Public Health Economics

Professor Stuart Shapiro     Course: 10:832:332
EJB 546        Mon/Thurs 9:50-11:10 am
Office Hours: Thursday 12-3
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Course Description

This is a course designed to teach you the most basic principles of microeconomics and how to use those principles when thinking about health policy issues. We will use these principles to understand the demand for health care, the supply of health care, the health insurance market, and the role of the government in health policy.

The purpose of the course is not to make you health economists. The purpose instead is twofold, 1) to enrich your conceptual and technical understanding of the economic principles that drive the health care system (the role of economic incentives, competition, and regulation in the performance of the health care system) and 2) to teach you a new way of thinking about health care issues – an economic way of thinking.

Readings


Required Readings: These are noted in the syllabus below. These readings will be available on the course website at sakai.rutgers.edu

Requirements

There are three problem sets, due September 28, October 29, and November 30. There are three in-class exams on October 5, November 5, and on the scheduled date for the final. Participation in the case studies that end each section of the course also contributes to your grade. Your grade will be determined as follows:

Problem Sets 20% for all three.
Exams 25% each.
Participation 5%

Note that other types of participation in class can help or hurt your grade. Active participation by asking useful questions, offering insights and helping the class flow smoothly can add up to 5% to your grade. Disruptive participation such as talking to
others in class, sleeping in class, and allowing your cell-phone to go off in class can subtract up to 5% from your grade. Attendance is seen as part of participation.

**Missing an Examination**

Make up examinations are given only if the following procedure has been followed: 1) the student contacts Professor Shapiro prior to the examination date and explains why he or she will be unable to take the examination and 2) Professor Shapiro determines that there is just cause and gives the student permission to miss the exam. *Warning: There are very few explanations that meet the “just cause” criteria.*

The Rutgers University Policy on Academic Integrity is fully and strictly enforced by the Department of Urban Studies and Public Health. Any allegation of dishonesty will be thoroughly investigated and reported to the Dean’s office.

**Syllabus**

**Class 1: Thursday September 4** Introduction and Course Overview

**Class 2: Tuesday September 8 and Class 3 Thursday September 10** Introduction to Economics and Health Economics

Readings: Santerre and Neun Chapter 1

Kaiser Foundation briefing on Health Care Costs and the 2008 Election

**Class 4 Monday September 14** Production of Health

Readings: Santerre and Neun Chapter 2

**Class 5 Thursday September 17 and Class 6 Monday September 21** The Demand for Health Care

Readings: Santerre and Neun Chapter 5

**Class 7 Thursday September 24 and Class 8 Monday September 28** * The Demand for Health Insurance, Employer Sponsored Health Insurance and Review

Readings: Santerre and Neun: Pages 139-147.


*September 28: Problem Set #1 due.*
Class 9: Thursday October 1  Case Study #1 Cold Medicines for Infants and Small Children.

Readings to be distributed in class.

Class 10 Monday October 5 Midterm #1

Class 11 Thursday October 8 Medical Care Production and Costs

Readings: Santerre and Neun Chapter 7

Kaiser Family Foundation. Health Care Costs a Primer
http://www.kff.org/insurance/upload/7670.pdf

Class 12 Monday October 12 and Class 13 Thursday October 15 Market for Physician Services

Readings: Santerre and Neun Chapters 8 and 12


Class 14 Monday October 19 and Class 15 Thursday October 22 Market for Hospital Services.

Readings: Santerre and Neun Chapter 13


Class 16 Monday October 26 and Class 17 Thursday October 29* Managed Care, The Insurance Industry and Review.

Readings: Santerre and Neun Pages 148-159, Chapter 11.

October 29 Problem Set #2 due.

Class 18 Monday November 2 Case Study #2 The Relationship Between Drug Companies and Doctors.

Readings to be distributed in class.

Class 19 Thursday November 5 Midterm #2
**Class 20 Monday November 9**  The Role of Government

Readings: Santerre and Neun Chapter 9

**Class 21 Thursday November 12 and Class 22 Monday November 16** Government as Health Insurer Medicare and Medicaid

Excerpts From Kaiser Foundation Medicare Chartbook, Medicaid Resource Book, and Medicare and Medicaid Fact Sheets

State Variation In Medicaid Spending: Hard To Justify

**Class 23 Thursday November 19** National Health Insurance and Health Care Reform?

Readings: Santerre and Neun Chapter 16

Hadley, Jack and Holohan John. “How Much Medical Care do the Uninsured Use and Who Pays for It” *Health Affairs* February 12, 2003

Reinhardt, Uwe. “Is There Hope for the Uninsured?” *Health Affairs* August 27, 2003

**Class 24 Monday November 23  and Class 25 Monday November 30*  Protecting Public Health: Food and Drug Safety

Regulatory Impact Analysis for FDA rule requiring labeling of trans-fatty acid content

*Problem Set Three due November 30.*

**Class 26 Thursday December 3** Protecting Public Health: The role of CDC and NIH.


**Class 27 Thursday December 10** Case Study # 3 The Obama Health Care plan

Readings to be distributed in class.
Class 28 Monday December 14 Optional Review