



Health Economics
Course #: PADM 566
Credits: 3
Syllabus Version: 012020

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Term: Spring 2020
Class: Tuesday, 7-9:30 PM

"When my father first practiced medicine in the 1950s, his pharmaceutical armamentarium included a handful of antibiotics and two or three anti-hypertensives. The most expensive diagnostic tests were plain film radiographs. It was easier to give patients the best health care money could buy, because there was not as much health care to buy."

-Peter Ubel

Course Description

This course is designed to provide healthcare administration students with an appreciation for issues in health economics. The course material will cover a broad array of theories and conceptual models in the field of economics. It will introduce the discipline of health economics; discuss resource constraints, trade-offs, efficiency, and equity; and finally, it will highlight the history and current state of the health economy in the United States. By the end of this course, students will have developed a set of analytical and conceptual tools that can be used to gain valuable insights into a host of health care issues and problems from an economic perspective.

Course Expectations

The success of this course relies heavily upon how engaged participants are in the various components of the course. The role of the instructor is to facilitate and guide learning through class discussions, activities, student presentations and feedback. The course favors an active role for participants over the more passive role taken in a lecture-oriented format. Be prepared to engage the course material and each other to draw on assigned readings and your experiences working and interacting with

healthcare organizations. We will work from the premise that all participants bring important knowledge, skills, experiences and insights to the course that we can draw upon to create a successful collaborative learning experience.

Course Learning Objectives

Students will be able to do the following at the conclusion of the course:

1. Articulate the relevance and importance of health-related economic analysis
2. Identify input factors of health production
3. Explain the relationship between human capital, education, and health
4. Discuss the role of information in health care
5. Identify the determinants of the demand for health and health care
6. Evaluate the role of health insurance in the health care market
7. Describe the organization of hospitals from an economic perspective
8. Understand the basic behaviors of physicians, patients, and others in the health care marketplace
9. Describe the role of government in health care and public programs
10. Apply the basic principles of economic evaluation tools such as cost-benefit and/or cost-effectiveness analyses
11. Communicate the role of social insurance in assuring equity

Required Text

The primary text for the course is Health Economics: Theory, Insights, and Industry Studies by Santerre and Neun (**6th** Edition). The book is available for sale OR you can rent it (hardcopy or electronic download). The following links provide sources for the book. There are likely many others. [Google Play](#). [Amazon](#).

Course Requirements and Grading Policy

The final course grade is based on your performance on two exams (midterm and final), a series of quizzes, and a presentation. Student grades will be based on:

| | |
|---------------|---------------------------|
| Quizzes: | 100 points (1/4 of grade) |
| Presentation: | 100 points (1/4 of grade) |
| Midterm Exam: | 100 points (1/4 of grade) |
| Final Exam: | 100 points (1/4 of grade) |

Quizzes: Un-announced quizzes will be given at the beginning of many class sessions to ensure that students have an ongoing understanding of the course materials and concepts. Quizzes will be closed book, closed note, and do not permit any collaboration. The instructor will automatically drop the lowest quiz score in determining the overall quiz grade. For example, if there are 8 quizzes during the semester, the best 7 scores will be averaged to obtain your overall quiz grade.

Presentations: The presentation assignments serve as an opportunity to learn and share with your classmates about cutting edge economic research and/or economic issues keeping healthcare administrators up late at night. During the first week of class, each student will be assigned to one reading provided by the instructor. It is then up to

the student to craft a <12-minute presentation (accompanied by slides) that recap the reading. Presentations cannot exceed 12 minutes. Electronic copies of the presentation must be made to the entire class prior to the presentation. Students can expect a minimum of one exam question to be generated from each presentation. The bulk of the presentation should comprise a layperson's explanation of the reading. Assume your classmates have not read the article (that is a very safe assumption considering they're not required readings). The majority your grade will be based on how well you explain the content of the article, from start to finish, to an audience who is unfamiliar with the subject matter.

Exams: The midterm and final exam are worth 100 points each. Exams will be a traditional in-class, closed-book, closed-note format. No external resources (internet, classmates, outside experts) are permitted.

Grading Scale:

A+: 99 – 100%

A: 93 – 98%

A-: 90 – 92%

B+: 87 – 89%

B: 83 – 86%

B-: 80 – 82%

C+: 75 – 79%

C: 70 – 74%

C-: 65 – 69%

Fail: Below 65%

Attendance Policy

Regular and punctual attendance is required. UNM Pathfinder policies apply, which in part means instructor drops based on non-attendance are possible. This policy applies regardless of the grading option you have chosen.

Accommodation Statement

Accessibility Services (Mesa Vista Hall 2021, 277-3506) provides academic support to students who have disabilities. If you think you need alternative accessible formats for undertaking and completing coursework, you should contact this service right away to assure your needs are met in a timely manner. If you need local assistance in contacting Accessibility Services, see the Bachelor and Graduate Programs office.

Academic Integrity

Each student is expected to maintain the highest standards of honesty and integrity in academic and professional matters. The University reserves the right to take disciplinary action, up to and including dismissal, against any student who is found guilty of academic dishonesty or otherwise fails to meet the standards. Any student judged to have engaged in academic dishonesty in course work may receive a reduced or failing

grade for the work in question and/or for the course. Academic dishonesty includes, but is not limited to, dishonesty in quizzes, tests, or assignments; claiming credit for work not done or done by others; hindering the academic work of other students; misrepresenting academic or professional qualifications within or without the University; and nondisclosure or misrepresentation in filling out applications or other University records.

