

ECON 3523: Health Economics

Spring 2023

Class Time: Tue & Thu 9:00-10:15 am
Location: Cate Center One 174
Final Exam: Fri May 12, 8:00-10:00 am

Instructor: Dr. Judith Liu
E-mail: judith.liu@ou.edu
Office Hours: Tue & Wed 1:00-2:00 pm, or
by appointment
Office Location: Cate Center One 430

Course Description

Health economics is the systematic application of economic theory and empirical principles to issues related to health. In this class, we will study health care as a commodity, demand for health and health care, economic behavior of health care providers, the functioning of health insurance markets, and government intervention in health care provision. There will be an emphasis on current health policy in the United States. We will also look to the health care systems of other countries for information on their practices and for potential insights on the policy issues. Other timely topics such as public health and population aging will also be discussed.

Course Objectives

Upon successful completion of this course, students will be able to:

- Analyze economic models that apply to health and health care.
- Understand the potential role of government on health insurance coverage, health care access, and health behaviors.
- Evaluate and interpret empirical findings in health economics.
- Apply your understanding of economics to current healthcare reform and policy.

Course Materials

- The textbook for the course is *The Economics of Health and Health Care*, Folland, Goodman, and Stano, *Eighth Edition* (Routledge). ISBN-13: 978-1138208049. The textbook is available at the OU Bookstore. A copy of the print textbook is on reserve at Bizzell Library.
- Class notes and supplemental materials are available on Canvas (<http://canvas.ou.edu>).

Course Prerequisites

ECON 1113 and ECON 1123 with a grade of C or higher.

Course Requirements

Grades are determined by two exams (50%), homework assignments (20%), two reports/presentations (22%), and in-class exercises/attendance (8%).

1. Exams (50%)

There will be a midterm exam (accounts for 25% of your overall course grade) and a final exam (accounts for 25% of your overall course grade). The midterm exam covers the course material in Part 1: An Economic View of Healthcare and Part 2: Information and Insurance Markets. The final exam is cumulative and covers materials from the entire semester.

Dates/times of the exams are listed below:

Midterm Exam	Mar 9 (Thu)	In Class
Final Exam	May 12 (Fri)	8-10 AM

Policy on Missing an Exam:

There will be no makeup exams without acceptable documentation showing you have a legitimate excuse for missing the exam. These reasons include illness, family-related issues/emergencies, and required participation in a university-sanctioned event. Students who need to miss an exam must alert the instructor in advance.

2. Homework Assignments (20%)

Throughout the semester, there will be **5 homework assignments**. Out of these 5 homework grades, **only the 4 best scores will count**. See the class schedule for due dates of the homework assignments.

Policies on Homework Assignments:

Homework assignments will be posted on Canvas one week before the due date. Following the due date of the assignment, an answer key will be provided on Canvas. Graded homework assignments will be returned within one week of the due date.

Late homework will not be accepted for any reason! Students will be expected to turn in their work on Canvas before class (9am) on its due date. A homework assignment turned in beyond this point is considered late and will receive a **zero**. Homework submitted via e-mail or dropped off to my department mailbox will not be accepted.

3. Report/Presentation 1 (7%)

You will write a brief summary of *the health care system of a country of your choice* and present in class on March 30. More detailed guide will be posted on Canvas.

4. Report/Presentation 2 (15%)

You will write a report on *any health policy of your interest* and present in class between April 20 and May 2. More detailed guide will be posted on Canvas.

5. In-class exercises/attendance (8%)

You are expected to attend all lectures. Much of the learning process that occurs inside the classroom is not perfectly replicated from solely reading the textbook or class notes. I will take attendance approximately 10 times over the course of the semester. These attendance days will not be announced ahead of time.

