Course Description:

This course will survey the major topics in health economics. It is designed to introduce you to the issues, theory and practice of health economics. The majority of the course will focus on current empirical research in the field as it pertains to the US and course work will include empirical analyses based on existing health datasets using the software STATA. The topics include the economic determinants of health, social and economic inequalities in health, the market for medical care, the market for health insurance and the role of the government in health care. Those interested in studying health economics in the context of developing countries are urged to take courses with Professors Foster, Munshi or Pitt.

Class Meeting:

Monday 3:00 – 5:20
Smith-Buonanno 201

TA Section:

Pablo Suarez (Pablo_Suarez@brown.edu)
Wednesday 12:00-1:00 pm Watson CIT 265
Wednesday 7:00-7:50pm Watson CIT 265
Office Hours: Wednesday 3-4 and 2-4 before exams (Robinson Hall basement)

Readings:

Required reading consists of scholarly journal articles that will be posted on the course web page. Before class, you must email me three questions/comments for each article assigned. The questions may be technical or philosophical.

Grading:
Class and section attendance are mandatory – no exceptions. Your final grade for the course will be based on a midterm (15%), 3 homework assignments (45%), final exam (20%) and class participation (20%).
Introduction

Why health economics?

Identification Issues and Empirical Methods in Health Economics

Fixed effects, difference in differences and instrumental variables
Currie handout Methods for Evaluating Welfare Programs – pages 4-15

Background on the US health care system


“The US Health System: A Primer” Publication of the Legislative Action Committee American Medical Student Association, 1996.

1. Determinants of health (the production of health)

A model of the demand for health


The Health Endowment


SES gradients in health


Education


Business cycles


Pollution


Transforming Medical Care into Health


Intergenerational Transmission of Health and Inequality/The Gradient in Health


2. Health Externalities


3. Health Insurance

*Effect of Health Insurance on demand and health*


*Public health insurance*


4. Adverse Selection & moral hazard


5. The market for health insurance

Health Insurance and the labor market


Mandated Benefits


Crowd-Out


The Uninsured

Testimony of Diane Rowland of the Kaiser Family Foundation.


6. The supply side - Physician incentives and induced demand


7. Medical malpractice


8. Managed Care

Cutler, David M., McClellan, Mark; Newhouse, Joseph P. “Prices and Productivity in Managed Care Insurance.” NBER Working Paper No.w6677, August 1998

Baker, Lawrence “Managed Care and Technology Adoption in Health Care: Evidence from Magnetic Resonance Imaging” *Journal of Health Economics* 2001


9. Hospitals

McLellan and Staiger “Comparing Hospital Quality at For-Profit and Not-for-Profit Hospitals” NBER working paper # 7324


10. Racial Disparities in health


11. Obesity


12. The Value of Life


13. Smoking


14. Mental Health


15. Alternative Health Care Systems


