

Economics 3300 - The Economics of Health and the Workplace
Winter Semester 2016
Instructor: B. Ferguson
Lectures T, Th 11:30 – 12:50, Alexander Hall, 259

COURSE OUTLINE

It is widely held that economic analysis does not apply to health care and health policy issues. This is wrong. The purpose of this course is to show that many apparently complex health policy issues can be greatly clarified when they are analyzed using the tools of intermediate microeconomics. Some of the topics which this course may consider include the functioning of health care markets, the role of government in health care, the nature of health insurance, the pricing of pharmaceuticals, 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 **THURSDAY, FEBRUARY 25** 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 **FRIDAY APRIL 22nd 2016 at 11:30am** 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 **THURSDAY, MARCH 24**. **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, which must be at least 4000 words, 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 **THURSDAY, FEBRUARY 4**, 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. This will not be graded, but only used to judge whether there are any reasons the chosen topic is not suitable.

Students who do not hear otherwise within a week of handing this material in should assume that their topic is acceptable, and proceed with the essay. Failure to hand in this first element will result in the loss of 25% of the final essay mark. The Chicago Style must be used for references and for citations in the body of the text. A copy of this format will can be found on the University Library website, at <http://www.lib.uoguelph.ca/get-assistance/writing/citations/chicago-style>.

Required Textbooks:

Health Economics: An International Perspective, 3d edition, Barbara McPake, Charles Normand & Samantha Smith, Routledge (2013)

The Oxford Handbook of Health Economics, eds Sherry Glied and Peter C. Smith, Oxford University Press (2011)

Recommended Supplemental Textbook:

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

Arguably the most important book you can use for understanding health policy issues is your intermediate microeconomics textbook. Students would be advised to keep whichever intermediate text they used handy.

There are, at present, no satisfactory Canadian health economics textbooks. While the basic economic theory is the same in Canada, the United States and elsewhere, the institutional structure and constraints within which the theory operates differ across countries. For that reason, the course will rely heavily on lecture material, and **it is the responsibility of individual 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.

This course will be a topics course, with the topics covered determined in part by whatever policy issues happen to be current. Of the two required texts, the Oxford Handbook is a collection of short specialty contributions on a range of topics in health economics: students should assume that they will be required to read whichever specialty chapters happen to relate to the material being covered. Students who are having trouble coming up with an essay topic may also find flipping through the Handbook useful. The McPake text is more of a traditional text, and in addition has material which may be of interest to students interested in writing an essay related to health problems in developing countries.

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 the semester. To better understand these policies please see below.

Academic Consideration

When you find yourself unable to meet an in-course requirement because of illness or compassionate reasons, please advise the course instructor in writing, with your name, id#, and e-mail contact. See the academic calendar for information on regulations and procedures for

Academic Consideration:

<http://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-ac.shtml>

Academic Misconduct

The University of Guelph is committed to upholding the highest standards of academic integrity and it is the responsibility of all members of the University community, faculty, staff, and students to be aware of what constitutes academic misconduct and to do as much as possible to prevent academic offences from occurring.

University of Guelph students have the responsibility of abiding by the University's policy on academic misconduct regardless of their location of study; faculty, staff and students have the responsibility of supporting an environment that discourages misconduct. Students need to remain aware that instructors have access to and the right to use electronic and other means of detection. Please note: Whether or not a student intended to commit academic misconduct is not relevant for a finding of guilt. Hurried or careless submission of assignments does not excuse students from responsibility for verifying the academic integrity of their work before submitting it. Students who are in any doubt as to whether an action on their part could be construed as an academic offence should consult with a faculty member or faculty advisor.

The Academic Misconduct Policy is detailed in the Undergraduate Calendar:

<https://www.uoguelph.ca/registrar/calendars/undergraduate/2015-2016/>

Accessibility

The University of Guelph is committed to creating a barrier-free environment. Providing services for students is a shared responsibility among students, faculty and administrators. This relationship is based on respect of individual rights, the dignity of the individual and the University community's shared commitment to an open and supportive learning environment. Students requiring service or accommodation, whether due to an identified, ongoing disability or a short-term disability should contact Student Accessibility Services as soon as possible.

For more information, contact SAS at 519-824-4120 ext. 56208 or email csd@uoguelph.ca or see the website: <http://www.csd.uoguelph.ca/csd/>

Course Evaluation Information

Course Evaluation: You will be asked to complete an evaluation of this course at some time during the last two weeks of the semester. Course evaluation will be done in class. The Department of Economics policy regarding the conduct and use of these evaluations will be found at: www.uoguelph.ca/economics/course-evaluation

Drop date

The last date to drop one-semester courses, without academic penalty, is March 11th, 2016. For regulations and procedures for Dropping Courses, see the Academic Calendar:

<https://www.uoguelph.ca/registrar/calendars/undergraduate/2015-2016/>

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.