

University of Maryland
Master of Science in Applied Economics
Economics 671 - Economics of Health Care
Summer 2022: Thursdays 6:45pm-9:30pm

Contact Information

Instructor: Samuel Kleiner (skleiner@umd.edu)

Office hours: Wednesday, 5:10pm-6:10pm (Via ZOOM, <https://umd.zoom.us/j/8736925601>)

TA: Zhenxun Liu (zliu1995@umd.edu)

Office hours: Tuesday, 5:30pm-6:30pm (Via ZOOM, <https://umd.zoom.us/j/4595257550>)

Course Location

This course is being held at the University of Maryland, Washington, DC location, 1400 16th St, NW, Suite 140 Washington, DC 20036.

Course Website

Copies of the course syllabus, your grades, and other relevant links and documents will be posted on the course's ELMS/Canvas website. You can access the site via www.elms.umd.edu. You will need to use your University of Maryland "directory ID" and password.

Course Description

The purpose of this course is to introduce the methods of health economics and demonstrate how these methods can be applied to analyze and inform public policy. This course will teach the student to use economic analysis to understand critical issues in health care and health policy.

We will address issues such as the following:

- What factors best explain the level and rate of growth of U.S. health expenditures?
- Does the recent high rate of growth of U.S. health care expenditures make U.S. firms less competitive in international markets?
- How does demand for health care differ from demand for other goods?
- What are the impacts of health insurance on the health care system?

- Who are the uninsured? What policies are available to address this problem and what are their virtues and deficiencies?
- How competitive is the market for hospital and physician services?

Course Objectives

Our program has 7 general learning outcomes for students:

1. Ability to understand, evaluate and analyze economic data
2. Ability to understand and interpret statistical evidence from economic data
3. Ability to apply empirical evidence to assessing economic arguments
4. Ability to apply macroeconomic theories to policy discussions
5. Ability to apply microeconomic theories to policy discussions
6. Ability to communicate economic ideas to a broader audience
7. Ability to evaluate the effectiveness of policy programs using sound economic techniques

The learning outcomes that pertain to this course are: 1, 2, 3, 5, 6, and 7

Prerequisites

ECON 641: Microeconomic Analysis and ECON 644: Empirical Analysis II (or concurrently enrolled).

Required Readings

The required textbook is Folland, Goodman and Stano, *The Economics of Health and Health Care*, 8th Edition, 2017. The text will be supplemented by relevant journal articles that will be available to students through the course website. Readings are posted on the syllabus, and any additional readings will be announced in class.

Assignments and Course Grading

Assignment	% of Grade	Instructions for Submitting Assignments
1. Online Discussion	1/2 Per Week for 10 Weeks	Electronically via ELMS discussion board
2. Homework	6 per assignment for 5 assignments	Electronically via ELMS
3. Academic Article Summary	5	Electronically via ELMS
4. Academic Article Presentation	5	In Class
5. Midterm exam	20	In Class
6. Final exam	30	In Class
7. Class Participation	5	In Class

- 1. Problem Sets:** There will be 5 problem sets during the course of the semester each worth 6% of the grade. These will be assigned one week before the due date, and made available only through the course website. These are individual assignments, not group projects, so the answers you turn in must be your own. They are due at the start of class; late problem sets will lose half of the total assignment points, and anything handed in more than a day late loses all points. Submission are accepted *only* the course website, and the time stamp must indicate that the assignment was submitted by the beginning of class. Homework submitted via email will not be accepted. *(30% of final grade)*.
- 2. Exams.** This class has two exams: a midterm and a final. The first midterm is worth 20%, and the final is worth 30%. The final is cumulative, but heavily weighted towards material covered between the midterm and the end of the class. *(50% of the final grade)*
- 3. Online Discussion:** I will post a prompt for the class to discuss each Thursday after class, except the week of the Midterm and Final. The discussion will be open from Thursday night to Tuesday at 11:59pm each week. You are required to post a substantive response to my prompt, another student's post, or the weekly student presentation that uses economic theory and facts to advance the discussion. Your post may include posing questions of your own, but they cannot be the entirety of your post and they should be in service of clarifying or adding to the discussion. Thoughtful, well-reasoned contributions will receive 2 points, marginal contributions will receive 1 point, and posts that do not contribute to the discussion will receive 0 points. *(5% of the final grade)*.
- 4. Academic Article Summary and Presentation.** This is an opportunity for you to work in groups of 2-3 to gain expertise on a topic of your choosing (as long as it is sufficiently related to the class). For this assignment, you are to read, analyze, and summarize an academic health economics paper, as well as present the article to the class. I encourage you to choose a paper from the *Journal of Economic*

Perspectives or *Journal of Economic Literature* but you may choose an article from another academic journal (I have included a list of acceptable journals on the course website). The written summary should be between three and four pages (one-inch margins, double-spaced, 12-point Times font). Your summary should be concise and clearly written. A more detailed description of the assignment is posted on the course website, but in summary, your write up and presentations should include the following: 1) A statement of the research question posed in the article; 2) A brief motivation of why this is an interesting/important question; 3) A summary of earlier work on this topic; 4) A statement of the relevant economic theory or theories used; 5) A brief description of the data (if relevant); 6) A statement of the results the author(s) find from empirical work and; 7) The public policy implications of the findings.