Title IX

In an effort to meet obligations under Title IX, UNM faculty, Teaching Assistants, and Graduate Assistants are considered “responsible employees” by the Department of Education (see pg 15 - <http://www2.ed.gov/about/offices/list/ocr/docs/qa-201404-title-ix.pdf>). This designation requires that any report of gender discrimination which includes sexual harassment, sexual misconduct and sexual violence made to a faculty member, TA, or GA must be reported to the Title IX Coordinator at the Office of Equal Opportunity (oeo.unm.edu). For more information on the campus policy regarding sexual misconduct, see: <https://policy.unm.edu/university-policies/2000/2740.html>

Library and Tutorial Services

UNM-Main campus provides many library services and some tutorial services for distance students. For library services, go to <http://www.unm.edu/libraries/> to link to a specific library or to contact a librarian. For tutorial services, go to <http://caps.unm.edu/online> to explore UNM’s online services.

Class Schedule*

| Week | Date | Topic | Reading |
|---------|--------|----------------------------------------------------------|-------------|
| Week 1 | 21-Jan | Course Introduction and Introduction to Health Economics | S&N Ch 1 |
| Week 2 | 28-Jan | Health and Medical Care: An Economic Perspective | S&N Ch 2 |
| Week 3 | 4-Feb | Economic Evaluation | S&N Ch 3 |
| Week 4 | 11-Feb | No Class | |
| Week 5 | 18-Feb | Economic Evaluation | S&N Ch 3 |
| Week 6 | 25-Feb | Health Care Systems and Institutions | S&N Ch 4 |
| Week 7 | 3-Mar | Demand for Medical Care | S&N Ch 5 |
| Week 8 | 10-Mar | Demand for Medical Care | S&N Ch 5 |
| Week 9 | 17-Mar | Spring Break, No Class | |
| Week 10 | 24-Mar | Midterm | |
| Week 11 | 31-Mar | Medical Insurance | S&N Ch 6 |
| Week 12 | 7-Apr | Medical Insurance | S&N Ch 6 |
| Week 13 | 14-Apr | Government & Public Insurance | S&N Ch 9-10 |
| Week 14 | 21-Apr | Government & Public Insurance | S&N Ch 9-10 |
| Week 15 | 28-Apr | Medical Markets: Production & Costs and Market Analysis | S&N Ch 7-8 |
| Week 16 | 5-May | Medical Markets: Production & Costs and Market Analysis | S&N Ch 7-8 |
| Week 17 | 12-May | Final Exam | |

**The Schedule of Activities is subject to change. Minor changes will be announced in class, major ones provided in writing.*

Article Presentation Schedule*

| Presentation Date | Student | Author | Title |
|-------------------|---------|------------------|--------------------------------------------------------------------------------------------------------------------|
| 18-Feb | | Preston 2009 | Low Life Expectancy in the United States: Is the Health Care System at Fault? |
| 18-Feb | | Schaller 2017 | The Effects of Perceived Disease Risk and Access Costs on Infant Immunization |
| 25-Feb | | Dor 2015 | Medicare's Hospital Compare Quality Reports Appear To Have Slowed Price Increases For Two Major Procedures |
| 25-Feb | | Chorniy 2018 | Does Prenatal WIC Participation Improve Child Outcomes? |
| 3-Mar | | Wright 2016 | Formerly Homeless People Had Lower Overall Health Care Expenditures After Moving Into Supportive Housing |
| 3-Mar | | Sommers 2012 | Mortality and Access to Care among Adults after State Medicaid Expansions |
| 10-Mar | | Fadlon 2017 | Family Health Behaviors |
| 10-Mar | | Maclean 2018 | Reimbursement Rates for Primary Care Services: Evidence of Spillover Effects to Behavioral Health |
| 31-Mar | | Currie 2018 | Understanding Physician Decision Making: The Case of Depression |
| 31-Mar | | Miller 2018 | The ACA Medicaid Expansion in Michigan and Financial Health |
| 7-Apr | | Friedrich 2017 | The Returns to Nursing: Evidence from a Parental Leave Program |
| 7-Apr | | Howard 2016 | Selective Hearing: Physician-Ownership and Physicians' Response to New Evidence |
| 14-Apr | | Laugesen 2011 | Higher Fees Paid To US Physicians Drive Higher Spending For Physician Services Compared To Other Countries |
| 14-Apr | | Gruber 2018 | Saving Lives by Tying Hands: The Unexpected Effects of Constraining Health Care Providers |
| 21-Apr | | Black 2017 | The Methuselah Effect: The Pernicious Impact of Unreported Deaths on Old Age Mortality Estimates |
| 21-Apr | | Vaughn 2010 | Can We Close The Income And Wealth Gap Between Specialists And Primary Care Physicians? |
| 28-Apr | | Bloom 2017 | Healthy Business? Managerial Education and Management in Healthcare |
| 28-Apr | | Maclean 2017 | Public Insurance and Psychotropic Prescription Medications for Mental Illness |
| 5-May | | Stewart 2014 | The Contribution of Behavior Change and Public Health to Improved U.S. Population Health |
| 5-May | | Lichtenberg 2019 | How Many Life-Years Have New Drugs Saved? A 3-Way Fixed-Effects Analysis of 66 Diseases in 27 Countries, 2000-2013 |

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