

Course Syllabus

Lecture Time: Monday & Wednesday 8am-10 (lecture), and Friday 8-10 (discussion).

Instructor's office hours: Wednesday 2-3pm and by appointment (825-2595 or sschweit@ucla.edu) at CHS 31-269. The Graduate Reader will be **Jean Yoon** (jeanyoon@ucla.edu), who will schedule her own office hour.

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.

Prerequisite:

The prerequisite for the course is a recent course in micro economic theory, such as Economics 1 or 11. Microeconomic theory will be the principal focus of the discussion sections, while lectures will cover health applications of the theory. Material from both discussions and lectures will be included in all the examinations. Attendance in both lectures and discussion sections is mandatory for all students.

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. (Reading Massachusetts: Addison-Wesley), 2003. Students are expected to purchase both the Phelps and Parkin texts.

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 one of the current chapters. These brief oral presentations will teach the art of abstracting as well as critical thinking, and will assure a thorough understanding of the chapter.

There will be three examinations given, one each during weeks 3, 7, and 10. The exams will each count 26% of the grade.

Class participation (including discussion section) will constitute 10 percent of the grade, and exercises in the discussion session will count an additional 10 percent. One point of extra credit (up to a maximum of 5 points) will be given for each half-page abstract of health related articles 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 Graduate Reader before the end of classes. 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:

Monday October 1	Introduction to Health Economics, (Ph 1)
Wednesday October 3	Markets, and Health Care (Ph 2)
Friday October 5	Introduction, Constraints, Choice, Production Possibility (Pa 1-2)
Monday October 8	Transforming Medical Care into Health (Ph 3)
Wednesday October 10	Demand for Health and Medical Care (Ph 4)
Friday October 12	Demand and Supply (Pa 3,4)
Monday October 15	Empirical Studies of Demand (Ph 5)
Wednesday October 17	First Midterm examination (2 hours)
Friday October 19	Utility, Demand, and Preferences (Pa 5, 7, 8)
Monday October 22	Health Insurance (Ph 10)
Wednesday October 24	Managed Care (Ph 11)
Friday October 26	Resource and Labor Markets (Pa 17)
Monday October 29	Physicians (Ph 6 and 7)
Wednesday October 31	Hospitals (Ph 8 and 9)
Friday November 2	Cost Curves (Pa 9-10)
Monday November 5	No class (APHA Annual Meetings)
Wednesday November 7	No class (APHA Annual Meetings)
Friday November 9	Monopoly, Competition, and Imperfect Competition (Pa 12, 13)
Monday November 12	Veterans Day Holiday (no class)
Wednesday November 14	Second examination (2 hours)
Friday November 16	Public Goods, Regulation, and Antitrust Law (Pa 14, 16)
Monday November 19	The Government's Role, and Medicare (Ph 12)
Wednesday November 21	Medical Malpractice (Ph 13)
Friday November 23	No section meeting: Thanksgiving
Monday November 26	Externalities and Market Failure (Ph 14)
Wednesday November 28	Regulating Technology: The Case of Pharmaceuticals (Ph 15)
Friday November 30	Market Failure (Pa 15) (Last section meeting)
Monday December 3	Universal Health Insurance Issues (Ph16)
Wednesday December 5	Inequality and Redistribution (Pa 18) (Last lecture)
Friday December 7	Third examination (two hours) (last section)