

Health Economics (ECON379)

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Class : TuTh 9-10am (PSE 205)
Office : Woodang Hall, 515
Office Hours : Tu 2-3pm

Teaching assistant : TBA

Course description

This is an introductory course to the field of health economics, a rapidly growing field of applied economics. Economic concepts such as scarcity, incentives, marginal analysis, profit-maximization and cost-minimization will be used throughout this course. It first begins with production of health capital, demand-and-supply analysis of health and medical care and production of health. It then discusses the importance of asymmetric information (adverse selection, moral hazard) in insurance markets. Other topics covered may include the role of government in the provision of health care, economics of mental health and happiness, and health policy debates in developing countries.

Learning objectives

The objective of this course is to gain understanding of basic concepts of economics of health and health care. By the end of the course, students will be equipped to evaluate current health care policy issues from an economic perspective.

Course materials

I will combine several materials from textbook and readings.

- ✓ Folland, Goodman, and Stano (FGS). The Economics of Health and Health Care 8th Edition. Pearson Prentice Hall. 2017.
- ✓ Earlier editions are similar and you are welcome to use them, but if you use an earlier edition it is up to you to be sure that chapter numbers and topics correspond to those on the course schedule.

Prerequisites

Intermediate Microeconomics (ECON201), Econometrics(ECON301), and Applied Econometrics (ECON380) are **strongly recommended**.

Assessment method (Can be revised)

Class Participation	5%
Assignments	5%
In-Class Quiz	10%
Individual Project	10%
Mid-term Examination	30%
Final Examination	40%
Total	100%

Grading scale

Grade	Scores in 100 scale
A+	94-100
A	88-93
B+	82-87
B	76-81
C+	70-75
C	64-69
D+	58-63
D	50-57
F	Below 50

I DO NOT NEGOTIATE WITH YOUR GRADE IN ANY SITUATION

Academic integrity

All acts of academic dishonesty (including, but not limited to, plagiarism, cheating, fabrication, facilitation of acts of academic dishonesty by others, unauthorized possession of exam questions, or tampering with the academic work of other students) are serious offences. All work (whether oral or written) submitted for purposes of assessment must be the student's own work. Penalties for violation of the policy range from zero marks for the component assessment to expulsion, depending on the nature of the offense.

Assignments, In-Class Quiz, and Exams

There will be several assignments. You should submit your answers to blackboard. No late assignment will be accepted.

The In-class quiz will be given after reviewing statistical methods for health economics.

You may not miss an exam. No makeup exams will be given. If you must miss an exam, you must discuss with me beforehand. If your excuse is valid (i.e., proven emergency), then your grades will be re-weighted. If you miss any exams, your final grade will be F.

Both midterm and final exams will be closed book. No cheat sheet is allowed.

Individual Project

You can freely choose any topic related to health and health policies. No written report is required but submit the full-length version of presentation slides (10 pages) via the Blackboard (under the Assignments menu) until **19 June**. Your project will be graded on the following criteria.

1. Clearly state research idea and its (policy or economic) implications
2. Use suitable data source
3. Good understanding on empirical issues and possible identification strategy
4. Some empirical analyses. Not mandatory. Extra credit will be given if you do reasonable job.

Tentative Course Outline

Week	Topics
1	Introduction to Health Economics
2	Statistical Tools for Health Economics
3	Statistical Tools for Health Economics
4	Production of health capital
5	Production of health capital
6	Demand for Health Capital
7	Midterm
8	Demand and Supply of Health Insurance
9	Consumer Choice and Demand
10	Asymmetric Information and Agency
11	Organization of Health Insurance Market
12	Social Insurance
13	Hospital and Long Term Care
14	The Physician's Practice
15	Bads
16	Final

Note that this schedule is open to any addition, deletions or corrections without prior notice. Such changes will be announced in class.