

THE WHARTON SCHOOL
UNIVERSITY OF PENNSYLVANIA

THE ECONOMICS AND FINANCING OF HEALTH CARE DELIVERY
HCMG202 | ECON039

COURSE DETAILS

This syllabus is a general plan for the course. Deviations will be necessary and announced in advance. There is no formal attendance policy. There are no pre-requisites.

- Time: Tuesdays and Thursdays, 1.30-3.00
- Place: Lauder Fischer Hall Auditorium

- Instructor: Molly Candon, PhD
- Office: 3535 Market Street, 3rd Floor, Room 3048
- Email: candon@wharton.upenn.edu
- Office Hours: Wednesdays from 4.00-5.00 in the basement of Colonial Penn Center and by appointment

- Teaching Assistant: Jong Lim, MPA
- Email: jongmlim@wharton.upenn.edu

COURSE OVERVIEW

By recognizing the importance of scarcity and incentives, the Economics and Financing of Health Care Delivery focuses on the critical economic issues we face when consuming, producing, delivering, and financing health care. This course will analyze the demand for and supply of health care; the unique roles of insurers, providers, and other industries in health care delivery; and the economic phenomena pervasive in the market for health care, including asymmetric information, externalities, and the lack of price transparency. Other topics will include mental health care and the opioid epidemic. Special emphasis will be placed on the evaluation of government regulations and the ability to dissect economic and political issues in ongoing policy debates.

ACADEMIC INTEGRITY

All work must meet the standards of the University of Pennsylvania's Code of Academic Integrity. Lack of knowledge of these policies does not excuse a violation.

MATERIALS

- Slides, assignments, and some news articles will be uploaded to Canvas. Academic articles, which are required reading, will be available on Study.Net.
- If you would like additional readings to complement the in-class material, there are two optional textbooks: Phelps' Health Economics, 5th Edition and Feldstein's Health Policy Issues: An Economic Perspective, 6th Edition.
- Without prior approval, laptops and similar devices are not allowed out during class.

GRADING POLICY

- The course will consist of two exams (40%), four problem sets (40%), and a research brief (20%).
- I reserve the right to determine letter grade cutoffs at the end of the semester.
- Grading concerns must be presented to me in writing within one week of when the problem sets/exams are handed back in class.
- Problem sets are due by the beginning of class on the due date because we will immediately review them.
- Exam make-ups and assignment extensions require documentation that specifies the dates the student is unable to work and will be given at my discretion. Without documentation, there will be a 20-point penalty.

IMPORTANT DATES

- Problem Set 1: Tuesday, September 20
- Problem Set 2: Tuesday, October 9
- Exam 1: Thursday, October 11
- Problem Set 3: Thursday, November 8
- Problem Set 4: Tuesday, December 4
- Exam 2: Thursday, December 6
- Research Brief: Thursday, December 13

COURSE SCHEDULE

August 28, 30 and September 4, 6

Introduction

- Papanicolas I, Woskie LR, Jha AK. Health Care Spending in the United States and Other High-Income Countries. *JAMA*. 2018; 319(10): 1,024-1,039.
- Grossman M. On the Concept of Health Capital and the Demand for Health. *Journal of Political Economy*, 1972; 80(2): 223-55.
- Dolan P, Kahneman D. Interpretations of Utility and Their Implications for the Valuation of Health. *The Economic Journal*. 2008, 118(525): 215-34.
- Murphy KM, Topel RH. The Value of Health and Longevity. *Journal of Political Economy*. 2006, 114(5): 871-904.

September 11, 13, 18, 20, 25

The Role of Insurance

- Arrow K. Uncertainty and the Welfare Economics of Medical Care. *American Economic Review*, 1963; 53(5): 941-73.
- Pauly M. The Economics of Moral Hazard: Comment. *American Economic Review*, 1968; 58(3): 531-7.
- Manning W, et al. Health Insurance and the Demand for Medical Care: Evidence from a Randomized Experiment. *American Economic Review*, 1987; 77(3): 251-77.
- Finkelstein A, et al. The Oregon Health Insurance Experiment: Evidence from the First Year. *Quarterly Journal of Economics*. 2012, 127(3): 1,057-106.

September 27 and October 2, 4

Access to Care

- Polsky D, Candon M, Saloner B, Wissoker D, Hempstead K, Kenney GM, Rhodes K. Changes in Primary Care Access Between 2012 and 2016 for New Patients with Medicaid and Private Coverage. *JAMA Internal Medicine*, 2017; 177(4): 588-590.
- Bishop TF, Press MJ, Keyhani S. Acceptance of Insurance by Psychiatrists and the Implications for Access to Mental Health Care. *JAMA Psychiatry*, 2014; 71(2): 176-181.

October 9, 11

Review and Exam 1

October 16, 18, 23, 25, 30 and November 1, 6

Health Care Delivery

- David G. The Convergence between Nonprofit and For-Profit Hospitals in the United States. *International Journal of Health Care Finance & Economics*, 2009; 9(4), 403-28.
- Starfield B, Shi L, Macinko J. Contribution of Primary Care to Health Systems and Health. *The Milbank Quarterly*, 2005; 83(3): 457-502.
- Munos B. Lessons from 60 years of pharmaceutical innovation. *Nature Reviews Drug Discovery*. 2009, 8: 959-68.
- Gudbranson E, Glickman A, Emanuel EJ. Reassessing the Data on Whether a Physician Shortage Exists. *JAMA*. 2017; 317(19): 1,945-1,946.

November 8, 13, 15, 20, 27, 29

Government Intervention

- Gaynor M, Vogt WB. Antitrust and Competition in Health Care Markets. *Handbook of Health Economics*. 2000, 1: 1,406-78.
- Kaiser Family Foundation. Summary of the Affordable Care Act. 2013.
- Ruger JP. The Changing Role of the World Bank in Global Health. *American Journal of Public Health*. 2005, 95(1): 60-70.

December 4, 6

Review and Exam 2

December 13

Research Brief Due