At the beginning of the second class (June 9), you should identify a group with whom you would like to work, and sign up for a presentation date. Those without a group will be randomly assigned to any remaining groups. Presentations on your paper will take place during the last 15 minutes of class on your group's chosen presentation date. Each group member is expected to participate during the presentation, and the groups' slides should be emailed to the instructor by 6:30pm on the day of the presentation. (10% of final grade).

- 5. Class Participation.** Reading the required book chapters and articles, and participation in class are important to your education and the education of your peers. Thus, this portion of the grade rewards you for taking an active part in class. (5% of final grade)

Any questions regarding grading on assignments or exams must be submitted in writing, on paper or .pdf, to the instructor no earlier than 24 hours after the assignment or exam has been returned, and no later than a week after the assignment or exam has been returned.

At the end of the term, every student will have a numerical course grade between 0 and 100 that is computed as a weighted average of their percentage correct on each assignment using the % of the grade as weights. I will decide upon the numerical cutoffs between various letter grades based on my professional judgment. I will consider students' performance relative to the class. I will also consider absolute standards of professional competence. Highly competent students will get A's. Barely competent students will get B's. Incompetent students will get B-'s or worse. The cutoffs that I use will respect the ordinal ranking of numerical course grades. No student with a given numerical course grade will receive a lower letter grade than someone else with a lower numerical course grade.

Other Policies

- **Course Website:** Copies of the course syllabus, your grades, and other relevant links and documents

will be posted on the course's ELMS/Canvas website. You can access the site via www.elms.umd.edu. You will need to use your University of Maryland "directory ID" and password.

- **Email:** The University has adopted email as the primary means of communication outside the classroom, and I will use it to inform you of important announcements. The University creates an "@umd.edu" email address for every graduate student. All official UMD communications will be sent to students at their "@umd.edu" email address. You are responsible for reading your @umd.edu email address, including ELMS/Canvas Announcements I send to the class. You should make sure ELMS/Canvas Announcements and messages are forwarded to an email address that you check regularly. Failure to check email, errors in forwarding email, and returned email due to "mailbox full" or "user unknown" will not excuse a student from missing announcements or deadlines. I will do my best to respond to email within 36 hours.
- **Work Load:** Mastering the material covered in this course requires a significant amount of work outside of class. Students should expect to spend more time outside of class than in class – typically at least twice as much time. The courses in our DC program are 12-week courses that cover all the same material as a traditional semester-long 3-credit course (15 weeks). The compressed schedule makes it possible to complete our degree in just 15 months if you take 2 courses each term. But the compressed schedule also implies an accelerated pace with an average of 25% more work per week in a given course ($15/12 = 1.25$). The normal full-time load in a master's program is 3 courses per semester, or 6 courses per year. The weekly workload when taking 2 of our DC courses per term is equivalent to the load from 2.5 "normal" 15-week courses - so $2.5/3.0=83\%$ of a full-time load. However, the DC program takes just 1 week off between terms. Students who take 2 courses per quarter in our program complete 8 courses per year. So over the course of a year, taking 2 courses per quarter in our DC program is equivalent to 133% of a "normal" full-time load in the traditional semester-based program ($8/6 = 1.33$).
- **Academic Integrity:** The University of Maryland has a nationally recognized Code of Academic Integrity. You should inform yourself about the UMD policies related to academic misconduct: <https://policies.umd.edu/academic-affairs/university-of-maryland-code-of-academic-integrity>. Cases of academic misconduct, including plagiarism and giving or receiving unauthorized assistance on exams will be referred to the UMD Office of Student Conduct.
- **Student Conduct:** Students are expected to treat each other with respect. Disruptive behavior of any kind will not be tolerated. Students who are unable to show civility to one another or myself will be referred to the Office of Student Conduct. You are expected to adhere to the Code of Student Conduct.
- **Excused Absences:** The University of Maryland's policy on excused absences is posted here [If you](#)

miss any class meetings for any reason, it is your responsibility to work with the instructor to make sure you catch up on the missed material. Instructors routinely facilitate things by posting lecture notes, etc.

If you need to miss an exam or other graded course requirement because of illness, injury, or some other emergency: Follow doctor's orders and get documentation. Get in touch with the instructor as soon as you're able – preferably prior to missing the exam or deadline. Communicate with the instructor to make up the course requirement as soon as possible. You are entitled to recover before you make up the course requirement, but you are not entitled to extra days to study beyond the time the doctor's note says you're incapacitated. If you are incapacitated for more than a week or so beyond the end of the term, your grade in the course will be an "Incomplete". In such cases you must negotiate a plan with your instructor for completing the course requirements. Once you make up the course requirement the instructor will change your "I" to the appropriate letter grade.

