This course presents a general overview of the economics of health and medical care. Because the health industry is complex, we will consider the economic implications of some important institutional feature of the U.S. health care system. We will use the analytic approaches developed in the course to consider various policy problems and proposals for reform. The course will cover the medical and nonmedical determinants of health; markets for health care services and health insurance; and proposed reforms of medical care. Use of a computer spreadsheet is required and will be demonstrated in class.

Former students have found this course particularly helpful as they enter the job market. As our health system becomes more complex, the demand for managers and practitioners who can analyze changes in the environment and how these changes might affect their organizations will increase. And, what we cover will help you and your families make more informed decisions about health insurance.

**Guest Lectures.** Several special guest speakers very enthusiastically have agreed to meet with us in our “living room.” They deserve the highest level of our courtesy and respect. This means: completing the assigned readings, showing up for class on time (or even early), paying attention, and asking questions. Tom Collier: Oct 27/29; Nov 12/17.

**Required Texts and Readings**

1. The primary text for this course is *The Economics of Health and Health Care (4th edition)* by Folland, Goodman, and Stano.
2. Additional readings will be assigned throughout the semester. Most of these will be available on the Web.

If you have particular interests in the economics of medical care, some knowledge of the details of diseases and treatments can be a helpful complement to the analytic skills you will develop in the course. There are many excellent reference books on the details of health problems and their treatments for interested nonphysicians such as the *AMA Guide to Family Health* or webmd.com.

Countless publications exist that can provide more detailed information on all the topics covered and not covered in the course. *Health Affairs* is a very readable, nontechnical journal that publishes articles on current issues and concerns in health policy and health economics. Major medical journals, including the *Journal of the American Medical Association* (JAMA) and the New England Journal of Medicine (NEJM), routinely publish readable articles on issues related to health economics and policy.

**Grading and Exams.** Grades will be based on a midterm and final exam, an optional term paper, class participation, and in-class group projects. You will have the option of picking the grade track (“A/B,” or “C”) that most fits your interest in this class. See the attachment, “Grading Procedures for Health Policy.”
Class Participation and Attendance. Attendance and class participation are figured into the course grade. Attendance is mandatory, and students will face significant penalties for repeated absences. I will grant exceptions to this rule for legitimate and documented reasons such as an extended stay in a hospital.

Term Paper. Students selecting the “A/B grade track” will prepare testimony to present to a legislative body such as the U.S. Senate or State of Delaware Legislature. I will help you select a topic and suggest some literature to get you started on this assignment. These papers will be 6-8 pages and must include references from outside sources and from the assigned class readings (or material in the Folland text that we don’t cover).

You should use the following guidelines in developing your term paper:

- **Problem statement.** Soon after we pick topics/issues, submit a clear definition of your issue indicating what side you will be taking on the issue. Don’t proceed beyond this point until I approve your problem statement.
- **Purpose.** To explain, inform and offer policy implications. You’ll want to address impacts on the country’s or state’s health care system, in terms of cost, access, and quality of care.
- **Your role.** Health care advisor, clearly taking a position as a critic or an advocate.
- **Audience.** Either a U.S. Congressional Committee or a State of Delaware Legislative committee.
- **Topic.** Selected in consultation with your professor. You will be required to use material from the text and additional readings, as well as material you find on your own.
- **Evaluation criteria.** The final grade for the presentation and paper will be based on three factors: the quality of the analysis, use of appropriate literature and research, and clarity and organization.

Academic Honesty. Academic dishonesty will not be tolerated. Students are encouraged to become familiar with the University’s Policy on Academic Dishonesty, which can be found in the Student Guide to Policies. These policies will apply to all examinations and written assignments in this class.
1. Introduction, Overview of General Themes

Folland, Chapter 1

“Proposal of the Physicians' Working Group for Single-Payer National Health Insurance
http://jama.ama-assn.org/cgi/content/abstract/290/6/798

2. Description of the Health Economy: Why Should We Care?

Available at: www.cms.gov/charts/default.asp

Folland, Chapter 21

3. Evaluation Empirical Evidence

Folland, Chapter 3

4. Determinants and Consequences of Health: The Production of Health

Folland, Chapters 4, 22

5. Private System of Finance, Insurance Basics

Folland, Chapters 7-8

6. Public Health Insurance

Folland, Chapters 18, 21

7. The Uninsured

Folland, Chapter 11

8. Quality of Care

Folland, Chapters 9-10
9. Managed Care
Folland, Chapter 12

10. Supply of Health Care I: Hospitals and Physician Markets
Folland, Chapters 14-15

11. Supply of Health Care II: Pharmaceutical Industry
Folland, Chapter 16