



Econ 364-20: Health Economics

Instructor: F. Summerfield

Email: fsummerf@stfx.ca

Lectures: MULH 3034

Mon. 12:45-14:00 & Wed. 11:15-12:30

Office Hours: MULH 3071
(masks mandatory)

Mon. 14:00-15:30, Wed. 12:30-14:00
Fri. 9:30-10:30

Course Description

This course explores issues around health, health care and health policy from the standpoint of economic theory. Basic microeconomic principles will be used to understand the demand for health and healthcare, and the supply of healthcare services. The course ideas from information economics to understand important public policy challenges, including moral hazard and adverse selection.

Prerequisite: Econ 201

Course Materials

You are expected to attend all lectures and to take your own notes. Notes will generally not be posted or emailed to students. Throughout the term, articles will also be assigned for reading. Students will be tested only against lecture materials (including prerequisite knowledge) and main details from assigned articles.

There is no required textbook.

For the information of students interested in further reading, lectures follow closely to the content in the following books:

- Bhattacharya, Hyde & Tu. *Health Economics*. Palgrave MacMillan, 2014.
- Goodman, Sherman and Stano. *The Economics of Health and Health Care 7ed.* Pearson, 2013.

Evaluation

Final Exam	Scheduled by the registrar	35%
Midterm Exam	In class: March 1st	25%
Problem Sets (2)	Due in class Feb 8; March 22	20%
Policy Report (1)	Due in class March 8	20%

Policy reports **must be comprised of your own unique work**. Students should expect that their work may be checked against internet databases for evidence of plagiarism and the use of artificial intelligence language processors. The topic of the report will be assigned in class 48 hours prior to the due date. This is to simulate the tight deadlines required by policymakers for briefing notes. Please note that extensions will not be possible so plan ahead and manage your time accordingly. Instructions and examples of the policy report format will be circulated in class early in the semester.

General guidelines:

- All sources used should be cited in a bibliography or footnotes
- Reports must be less than 1000 words - you will need to edit your work and write concisely.
- Be sure to make arguments from the point of view of an Economist, a common mistake is to argue your point only on a political or moral basis.
- A component of the grade will include writing clarity, so ensure that you spell and grammar-check your work. Do not trust your computer with this task.

Copyright Notice:

The lecture materials, assignments and their solutions, and examination materials have been developed by the instructor exclusively for use as part of the Winter 2023 ECON 102:20 course at St. Francis Xavier University. These materials are the intellectual property of the instructor and thus, are protected Canada's Copyright Act. You may not publish, post on an Internet site, sell, or otherwise distribute these materials without the instructor's express permission. Failure to abide by these restrictions may constitute grounds for academic misconduct.

Schedule of Topics*

Part I: Introduction

(3 Lectures)

- | | | |
|---|---------------------------|--|
| 1 | What is Health Economics | Jan 4 th |
| 2 | Cross Country Comparisons | Jan 9 th & 11 th |

Part II: Demand for Health & healthcare

(6 Lectures)

- | | | |
|---|----------------------------|--|
| 3 | The Grossman Model | Jan 16 th & 18 th |
| 4 | SES and Health Disparities | Jan 23 rd & 25 th |
| 5 | Demand for Healthcare | Jan 30 th & Feb 1 st |

Part III: Supply of Health Care

(2 Lectures)

- | | | |
|---|-------------------------------------|---------------------------------------|
| 6 | Physician Labour Mkts and Hospitals | Feb 6 th & 8 th |
| 7 | Pharmaceutical Industry | Feb 13 th |

Midterm exam – in class

Feb 15

Part IV: Innovation and Technology

(2 Lectures)

8 Health Technology Evaluation Feb 27th & Mar 1st

Part V: Information and Insurance

(6 Lectures)

9 Demand for Insurance Mar 6th & 8th
10 Adverse Selection Mar 13th & 15th
11 Moral Hazard Mar 20th & 22nd

Part VI: Public Health

(2 Lectures)

12 Externalities, Disease and Obesity Mar 27th & Mar 29th

Review

Apr 3rd

Course Policies

Please carefully read all policies below. In addition, you are responsible to adhere to all regulations in section 3 of the [Academic Calendar](#).

1. Final Exam:

The final exam is cumulative and will be an in-person exam. It is the most important summative assessment of course materials. Students unable to write the final exam as scheduled by the registrar should apply to *their* Dean for a re-write date.

2. Midterm Exam:

The Midterm exam will be an in-person exam during class time. Students unable to write a midterm exam at the scheduled time due on medical or compassionate grounds must arrange with the instructor to re-sit the exam within 2 weeks of the original date

3. Problem Sets and Policy reports:

Formative assessment will include two problem sets and two policy reports. Each problem set is released at least 1 week before the due date. Each policy report topic will be released 48 hours before the due date. All assignments must be submitted on moodle. Email submissions are not accepted.

- i) Late submissions are graded with a penalty of 25 percentage points per day.
- ii) **Each student must submit their own set of answers in their own words.** If two students that submit identical answers, I will mark one problem set and the grade will be halved and shared amongst both submitters. An equivalent calculation governs duplicate submissions among groups larger than 2
- iii) Policy reports **MUST** represent your own written work and will be checked for plagiarism and for use of AI language tools. Neither is permitted and either constitutes academic misconduct.

4. Grading:

- i) Extra work to make up for low grades is not a possibility. This practice is unfair to other students. Also, allocating scarce resources (including your time) is a learning objective of this course. It is your responsibility to track your progress and seek help as needed. I am approachable and happy to help *throughout* the semester.
- ii) Grades are posted on Moodle throughout the term.

5. Communication

- i) Email is the primary form of communication beyond lectures or office hours.
- ii) Student email is checked once per day, during business days. When volume is high, I may require more than 24 hours to respond.
- iii) I may check on weekends or holidays but this is at my discretion.
- iv) Emails whose answer is in the course outline, or posted on moodle such as “when is the midterm”, are given lower priority.
- v) Email is not chat. Please communicate formally with me as I will with you.
- vi) Include the following in **ALL** emails: student ID, course number (**Econ 102**). I will usually need this information to answer your questions.

6. Office Hours

- i) Masks covering nose and mouth are required at all times in my office. There are no exceptions. If you cannot comply with this requirement, we will meet virtually.
- ii) Occasionally I may have to reschedule office hours. I will give as much notice as possible. In some cases I may have to move office hours online to a virtual platform. This is done at my discretion, but will only be done when necessary.

7. The Learning Environment:

All students are encouraged to show respect for each other’s learning pace and process. Everyone learns more effectively in a respectful, safe and equitable learning environment, free from discrimination and harassment. I invite you to work with me to create a classroom space – both real and virtual – that fosters and promotes values of human dignity, equity, non-discrimination and respect for diversity.

8. Closures (for weather or public health):

- i) In the event that campus is closed for less than one week any **Exams** falling on days of closure are automatically moved forward to the next lecture following campus re-opening. Due dates for assignments and problem sets are unaffected.
- ii) In the event that a campus closure is announced for a week or more, **Exams** falling on days of closure will be re-scheduled and moved onto *Moodle*.

9. Academic Integrity (university-wide policy):

Section 3.8 of the [Academic Calendar](#).

10. Drop Date (set by the registrar)

Students may drop a course, online in Banner, on or before March 10th .