Course Description: This course is designed to introduce students to the application of economic theory to the health care market. The lectures will explore the production and demand for health, demand for medical care, uncertainty and insurance, and the role of unhealthy behaviors. Health economics concepts will be linked to current policy debates at the state and federal levels. Discussion of the relevance and limits of the health economics approach to analyzing public health issues will be encouraged.

Prerequisite: ECON 101 Principles of Microeconomics

Texts
Recommended: Bhattacharya, J; Hyde, T; and Tu, P. Health Economics. New York: Palgrave Macmillan. 2014.

Exam schedule and grading:

<table>
<thead>
<tr>
<th>Exam</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exam 1 (Oct. 5)</td>
<td>40%</td>
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<tr>
<td>Exam 2 (Nov. 16)</td>
<td>40%</td>
</tr>
<tr>
<td>In-class presentations (Nov 28, Nov. 30, Dec 5)</td>
<td>10%</td>
</tr>
<tr>
<td>Attendance/class participation</td>
<td>10%</td>
</tr>
</tbody>
</table>

Classroom Policies:
1. Attendance is required.
2. Cell phones must be turned off during class.
3. Students missing any exam will be given a zero. No make-up exams will be given unless a valid excuse is presented from a Dean. Do not bring any excuses or medical documentation to me.
4. Anyone using the testing services of the Office of Access, Disability Services and Resources must schedule exams at least 1 week prior to the exam, and preferably earlier. The spaces fill up quickly.
5. The honor code is in effect throughout the semester. By taking this course, you affirm that it is a violation of the code to cheat on exams, to plagiarize, to deviate from the teacher’s instructions about collaboration on work that is submitted for grades, to give false information to a faculty member, and to undertake any other form of academic misconduct. You agree that the teacher is entitled to move you to another seat during examinations, without explanation. You also affirm that if you witness others violating the code you have a duty to report them to the honor council.
Course Outline

BHT refers to the text by Bhattacharya, J; Hyde, T; and Tu, P.
SH refers to the text by Sloan and Hsieh
FGS refers to the text by Folland, S., A.C. Goodman, and M. Stano.
Relevant FGS chapters are available in the online course reserves.

1. The production of health
   - FGS Chapter 5
   - BHT Chapter 4 (skip parts about Grossman Model, these are covered below)

2. The demand for health
   - FGS Chapter 2 pgs. 27-35
   - BHT Chapters 3 and 4

3. The demand for medical care with and without insurance
   - FGS Chapter 9 pgs 173-180
   - BHT Chapter 2

4. Health insurance
   - SH Chapter 4
   - BHT Chapter 7

5. Moral hazard
   - BHT Chapter 11

6. Adverse selection
   - SH Chapter 4
   - BHT Chapter 8

7. Health care reform

8. Employment effects of insurance
   - SH Chapter 10
   - FGS Chapter 11 pgs 212-221

9. Health care systems
   - BHT Chapters 15, 16, 17, 18
   - SH Chapter 11, 12, 13

10. Unhealthy behaviors (time permitting)