

Course Syllabus

Lecture Time: Saturdays 1-5pm, except as noted in the schedule.

Instructor's office hours: Wednesday 2-3pm and by appointment (825-2595 or sschweit@ucla.edu) at CHS 31-269.

Purpose of the Course:

HS 236 is designed to enable students to use the tools of economics to analyze health services policy issues. Though many paradigms are useful in studying health policy, familiarity with the principles of economic analysis is essential for understanding alternative ways of organizing and financing health care. It is also essential to the understanding of likely results of changes in health policy. Economics affords two particular views that are valuable in this regard. The first is that all economic actions produce responses, and that all components of health systems interact with one another so that changes in one component affect other components, often in unexpected ways. The second view is the role of incentives in changing both personal and organizational behavior. A wide variety of topics will be covered in the course, both institutionally and analytically. These are only a sampling of the breadth of application of economics to health services research. Many topics are not covered in the course, but all of those that are included are useful.

Course Readings:

The texts for the course are (**Ph**) Charles Phelps, Health Economics (3rd ed), (Reading, Massachusetts: Addison-Wesley), 2003 and (**Pa**) Michael Parkin, Microeconomics (7th ed), (Boston: Pearson Addison Wesley), 2005. Students are expected to purchase both the Phelps and Parkin texts. The course combines both microeconomic theory and health economics. Phelps is a very well written health economics text, but needs supplementation with theory from Parkin.

Course Requirements and Grading:

Students will be expected to have read each session's chapters carefully. Students will be selected during each class to report on and critique a relevant chapter for the coming week. These brief oral presentations will teach the art of abstracting as well as critical thinking, and will assure a thorough understanding of the chapter. Class participation will count 10% toward the grade.

The last session of the course will be devoted to group presentations. The class will be divided into six groups and each will be responsible for preparing a report on the role economic analysis played an organization's adoption of (or failure to adopt) a new technology that can be characterized by the term "disruptive technology". Assignment to groups will be random and will take place early in the course. Each person in the group will receive the same grade, and this will count 24% toward one's grade.

There will be three take-home examinations. The exams will each count 22% of the grade.

One point of extra credit (up to a maximum of 5 points) (out of 100 points) will be given for each half-page abstract of a health related article appearing in the Economist magazine, available outside 31-269C and in the AGSM and University Research Libraries. These summaries are to be turned in to the professor before the last class. The extra credit points for the Economist abstracts will be added to one's total score at the end of the quarter before rankings and grades are determined.

Class Schedule and Readings:

29 September (8-12)	Introduction to Economics (Pa 1) Introduction to Health Economics (Ph 1) Markets, and Health Care (Ph 2) Budget Constraints, Utility, and Choice (Pa 2)
29 September	Transforming Medical Care into Health (Ph 3) Demand, Supply, and elasticity (Pa 3,4) Demand for Health and Medical Care (Ph 4) Efficiency, Utility, Demand, and Preferences (Pa 5, 7, 8) Empirical Studies of Demand (Ph 5) First examination Take-home (1 hour)
13 October (8-12)	Production and Cost Curves (Pa 9-10) Resource and Labor Markets (Pa 17) The Physician (Ph 6 and 7) Hospitals (Ph 8 and Ph 9) Health Insurance (Ph 10) Managed Care (Ph 11)
13 October	Competition, Monopoly, and Imperfect Competition (Pa 11, 12, 13) Public Goods, Regulation, and Antitrust Law (Pa 14) The Government's Role, and Medicare (Ph 12) Second examination Take-home (1 hour)
27 October	Medical Malpractice (Ph 13) Public Goods (Pa 16) Externalities and Market Failure (Ph 14) Market Failure (Pa 15)
10 November	Regulating Technology: The Case of Pharmaceuticals (Ph 15) Universal Health Insurance Issues (Ph16) Inequality and Redistribution (Pa 18) Third examination Take-home (1 hour)
1 December	Group Reports on Technology Adoption