



Department of Economics and Finance

ECON*3300

The Economics of Health and the Workplace
Fall 2013



Instructor: B. Ferguson
Lectures M, W, F 10:30 – 11:20, Mackinnon 232

It is your responsibility as a student to be aware of and to abide by the University's policies regarding academic misconduct, e-mail communication, maintaining copies of out-of class assignments, what to do when you cannot meet a course requirement and the drop date for this semester. To better understand these policies, visit:

<http://www.uoguelph.ca/economics/node/1115>

COURSE OUTLINE

The purpose of this course is to introduce students to the practical application of the analytical tools of intermediate economics in the study of health care and health policy issues. Its aim is to show that many apparently complex health policy issues can be greatly clarified when they are analyzed using the tools of microeconomics. It will consider the functioning of health care markets, the role of government in health care, insurance, factors underlying individual decisions about engaging in healthy and unhealthy behaviours and the demand for health care, current problems in the Canadian health care system and comparisons among different countries' health care systems. Students will be expected to keep up, on their own, with media discussions on current health policy issues.

This is an economics course, so students will ultimately be evaluated on how well they can apply the techniques of intermediate microeconomic theory to problems in health policy. Students will therefore be expected to be capable of explaining and using concepts drawn from intermediate microeconomic theory.

Evaluation: There will be one midterm exam, worth 25% of the course grade, to be written in class time on **WEDNESDAY, OCTOBER 16** on material covered up to the end of the previous week of classes, a final exam worth 50% of the course grade, covering the entire semester's work, to be written on **Dec. 11, 2013 from 11:30-1:30 pm** and an essay, of at least 4000 words in length, on any health policy topic of the student's choice, worth 25% of the final course grade and due no later than class time on **WEDNESDAY, NOVEMBER 13**. **There will be no deferred midterm exam.** Any student who does not write the midterm, or who does better on the final exam than on the midterm will have the midterm weight shifted to the final exam. No weight will be shifted from the essay.

Essay: The essay may be on any health policy related topic of the student's choice. It must be analytical, not simply descriptive or polemical, and not an opinion piece. The purpose of the essay is for students to show that they are able to apply the techniques of intermediate microeconomic theory to a real world policy question, and it will be marked on that basis. While the essay may be on any policy area of the student's choice, students must submit, no later than class time on **WEDNESDAY, OCTOBER 9**, a one page summary of the topic on which they have chosen to write, why they believe that topic to be suitable, and what analytic tools they expect to use in doing their analysis. Failure to hand in this first element will result in the loss of 25% of the final essay mark. The American Economics Association format must be used for references. A copy of this format will be posted on the ECON 3300 Courselink page.

Required Textbook:

The Economics of Health and Health Care (6th or 7th edition), Sherman Folland, Allen C. Goodman and Miron Stano, pub. Prentice Hall.

The textbook is an American book. There are, at present, no acceptable Canadian health economics textbooks. While the basic economic theory is the same in Canada and the United States, the institutional structure and constraints within which the theory operates differ between the two countries. For that reason, the course will rely heavily on lecture material, and **it is the responsibility of students to keep up with the lecture material**. Reference material will be posted on the Courselink site for the course, and it is the responsibility of students to keep abreast of what has been posted throughout the semester.

You will be asked to complete an in class evaluation for this course sometime during the last two weeks of classes. The Department of Economics policy regarding the conduct and use of these evaluations can be found at:

<http://www.uoguelph.ca/economics/academics/courses/course-evaluation>

In keeping with the University's Learning Outcomes, the Department of Economics and Finance *Learning Outcomes* (skills and knowledge competencies) for this course are:

Skills:

Analytical Problem Solving in a Real World Context: The student will have to select a real world health policy problem and apply the techniques of intermediate microeconomic theory to analyzing it. Students will select their own policy topics, and must be able to explain why they are relevant to the course.

Written Communication: The student will write a 4000 word essay on the policy topic of their choice. The essay will be marked not only on the formal analysis, but also on coherence and clarity of the arguments made in it.

Knowledge:

Microeconomic Modelling: Apply a range of tools from intermediate microeconomic theory to a diverse set of problems in health policy, including insurance, the process by which drugs are approved for use, payment mechanisms for suppliers of health care, and be able to apply microeconomic techniques to the individual consumer's health related decisions, including decisions about obtaining medical care and about health habits such as smoking.

Specific Markets: Understand and be able to explain why economic analysis applies in health care markets, despite the claim made by many that it does not. Evaluate the arguments for public and private health insurance.

Historical and Global Context: Be able to explain the evolution of health care markets in different countries.

Policy and regulation: Understand why different countries followed the regulatory paths which they did in the development of their health care systems and be able to apply economic analysis to explaining and evaluating the consequences of their histories of policy development.