HEALTH ECONOMICS II: DEMAND FOR HEALTH AND HEALTH CARE  
ECONOMICS 9620-005  
CRN 16549  
SPRING 2015

Time: Mondays and Wednesdays 1:30-2:45  
Room: Aderhold 429  
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Office hours: By appointment

Course Description:  
The field of health economics can be broadly described as consisting of two parts: 1) the “demand side,” or factors influencing individuals’ demand for health and medical care, and 2) the “supply side,” or factors influencing health care providers’ supply of medical services. This course focuses on the demand side of the field, divided into eight segments: 1) an introduction that focuses on trends in health care spending, 2) the human capital model of health, 3) socioeconomic status and health, 4) health insurance and health, 5) economic models of addiction, 6) the economics of smoking, 7) the economics of alcohol, and 8) the economics of obesity.

Course Objectives:  
By the end of the semester, you should understand:  
1) Trends related to health care spending growth, and the welfare implications of these trends.  
2) How health can be modeled in a human capital framework, and the limitations of such an approach.  
3) The literature’s key conclusions regarding the link between socioeconomic status (as measured by education, income, and unemployment) and health.  
4) The literature’s key conclusions regarding how health insurance influences the demand for health and medical care, as well as how these results help predict the effects of the health care reform law of 2010.  
5) The strengths and weaknesses of economic models of addiction.  
6) The economic causes and consequences of smoking.  
7) The economic causes and consequences of alcohol consumption.  
8) The economic causes and consequences of obesity.

Suggested Texts:  

Prerequisite:
ECON 9010, B- and ECON 9030, B- or consent of instructor

Course Format:
Class meetings will largely consist of lectures based on the corresponding readings. We will also have several “open discussions” of academic journal articles at the end of the lectures. Additionally, each student will present one journal article, which will take the place of the open discussion of the article on the corresponding day. You will also have two exams and a literature review paper, discussed below.

Grading:
Presentation 20%
Paper 30%
Midterm Exam 20%
Final Exam 20%
Class Participation 10%

Presentation:
Each student will make one 20 minute Power Point presentation of a paper of his/her choice from the options in bold given on the reading list. Papers will be claimed on a first-come, first-served basis; if someone has already claimed your choice I will ask you to make a different selection. Each presentation will be followed by 5 minutes of audience questions, and handling of these questions will count toward the presenter’s grade.

Paper:
Each student will write a literature review paper on a health economics topic of his/her choice, subject to my approval. There is no specific page requirement. 10 double spaced pages might be a good target, but an efficiently-written paper could be shorter, while a student wishing to use the paper as a springboard to a dissertation may choose to write more. The paper will mostly consist of discussions of prior research, but should end with discussions of three open questions in the literature plus a proposed strategy for answering at least one of these questions. The paper is due on the last day of the final exam period: May 5.

Exams:
You will have two exams, a midterm and final. The midterm exam will be on March 2, while the final exam will be on April 29.

Class Attendance and Participation:
Class attendance is and active participation is expected. Participation is worth 10% of your grade.

Academic Honesty:
Students are expected to abide by GSU’s Policy on Academic Honesty (Section 409), available at http://www2.gsu.edu/~wwfhub/sec409.html.
Reading List:
The “required” readings, which consist of one “overview reading” (typically a literature review) and two journal articles for each class meeting, are in bold. The other readings are “optional,” meaning that I will touch on them in the lectures but not discuss them as extensively as the required readings. Evidence of repeatedly coming to class not prepared to discuss the required readings will count against your participation score, but this will not be the case for the optional readings. In other words, you may use the optional readings however you wish – perhaps to further investigate particular topics that you find interesting.

I. Health Care Spending

Overview Readings


Journal Articles


Pauly, Mark (2003). “Should We Be Worried About High Real Medical Spending Growth in the United States?” Health Affairs, 22, w3-w15.


White, Chapin (2007). “Health Care Spending Growth: How Different is the United
II. Human Capital Model of Health

*Overview Readings*


*Journal Articles*


III. Socioeconomic Status and Health

**IIIA. Income**

*Overview Readings*


**Journal Articles**

**Impact of Income on Health**


**Impact of Health on Income**


**IIIB. Education**

*Overview Readings*


*Journal Articles*


IIIC. Unemployment

Overview Readings


Journal Articles


IV. Health Insurance and Health

IVA. Health Insurance and Health: Randomized Experiments

Overview Readings


Journal Articles


Brook, Robert et al. (1983). “Does Free Care Improve Adults’ Health? Results from a Randomized Controlled Trial.” New England Journal of Medicine, 309(23), 1426-1434.


IVB. Health Insurance and Health: Natural Experiments

Overview Readings


Journal Articles


IVC. Health Care Reform

Overview Readings


Journal Articles


V. Economics of Addiction

Overview Readings


Journal Articles


VI. Economics of Smoking

Overview Readings


Journal Articles


VII. Economics of Alcohol

Overview Readings


Journal Articles


VIII. Economics of Obesity

VIII.A. Theory

Overview Readings


Journal Articles


VIII.B. Causes of Adult Obesity

Overview Readings


Journal Articles


**VIIIIC. Causes of Childhood Obesity**

*Overview Readings*


*Journal Articles*


**VIII. Consequences of Obesity**

*Overview Readings*


*Journal Articles*


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<td>Feb. 4</td>
<td>IIIB. Socioeconomic Status and Health: Education</td>
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<td>Apr. 6</td>
<td>VII. Economics of Alcohol</td>
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The course syllabus provides a general plan for the course; deviations may be necessary.