Your attendance will account for your overall final grade in the following way:

- Present for 8+ attendance checks: Get 8 percentage points
- Present for 6-7 attendance checks: Get 6 percentage points
- Present for 4-5 attendance checks: Get 4 percentage points
- Present for 2-3 attendance checks: Get 2 percentage points
- Present for 0-1 attendance checks: Get 0 percentage points

Please note that if you have excused absences for official University activities that you can provide documentation for, I will not count those missed days against you. If you miss class due to illness, I will only adjust attendance checks for illness if it is documented. Note that you are responsible for all material covered and all announcements made in class, whether you are present or not.

Final Grade Calculation

At the end of the course, I will compute a final percentage grade based on component percentages of each grade category using the weights given above. I will then convert this final percentage grade into letter grades according to the following scale:

Grade	Percentage
A	90-100
B	80-89
C	70-79
D	60-69
F	<60

Please note that grading is on an absolute scale. You must reach the threshold to receive the grade. **No** extra credit work will be given.

Course Schedule (Tentative)

This course schedule is tentative. Some topics might be expanded or omitted to best fit the students' interests. Explicit announcements of the changes will be made in class.

Week	Date	Topic	Reading	Due
Part 1: Economic View of Health and Health Care				
1	Jan 17 (Tue)	Introduction	Syllabus	
	Jan 19 (Thu)	Why health economics	FGS Ch. 1	
2	Jan 24 (Tue)	Review of economic tools	FGS Ch. 2	
	Jan 26 (Thu)	Demand for health	FGS Ch. 7	
3	Jan 31 (Tue)	Demand for health	FGS Ch. 7	
	Feb 2 (Thu)	Demand for health care	FGS Ch. 9	
4	Feb 7 (Tue)	Demand for health care	FGS Ch. 9	HW1
	Feb 9 (Thu)	Supply of health care	FGS Ch. 6	
Part 2: Information and Insurance Markets				
5	Feb 14 (Tue)	Health insurance	FGS Ch. 8	
	Feb 16 (Thu)	Demand and supply of insurance	FGS Ch. 8	
6	Feb 21 (Tue)	Asymmetric information	FGS Ch. 10	HW2
	Feb 23 (Thu)	Asymmetric information	FGS Ch. 10	
7	Feb 28 (Tue)	Organization of health insurance markets	FGS Ch. 11	
	Mar 2 (Thu)	Organization of health insurance markets	FGS Ch. 11	
8	Mar 7 (Tue)	Review session		HW3
	Mar 9 (Thu)	Midterm exam		
9	Mar 14 (Tue)	No class (Happy Spring Break!)		
	Mar 16 (Thu)	No class (Happy Spring Break!)		
Part 3: Social Insurance and Health System				
10	Mar 21 (Tue)	Government intervention	FGS Ch. 19	
	Mar 23 (Thu)	Social insurance	FGS Ch. 20	
11	Mar 28 (Tue)	Social insurance	FGS Ch. 20	
	Mar 30 (Thu)	Presentations on health care systems	FGS Ch. 21	Report/Presentation 1
12	Apr 4 (Tue)	Health care systems	FGS Ch. 21	HW4
	Apr 6 (Thu)	Health system reform and ACA	FGS Ch. 22	
Part 4: Special Topics				
13	Apr 11 (Tue)	Health economics of bads	FGS Ch. 23	
	Apr 13 (Thu)	Public health economics		
14	Apr 18 (Tue)	Future of health policy		
	Apr 20 (Thu)	Student presentations		Presentation 2
15	Apr 25 (Tue)	Student presentations		HW5; Presentation 2
	Apr 27 (Thu)	Student presentations		Presentation 2
16	May 2 (Tue)	Student presentations		Presentation 2
	May 4 (Thu)	Review session		Report 2
17	May 12 (Fri)	Final exam		

Note: "FGS" stands for "Folland, Goodman, and Stano"

Additional Policies

Canvas/Email Communication

Class materials are available on Canvas. Email communication will be via your OU account. You are responsible for checking them regularly.

