THE WHARTON SCHOOL
The University of Pennsylvania

The Health Care Ecosystem: Evolution, Structure, and Current Issues
HCMG 322
Fall 2022

Course Syllabus

Course Instructor: Guy David
Room: 305 Colonial Penn Center (CPC)
Office Hours: Schedule via email
e-mail: gdavid2@wharton.upenn.edu

Teaching Assistant: Angela Chen
Office hours: Schedule via email
e-mail: chenang@wharton.upenn.edu

Course Overview
This course provides an application of economic principles to the health care ecosystem, focusing primarily on the US health care sector. By recognizing the importance of scarcity and incentives, this course will focus on the critical economic issues in producing, financing, and delivering efficient and equitable health care. In particular, the course will discuss the tension between cost, access and quality of care; analyze the determinants of demand for medical care; discuss the role of health insurance and the complexities it brings; study the unique role of physicians in guiding and shaping the allocation of resources in medical care markets; and analyze competition in medical care markets, especially among hospitals. Special emphasis will be placed on the evaluation of policy instruments such as government regulation, antitrust laws, and public health programs. Knowledge of calculus and basic microeconomics is highly recommended. Students who take HCMG 322 may not also take HCMG 352 for further credit.

Student Presentations
There will be two group presentations in this course. Groups will be assigned by the instructor. Topics are student initiated and instructor approved. Timeline and process will be discussed in class.

Final Paper
Each student would be expected to complete and submit their own individual final paper (2,500 - 3,000 words). Timeline and process will be discussed in class.

Grading
The paper, student presentation and class participation will count towards the final grade as follow:

Class participation: 10%
Group presentation 1: 25%
Group presentation 2: 25%
Final paper: 40%
Readings
There are no required readings for this course. There are two (optional) textbooks: Phelps, E. Charles, *Health Economics*, 6th edition and Feldstein, J. Paul, *Health Policy Issues: An Economic Perspective*, 7th edition. In addition, a number of (optional) articles will accompany each topic we cover in class. All articles will be available for download from Canvas, which will serve as our primary communication channel. You can log on using your usual username and password. Registered students will automatically have access to the course Canvas page.

Course Outline and Time Schedule

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<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Readings</th>
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| August 30  | Introduction: Does economics apply to health care? Is the health care sector different? and key challenges in the health care space. | *Readings*  
Phelps, Chapters 1  
Feldstein, Chapters 1, 2 and 3  
| September 6 and September 13 | Demand for Insurance; Individual and Group Insurance; Moral Hazard and Adverse Selection. | *Readings*  
Phelps, Chapter 10 and 11  
| September 20 | The Physician.          | *Readings*  
Phelps, Chapters 6 and 7  
Feldstein, Chapter 4  


Ukert, Benjamin, Guy David, Aaron Smith-McAllen, and Ravi Chawla, "Do Payor-Based Outreach Programs Reduce Medical Cost and Utilization?", Health Economics. 2020, Vol 29(6), pp. 671-682.


September 27 and October 4  Hospital Organization and Economic Behavior.

Readings

Phelps, Chapters 8 and 9
Feldstein, Chapters 14, 15, 16 and 17


October 11  Student Presentation (#1)

October 18  Introduction to Antitrust and Regulation in Health Care.

Readings

Arizona v. Maricopa County Medical Society, Supreme Court of the United States, 1982 (457 U.S. 332, 102 St. Ct. 2466, 73 L.Ed.2d 48).


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<th>October 25 and November 1</th>
<th><strong>Readings</strong></th>
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<td><strong>Pre-Hospital, Primary and Post-Acute Care Markets.</strong></td>
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November 8  **The Pharmaceutical Industry.**

*Readings*

**Feldstein, Chapters 25, 26, and 28**


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November 15  **Medical Devices - Technology Disadoption**


Wu, Bingxiao and Guy David “The Impact of Relative Skill on Technology Disadoption” forthcoming, *Journal of Health Economics*

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November 29  **Health Equity**


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December 6  **Student Presentation (#2)**