- **School Closings and Delays:** Information regarding official University closing and delays can be found on the campus website and the snow phone line: (301) 405-SNOW (405-7669) The program director will also announce cancellation information to the program as an announcement on the program's ELMS/Canvas site. This will generally be done by 1:00 p.m. on days when weather or other factors are an issue. When classes need to be canceled during the semester, we make every effort to schedule makeup classes.
- **UMD Counseling Center:** Sometimes students experience academic, personal and/or emotional distress. The UMD Counseling Center in Shoemaker Hall provides free, comprehensive, and confidential counseling / mental health services that promote personal, social, and academic success. All Counseling Center services are completely free for enrolled students. Proactively explore the range of services available at the Counseling Center, including the Counseling Service and Accessibility and Disability Service described at <http://www.counseling.umd.edu/>
- **Students with Disabilities:** The University of Maryland does not discriminate based on differences in age, race, ethnicity, sex, religion, disability, sexual orientation, class, political affiliation, or national origin. Reasonable accommodations will be arranged for students with documented disabilities. Students who have an accommodations letter from the Accessibility and Disability Service (ADS) should meet with me during the first week of the term to discuss and plan for the implementation of your accommodations. If you require reasonable accommodations but have not yet registered with ADS, please contact the Accessibility and Disability Service at 301-314-7682 or adsfrontdesk@umd.edu.
- **Academic Progress:** The graduate school requires that students maintain a GPA of at least 3.0.

Students whose cumulative GPA falls below 3.0 will be placed on academic probation by the graduate school. Students on academic probation must ask the program's director to petition the graduate school if they want to remain in the program. The petition must include a plan for getting the student's GPA up to at least 3.0. Students who do not live up to their plan can be forced to leave the program without having earned the degree. Note: a grade of "B" corresponds to a GPA of 3.0. A grade of "B-" corresponds to a GPA of 2.7.

- **Graduate Academic Counselor:** The UMD Graduate School also has an academic counselor available to support students who are having difficulty navigating mental health resources on campus, are considering a leave of absence and/or need assistance finding mental health care off campus. The Graduate Academic Counselor also facilitates bi-weekly Graduate Student Circle Sessions which provide an opportunity to learn about resources and connect with other graduate students. Students can learn more about the Graduate Academic Counselor by going to: <https://gradschool.umd.edu/gradcounselor>
- **Course Evaluations:** Near the end of the term, you will receive an email inviting you to submit a voluntary and anonymous course evaluation. Your feedback on courses will be very helpful in improving the quality of instruction in our program.
- **Building Access:** There is a smartphone app that can be used to enter our building after normal business hours. The program coordinator will provide information about this. We will also provide information about the code for entering the front door of our suite. Please make sure you are receiving the ELMS-Announcements that we send out to the program about these and other important matters.
- **COVID Policies:** Up-to date information about UMD COVID-19 policies and guidance are posted at <https://umd.edu/4Maryland>. Given the evolving nature of the pandemic, the guidance and policies are subject to change. The plans are always coordinated with state and county health officials, with additional guidance provided by the University System of Maryland. The focus will always be on the health and well-being of our entire campus community. We strongly urge all students, staff and faculty to read announcements they receive about COVID related guidance and policy, and to stay familiar with the information. We thank you all for your individual efforts to help protect the collective health of our entire community.
- **Other Standard Policies for the Program and the University of Maryland:** Policies related to all graduate courses at the University of Maryland are posted on this page of the Graduate School's website: <https://gradschool.umd.edu/faculty-and-staff/course-related-policies>. Please familiarize yourself with

these policies related academic integrity, non-discrimination policy, accessibility, absences and accommodations, grading, academic standing, grievance procedures, and other important policies

<i>Date</i>	<i>Topic</i>	<i>Required Readings Covered</i>	<i>Assignment</i>
1) Thursday, June 2	Introduction Overview of Course and Syllabus		
	Health Care Costs: U.S., International	FGS, Ch. 1, Hartman et al. (on website) Anderson and Frogner (on website) Anderson, Hussey & Petrosyan (on website)	
2) Thursday, June 9	Cost Benefit/ Cost Effectiveness Analysis	FGS, Ch. 4	HW1 Posted + Group Sign Up in Class
3) Thursday, June 16	Health Production	FGS, Ch. 5 CDC Article (skim Chartbook sections on mortality, morbidity, risk factors). Garber and Skinner (on website)	HW1 Due
4) Thursday, June 23	Health Capital	FGS, Ch.7	HW2 Posted
5) Thursday, June 30	Demand & Supply of Health Insurance	FGS, Ch. 8 Gruber (on website)	HW2 Due
6) Thursday, July 7	Midterm Exam		
7) Thursday, July 14	Demand for Medical Care	FGS, Ch. 9	
8) Thursday, July 21	Production of Health Care	FGS, Ch. 6	HW3 Posted
9) Thursday, July 28	Asymmetric Information	FGS, Ch. 10	HW3 Due
			HW4 Posted
10) Thursday, August 4	Insurance Markets	FGS, Ch. 11 Summers (on website)	HW4 Due
			HW5 Posted
11) Thursday, August 11	Market For Hospitals (Health Care Labor Mkts)	FGS, Ch. 14 (FGS, Ch. 16)	HW5 Due
12) Thursday, August 18	Final Exam		