Classroom Conduct

Please keep the distractions to a minimum. Late arrivals should be an exception, NOT a regular occurrence. If you are late, please sit towards the back of the classroom. If you must leave early, please notify me prior to the start of class, sit near the door and try to be as quiet as possible when leaving. Please try to use the bathroom before class. If you must leave during class, please do so as quietly as possible. Please turn off your cell phones before class and before a quiz or exam.

Please show respect and courtesy to one another. Absolutely no rude/disparaging remarks directly at a classmate will be tolerated. Learning the subject matter of economics frequently leads to open discussions of controversial issues. The classroom is a place to respect all students' views on these topics, even those that differ from your own.

Attendance

In order to fully benefit from our class activities, you are expected to attend class and actively participate in the exercises and discussions. In cases of sickness, we want to work with you to identify alternative arrangements, but you must alert us before the class period (phone, email) you miss.

Participation

You should ask questions in class and feel free to quietly talk about the material being covered with those sitting close to you during class meetings. However, you should not let any of those conversations reach a level where they bother others around you and you should not talk about things unrelated to the material being covered. All laptops, I-pads, phones, and so on can be used during class. However, they should be used to enhance learning – not for other activities. In all cases, activities distracting others will be immediately dealt with.

Office Hours

Students attending office hours should be prepared. You should attempt the homework on your own before coming to office hours. If you miss class for any reason, you should borrow notes from a classmate and read the textbook to catch up. After you have taken these steps to prepare, I am happy to help you during my office hours.

Academic Integrity

All students are expected to conform to college-level standards of ethics, academic integrity, and academic honesty. By enrolling in this course, you agree to be bound by the Academic Misconduct Code published in The University of Oklahoma Student Code (www.ou.edu/studentcode/OUStudentCode.pdf). For further clarification please see: www.ou.edu/provost/integrity-rights/.

All members of the community recognize the necessity of being honest with themselves and with others. Cheating in class, plagiarizing, lying and employing other modes of deceit diminish the integrity of the educational experience. None of these should be used as a strategy to obtain a

false sense of success. The need for honest relations among all members of the community is essential.

In accordance with the OU academic-integrity policy, the following are course-specific rules:

- *Exam Policy:*
Exams are closed book. Communication between students during an exam is prohibited. Only non-programmable calculators may be used for an exam. Students cannot share calculators during an exam. Cell phones should not be on a student's desk or taken out for any reason while a student is taking an exam. Students are allowed to have **ONLY** pens/pencils and calculators on desk while taking an exam.
- *Homework Policy:*
I encourage students to work together and help one another. However, I expect each student to contribute and not simply copy the work of another student. Keep in mind—many of the exam questions will be similar to homework problems. It is in your best interest to understand every question on the homework.
- Students are not allowed to distribute any class notes or course materials I provide without my written approval.

Any violation of the above rules will result in serious course sanctions (*up to and including failure of the course*). In addition, all violations will be reported to the Academic Integrity Office.

Appealing a Grade

Grades are posted on Canvas. I encourage you to check your grades regularly to make sure they are recorded correctly. If you find an error, you must see me with the graded assignment/exam before I will make the correction. You have **one week from the day an assignment/exam is returned in class** to bring an error to my attention. Beyond this point, the grade will not be changed.

Religious Observances

It is the policy of the University to excuse the absences of students that result from religious observances and to reschedule examinations and additional required classwork that may fall on religious holidays, without penalty.

Reasonable Accommodation Policy

The Accessibility and Disability Resource Center is committed to supporting students with disabilities to ensure that they are able to enjoy equal access to all components of their education. This includes your academics, housing, and community events. If you are experiencing a disability, a mental/medical health condition that has a significant impact on one or more life functions, you can receive accommodations to provide equal access. Possible disabilities include, but are not limited to, learning disabilities, AD(H)D, mental health, and chronic health. Additionally, we support students with temporary medical conditions (broken wrist, shoulder surgery, etc.) and pregnancy. To discuss potential accommodations, please contact the ADRC at 730 College Avenue, (ph.) 405.325.3852, or adrc@ou.edu

