

Rutgers University Newark, Department of Economics
220:536--Economics of Health

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Required Textbook: Folland, S., A.C. Goodman, and M. Stano. The Economics of Health and Health Care. 4th edition. Upper Saddle River, New Jersey: Prentice Hall, 2004.

Course Objective: This course is designed to introduce students to the application of economic theory to the health care market. The lectures will explore production of and demand for health, demand for medical care, uncertainty and insurance, models of physician and hospital behavior, and other topics. Health economics concepts will be linked to current policy debates at the state and federal levels. Discussion of the relevance and limits of the health economics approach to analyzing public health issues will be encouraged.

Course Requirements and Grades:

Problem sets	15%
In Class Presentations	15%
Midterm Exam	35%
Final Exam:	35%

CLASSROOM POLICIES:

1. Attendance is required.
2. Cell phones must be turned off during class.
3. Students missing any exam will be given a zero for that exam. No make-ups will be given unless a valid excuse is presented prior to the exam. Make-up exams will be given only in extreme emergencies at the discretion of the Instructor, and will require written documentation from an appropriate source, such as a medical doctor. In the event that a make-up is required for the final, the student will be given an incomplete and will make up the exam during the next semester.
4. Once a date for a make-up exam is agreed upon, this exam is subject to the same rules as outlined in policy #3.
5. Problem sets must be turned in on time. Points will be deducted for every class day the assignment is handed in late.
6. Always check the class web page for important announcements. Exam dates and any class cancellations will be posted on the web site.

TOPICS

I. Introduction and overview of the U.S. Health Care system

II. Production, Demand, and Insurance

1. The production of health
FGS Chapter 4
Wagstaff, Adam. "The Demand for Health: Theory and Applications". *Journal of Epidemiology and Community Health*, March 1986, 40(1) pp 1-11.
2. The demand for medical care
FGS Chapter 8
3. The demand for insurance, moral hazard and adverse selection.
FGS Chapter 7
4. Supplier-Induced Demand
FGS Chapter 10
5. Managed Care
FGS Chapter 12
6. Unhealthy behaviors
FGS Chapter 22
Miron and Zwiebel, "The Economic Case Against Drug Prohibition" *Journal of Economic Perspectives*, 9(4), Fall 1995, 175-192.

III. Supply

7. Non profits
FGS Chapter 13
8. Hospitals, Nurses and Physicians
FGS Chapters 14 and 15
9. The Pharmaceutical Industry
FGS Chapter 16

III. Other topics

10. Social Insurance
FGS Chapter 20
11. Cost benefit analysis
FGS Chapter 24
12. Comparative Health Systems
FGS Chapter 16