

Economics 264
Spring Term, 2014
Carleton College

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Office Hours:
Monday 2-3
Wednesday, 1-3
Friday, 2:30-3:30
or by appointment

Health Care Economics

Text: *Health Economics and Financing*, Thomas. E. Getzen, 5th ed, Wiley

Course Goals: This course covers economic theory and research relevant to the economics of health care, one of the most important topics in economic policy in the United States today. Because of the projected trajectory of health care costs, many consider this topic critical to the country's long term prosperity. We need to understand the United States health care system in some detail with attention to useful international comparison. We will address such issues as health insurance (particularly within the framework of the Patient Protection and Affordable Health Act), and the actions, motivations and role of the "players" in health care: patients, hospitals, pharmaceutical firms and governments.

Evaluation: Your grade in this course depends on 3 things: 1) your preparation for class as evidenced by your participation in class discussion (50%) , 2) 2 papers (25% each) . There is no final exam in this class.

Mon. March 31 **Introduction to the Course**

Wed., April 2 **History, Demography and the Growth of Modern Medicine**
Getzen, Ch. 15

"Why Can't America Deliver on Reform?", James R. Krause, M.D. and
Martha White Paas, Ph.D. *Medical Economics* , March 10, 2012 pp.
109-111
First Paper Assignment Distributed

Fri, April 4 **Inequality : the Setting**
The Price of Inequality, Joseph Stiglitz, Chapters 1, 2

Mon, April 7 **Challenges facing the U.S. Healthcare System**

Getzen, Ch. 17 (*passim*)
"Reducing Costs and Improving the Quality of Health Care," 2013
Economic Report of the President, White House Council of Economic
Advisors, 2013, Chapter 5

Wed., April 9 **What is special about Health Care Economics?**

“Uncertainty and the Welfare Economics of Medical Care.”,
Kenneth J. Arrow, *The American Economic Review*, vol. 53, No. 5
(Dec., 1963), pp. 941-973: <http://www.jstor.org/stable/1812044>

Fri., April 11 **Insurance Markets**

Getzen, Ch. 4

Mon., April 14 **Insurance Contracts and Managed Care**

Getzen, Ch. 5

Wed., April 16 **Physicians**

Getzen, Ch. 6

Fri., April 18 **Medical Education, Organizations and Business Practices**

Getzen, Ch. 7

Mon., April 21 **Hospitals**

Getzen, Ch. 8

Wed., April 23 **Management and Regulation of Hospital Costs**

Getzen, Ch. 9

Second Paper Assignment Distributed

Thurs., April 24 **Guest Speaker: Prof. Tom Buchmueller, University of Michigan**

The Library Athneum 4PM

“The Affordable Care Act: 2014 and Beyond”

“Will Employers Drop Health Insurance Coverage Because of the
Affordable Care Act?” Thomas Buchmueller, Colleen Carey and Helen
Levy. *Health Affairs*, 32, no.9 (2013)1522-1530.
Article will be provided.

Fri., April 25 no class - Research day

Monday, April 28 **Medicare and Medicaid**

“The Origins, Development and Passage of Medicare’s Revolutionary Perspective Payment System”, Rick Mayes, *Journal of the History of Medicine and Allied Sciences*, 2006. Article will be provided.

“Does Medicare Save Lives?” David Card, Carlos Dobkin, and Nicole Maestas. *Quarterly Journal of Economics*, 124(2):597-636,(2009).
<http://qje.oxfordjournals.org/content/124/2/597.short>

“Mortality and Access to Care among Adults after State Medicaid Expansions,” Benjamin D. Sommers, M.D., Ph.D. , Katherine Baicker, Ph.D., and Arnold M. Epstein, MD. , *New England Journal of Medicine*, July 25, 2012 . Article will be provided.

Wed. April 30 **Fundamentals of Benefit-Cost Analysis**

Aaron Swoboda , Asst. Prof of Economics,

Getzen, Ch. 3

Boardman, Greenberg, Vining and Weimer, *Cost Benefit Analysis*, 4th ed.,
Prentiss Hall, Ch. 1

*** First Paper Due: A State Medicaid Study**

Fri., May 2 **Long Term Care**

Getzen, Ch. 10

Mon., May 5 Mid-Term Break

Wed., May 7 Joe Harten—visiting speaker

*** Topic for Final Paper Due**

Fri., May 9 **Pharmaceuticals**

Getzen, Ch. 11

“Widely Prescribed Statin Could Help Organ-Transplant Patients”,
Nature, October 14, 2013, <http://www.nature.com/news/data-crunch-highlights-potential-transplant-drugs-1.13944>

Mon., May 12 **Financing and Ownership of Health Care Providers**

Getzen, Ch. 12

Wed., May 14 **Medical Malpractice**

“Medical Malpractice Tort Limits and Health Care Spending,”
Congressional Budget Office Background Paper, April 2006.
<http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/71xx/doc7174/04-28-medicalmalpractice.pdf>

Fri., May 16 **Regional Variation in Health Care Provision**

“Clarifying Sources of Geographic Differences in Medicare Spending”,
Stephen Zuckerman, Timothy Waidmann, Robert Berenson and Jack
Hadley, *New England Journal of Medicine*, 2010. Article will be provided.

“Slowing the Growth of Health Care Costs—Lessons from Regional
Variation,” Elliott S. Fisher, M.D., M.P.H., Julie P. Bynum, M.D., M.P.H.,
and Jonathan Skinner, Ph.D., *New England Journal of Medicine* 2009;
360:1227-1230
Article will be provided.

Mon., May 19 **International Comparisons**

Getzen, Ch. 16
Video: Sick Around the World, Frontline 2008
<http://www.pbs.org/wgbh/pages/frontline/sickaroundtheworld/>
“Quality, Innovation and Value for Money: NICE and the British
National Health Service,” Pearson SD, Rawlins MN *JAMA*.
2005;294(20):2618-2622.
<http://jama.jamanetwork.com/article.aspx?articleid=201931>

Wed., May 21 **Role of Government**

Getzen, Ch. 13,14

Fri., May 23 **Ethics and Public Health**

Prof. Alan Rubenstein

Mon., May 26 **Health System Reform in the U.S.: The Affordable Care Act:
The Agenda**

Getzen, Ch. 17

Wed., May 28 : **The Affordable Care Act**

Fri., May 30 **The Affordable Care Act**

Mon. June 2 **The Future of Health Care.**

Getzen, Ch. 18

“The Single Payer Option: a Reconsideration,” Adam Oliver,
Journal of Health Politics, Policy and Law, August 2009 34(4)509-530.
<http://jhppl.dukejournals.org/content/34/4/509.abstract>

Wed., June 4 **Conclusions**

*** Final Paper Due**