

# McMaster University, Department of Economics

*ECON 2CC3/HLTHAGE 2C03 - Health Economics and its Applications to Health Policy*

*Winter 2018*

## Course Outline

- Instructor: Anastasios Papanastasiou, Ph.D.
- Office hours: Monday 1:30-3 pm and by appointment.
- Office: KTH 434
- Office Phone: 905-525-9140, ext. 24593
- e-mail: papanasa@mcmaster.ca
  - Please **use your McMaster email account** and include the course number or name in the subject heading of your emails.

*It is your responsibility as a student to be aware of and to abide by the University's policies regarding academic misconduct, e-mail communication, maintaining copies of out-of-class assignments, what to do when you cannot meet a course requirement and the drop date for this semester. To better understand these policies, visit: <http://www.mcmaster.ca/academicintegrity/students/> and <http://academiccalendars.mcmaster.ca/index.php>.*

## Lectures

- T, Th, Fr - 2:30-3:20pm; DSB AB102
  - **Teaching Assistant:** Valerie Ulep; ulepvg@mcmaster.ca; Office hours TBA

## Course Description

This course is an introduction to health policy analysis under the lens of microeconomics. The purpose is to show that many apparently complex issues in health policy can be greatly clarified when they are analysed using principles of microeconomics. We begin with an overview of health and health care systems with an emphasis on the Canadian context, and a concise exposition of the microeconomic tools that we will employ in our analysis. We then introduce modifications to our baseline tools to capture salient features of the demand for health and health care, and extend our toolbox to consider the impact of externalities, risk and asymmetric information. Our focus then turns to the supply of health care and on the impact of institutional arrangements and the role of government in health care markets.

## Prerequisites

- Registration in Level II or above
  - Not open to students registered in an Economics program or with credit or registration in ECON 2G03, 2X03 or 3Z03. Students excluded from ECON 2CC3 or those wishing to do further work in Health Economics are referred to ECON 3Z03. May not be used to satisfy Economics unit requirements by students in Economics programs or a minor in Economics.

## Textbook

- **Health Economics** Interactive Version, Jeremiah E. Hurley

We will be using the interactive version of the textbook **Health Economics** distributed through “Top Hat”. You can visit their set-up guide here You can register by visiting our course website: here

Note: You will be using Top Hat **only** to access the textbook.

Should you require assistance with the platform at any time please contact their support team by email (support@tophat.com).

## Course Requirements

Component	Date	Weight (% of final grade)
Problem Sets	Assigned periodically	10%
Midterm 1	Feb 9	25%
Midterm 2	March 16	30%
Final Exam	TBA	35%

**Problem Sets:** Five short-answer problem sets worth 2% each. Seven problem sets will be assigned through the *Avenue to Learn* website (<http://avenue.mcmaster.ca/>) - your best five will count towards your final grade. The questions listed at the end of chapters in the textbook for this course are examples of the kind of problems that will be assigned. You are encouraged to use graphs in formulating your answers where applicable. **You must submit your problem assignments through the Drop Box on Avenue to Learn.** The problem sets will be posted at least one week before their due date and you will receive your marks at least one week after the due date. It is your responsibility to check the Avenue-to-Learn website on a regular basis to keep up with the assignments of problem sets: **Late submissions will not be accepted.**

**Examinations:** The midterms and the final exam will consist of multiple choice and short-answer questions. Some will require graphs and simple calculations. You may bring a calculator in the exam. If you miss a midterm exam you will receive a grade of zero unless you complete the *McMaster Student Absence Reporting Form - MSAF* within **five business days** of the test date. Students must take their documentation to their faculty Associate Dean’s Office or Program Office and file a *Permission to use MSAF*. Once I receive the MSAF, the weight of the missed exam will be added to the weight of the final exam.

### *Important Notes:*

1. If your performance on Midterm 1 is better than your Midterm 2 grade, the weights will be shifted to 30% for Midterm 1 and 25% for Midterm 2.
2. It is your responsibility to check the Avenue-to-Learn website on a daily basis to keep up with the course (problem sets and due dates, announcements, lecture slides etc.)
3. The final exam will be comprehensive and based on the entire course.
4. If you find yourself facing difficulties that are too great, course related or otherwise, you are encouraged to discuss them with me during my office hours as early in the semester as possible. If something is unclear, ask for clarification in advance! **You are strongly encouraged to express your thoughts and questions during the lectures.**
5. While there is no golden rule, if you are pursuing an A+ in this course you might find the following recommendations useful:
  - a. Attend all lectures. Doing so will make homework much easier and help you prepare for the examinations.

- b. Read and understand the lecture notes and related textbook chapters.
- c. Keep up with the lectures. Catch up if you miss a lecture as soon as possible and monitor the course on Avenue on a daily basis. Do not postpone studying until the exam period!

## Course Content

Material	Chapter in textbook
1. Health and Health Care Systems	1
2. Efficiency and Equity	2
3. The Basics of Markets	3
4. Individual Level Demand for and Production of Health	5
5. Health Care as an Economic Commodity	7
6. The Demand for Health Care	8
7. The Demand for Health Care Insurance	9
8. Systems of Health Care Finance	11
9. Health Care Funding	12
10. Physicians, Their Practices and the Market for Physician Services	13
11. Health Care Institutions: Hospitals	14
12. Pharmaceuticals	15
13. Methods of Economic Evaluation	4
14. The Determinants of Population Health	6