOURCES:

Edwards, N. (2004). Policy Brief: Configuring the hospital in the 21st Century. Copenhagen: WHO Regional Office for Europe. (Available at: <http://www.euro.who.int/document/E84697.pdf>) (8pp):

Preya C, Pink G. (2006). "Scale and scope efficiencies through hospital consolidations." *Journal of Health Economics* 25(6): 1049-1068. (20pp)

Session 11 (Nov.28) The Supply Side of Health Care Provision – Pharmaceuticals

REQUIRED READING:

Ch.15 of Hurley (17pp)

Ch.6 of Marchildon (15pp)

Scherer, F.M. (2000). "The Pharmaceutical Industry." In A.J. Culyer and J.P. Newhouse, Eds., *Handbook of Health Economics*, Vol. 1, New York: Elsevier, pp. 1298-1336. (40pp)

SUPPLEMENTARY READING AND AUDIO-VISUAL RESOURCES:

Paris, V. and E. Docteur (2006). *Pharmaceutical Pricing and Reimbursement Policies in Canada*. Paris: OECD Health Working Paper. (85pp)

Willison, D. et al. (2001). "International Experience with Pharmaceutical Policy, Common Challenges & Lessons for Canada." Centre for Health Economics and Policy Analysis Working Paper 01-08, McMaster University. (66pp)

Session 12 (Dec.5) Poster Presentations & Review

IMPORTANT DATES

Oct.3, 2011: 1st assignment due

Oct.24, 2011: 2nd assignment due

Oct.31, 2011: Midterm exam

Nov.21, 2011: 3rd assignment due

Dec.5, 2011: Poster presentations (poster due before class starts on Dec.5)

Dec.12, 2011: Final exam