Title IX Resources and Reporting Requirement

Anyone who has been impacted by gender-based violence, including dating violence, domestic violence, stalking, harassment, and sexual assault, deserves access to resources so that they are

supported personally and academically. The University of Oklahoma is committed to offering resources to those impacted, including: speaking with someone confidentially about your options, medical attention, counseling, reporting, academic support, and safety plans. If you would like to speak with someone confidentially, please contact [OU Advocates](#) (available 24/7 at 405-615-0013) or another confidential resource (see [“Can I make an anonymous report?”](#)). You may also choose to report gender-based violence and discrimination through other means, including by contacting the [Institutional Equity Office](#) (ieo@ou.edu, 405-325-3546) or police (911). Because the University of Oklahoma is committed to the safety of you and other students, I, as well as other faculty, Graduate Assistants, and Teaching Assistants, are mandatory reporters. This means that we are obligated to report gender-based violence that has been disclosed to us to the Institutional Equity Office. This includes disclosures that occur in: class discussion, writing assignments, discussion boards, emails and during Student/Office Hours. For more information, please visit the [Institutional Equity Office](#).

Adjustments for Pregnancy/Childbirth Related Issues

Should you need modifications or adjustments to your course requirements because of documented pregnancy-related or childbirth-related issues, please contact your professor or the Accessibility and Disability Resource Center at 405/325-3852 as soon as possible. Also, see the Institutional Equity Office [FAQ on Pregnant and Parenting Students' Rights](#) for answers to commonly asked questions.

Final Exam Preparation Period

Pre-finals week will be defined as the seven calendar days before the first day of finals. Faculty may cover new course material throughout this week. For specific provisions of the policy please refer to OU's [Final Exam Preparation Period policy](#).

Emergency Protocol

During an emergency, there are official university [procedures](#) that will maximize your safety.

Severe Weather: If you receive an OU Alert to seek refuge or hear a tornado siren that signals severe weather.

1. Look for severe weather refuge location maps located inside most OU buildings near the entrances.
2. Seek refuge inside a building. Do not leave one building to seek shelter in another building that you deem safer. If outside, get into the nearest building.
3. Go to the building's severe weather refuge location. If you do not know where that is, go to the lowest level possible and seek refuge in an innermost room. Avoid outside doors and windows.
4. Get in, Get Down, Cover Up
5. Wait for official notice to resume normal activities.

Additional [Weather Safety Information](#) is available through the Department of Campus Safety.

Armed Subject/Campus Intruder

If you receive an OU Alert to shelter-in-place due to an active shooter or armed intruder situation or you hear what you perceive to be gunshots: 1. *Avoid:* If you believe you can get out of the area

WITHOUT encountering the armed individual, move quickly towards the nearest building exit, move away from the building, and call 911. 2. *Deny*: If you cannot flee, move to an area that can be locked or barricaded, turn off lights, silence devices, spread out, and formulate a plan of attack if the shooter enters the room. 3. *Defend*: As a last resort fight to defend yourself. For more information, visit [OU's Emergency Preparedness site](#).

[Shots Fired on Campus Procedure – Video](#)

Fire Alarm/General Emergency

If you receive an OU Alert that there is danger inside or near the building, or the fire alarm inside the building activates: 1. *LEAVE* the building. Do not use the elevators. 2. *KNOW* at least two building exits 3. *ASSIST* those that may need help 4. *PROCEED* to the emergency assembly area 5 *ONCE safely outside, NOTIFY first responders of anyone that may still be inside building due to mobility issues*. 6. *WAIT* for official notice before attempting to re-enter the building.

[OU Fire Safety on Campus](#)

Mental Health Support Services

If you are experiencing any mental health issues that are impacting your academic performance, counseling is available at the University Counseling Center (UCC). The Center is located on the second floor of the Goddard Health Center, at 620 Elm Rm. 201, Norman, OK 73019. To schedule an appointment call (405) 325-2911. For more information, please visit [University Counseling Center](#).