

Course Outline

EE474 Health Economics

Semester 2/2019 (January 13 – May 10, 2020)

Number of credits: 3 credits (3-0-6)

Lecture Time: Wednesdays and Fridays, 09.30 – 11.00 hours

Lecture Venue: Room 303, Faculty of Economics

Instructor: Asst. Prof. Dr. Phatta Kirduang

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Course Description

Economic thought about health and health care services. Supply of and demand for health care. Market failure in the health care market and government intervention. Health insurance, fiscal policy on public health, factors of health service production, and efficiency and equality in the health care system. Evaluation of health care projects, asymmetric information in health insurance, health economics at the Macro level. Health service system reform in Thailand and abroad.

Prerequisite: EE 311 or EE 312

Course Objectives

1. To give students an understanding of essential concepts and theories in health economics, as well as their applications to current health economics issues.
2. To provide students with economic tools in analyzing health economics problems.
3. To acquaint students with the literature in health economics, and to develop their critical thinking skill.

Required Textbooks:

Folland, S., Goodman, A. C., and Stano, M. (2012). *The Economics of Health and Health Care*, Seventh Edition. Pearson. [FGS]

Complementary Textbooks:

Phelps, C. (2010). *Health Economics*, Fourth Edition. Pearson.

Santerre, R.E., and Neun, S. P. (2007). *Health Economics: Theories, Insights, and Industry Studies*, Fourth Edition. Thompson. [S&N]

Papers as specified in the reading references for each topic.

Expected Learning Outcomes:

1. Morality and Ethics

Applicability	Learning Goals
●	1.1 Students demonstrate integrity.
●	1.2 Students prioritize social and public benefits over personal ones.
●	1.3 Students are punctual and comply with the code of conduct of the institution and society at large.
○	1.4 Students are responsible and accountable to society, the nation, and the subject of economics.
○	1.5 Students realize the cultural and environmental value of the sustainable society.

2. Knowledge

Applicability	Learning Goals
●	2.1 Students know and understand modern economics principles and theories, and are up to date with new developments.
●	2.2 Students know and understand Thai and global economic structure, and the importance of major international economic events.
○	2.3 Students know and understand instruments of economic analysis.
●	2.4 Students know and understand applied fields in economics, including monetary, public, international, business, natural resource and environmental, industrial, agricultural, cooperative, political, developmental, and entrepreneurial economics as well as agribusiness.
●	2.5 Students are informed about related fields including sociology, business administration, education, law policy, and science.

3. Intellectual Development

Applicability	Learning Goals
●	3.1 Students have developed individual critical thinking.
●	3.2 Students are sufficiently trained in research skills.
●	3.3 Students demonstrate an ability to analyze and synthesize data, as well as appropriately integrate economics concepts to understand causes of current economic problems in Thailand. Based on analysis and synthesis, students demonstrate an ability to propose policy guidelines to resolve problems.

4. Interpersonal Skills and Responsibilities

Applicability	Learning Goals
●	4.1 Students are responsible for assigned tasks and work in groups effectively.
●	4.2 Students have problem-solving skills.
●	4.3 Students show leadership skills and team spirit.
●	4.4 Students are always improving themselves.
●	4.5 Students have good interpersonal skills, adapting and working under different conditions.

5. Quantitative Analysis, Communication and Information Technology

Applicability	Learning Goals
●	5.1 Students select and apply appropriate statistical and mathematical methods for data processing, interpretation, conclusions, and recommendations to resolve problems.
●	5.2 Students communicate effectively and select appropriate presentation methods.
●	5.3 Students use information and communication technologies appropriately to gather data as well as process, interpret, and present results.

Teaching Plans

Week	Date	Topics and Readings (*=Required)
1	15/01/2020 17/01/2020	Course Introduction and Overview of Health Economics *FGS, Chapter 1 Phelps, Chapter 1, p.1-15 S&N, Chapter 1
2	22/01/2020 24/01/2020	Production of Health *FGS, Chapters 5 *Fuchs, V. R. (1974). "Who Shall Live?" Chapter 2 in <i>Who Shall Live?</i> New York: Basic Books, pp. 30-55. Phelps, Chapter 1, p.15-27 S&N, Chapter 2, p.42-60
3	29/01/2020 31/01/2020	Demand for Health Capital *FGS, Chapter 7 *Grossman, M. (1972). "On the Concept of Health Capital and the Demand for Health." <i>Journal of Political Economy</i> vol. 80, pp. 223-255. *Wagstaff, A. (1986). "The Demand for Health: Theory and Applications." <i>Journal of Epidemiology and Community Health</i> , vol. 40(1), pp. 1-11.
4	5/02/2020 7/02/2020	Demand for Health Care *FGS, Chapter 9 Phelps, Chapters 4-5 *Manning, W. G., et al. (1987). "Health Insurance and the Demand for Medical Care: Evidence from a Randomized Experiment." <i>American Economic Review</i> , vol. 77(3), pp. 251-277.

Week	Date	Topics and Readings (*=Required)
5	12/02/2020 14/02/2020	Supply of Health Care *FGS, Chapter 6 S&N, Chapter 7 *Cutler and McClellan (2001) "Is Technological Change in Medicine Worth It?" <i>Health Affairs</i> , 20(5):11-29. Weisbrod (1991) "The Health Care Quadrilemma: An Essay on Technological Change, Insurance, Quality of Care, and Cost Containment" <i>Journal of Economic Literature</i> 29(2): 523-552. Newhouse (1992) "Medical Care Costs: How Much Welfare Loss?" <i>Journal of Economic Perspectives</i> 6(3): 3-21.
6	19/02/2020 21/02/2020	Demand and Supply of Health Insurance *FGS, Chapter 8 Phelps, Chapter 10 S&N, Chapter 6 Pauly, M. (1968). "The Economics of Moral Hazard: Comment." <i>American Economic Review</i> , vol. 58, pp. 531-537. *Nyman, John A. (1999). "The Value of Health Insurance: The Access Motive." <i>Journal of Health Economics</i> , Vol. 18(2), pp. 141-152. * Levy and Meltzer (2004). "What Do We Really Know About Whether Health Insurance Affects Health?" <i>Health Policy and the Uninsured</i> , pp/ 179-204.
7	26/02/2020 28/02/2020	Asymmetric Information in Health Care *FGS, Chapter 10
	6/03/2020	-----Mid-Term Examination-----
8-9	11/03/2020 13/03/2020 18/03/2020 20/03/2020	Factors of Health Service Production: Hospitals, Physician's Practice, Health Care Labor Markets, Pharmaceutical Industry *FGS, Chapter 13, 15, 16, 17 Phelps, Chapter 8 *Newhouse, J.P. (1970). "Toward a Theory of Non-Profit Institutions: An Economic Model of a Hospital." <i>American Economic Review</i> , Vol. 60(1), pp. 64-74. *Lakdawalla and Phillipson (2006). "The Nonprofit Sector and Industry Performance." <i>Journal of Public Economics</i> , Vol 90, pp.

		1681-1698.
10	25/03/2020 27/03/2020	Efficiency and Equity in Health Care Market *FGS, Chapter 18 Wagstaff, A. (1991). QALYs and the equity-efficiency trade-off. <i>Journal of Health Economics</i> , 10(1), 21-41.
11	1/04/2020 3/04/2020	Market Failure and Government Intervention in Health Care Market *FGS, Chapter 19 Phelps, Chapter 15 S&N, Chapter 9 * Becker, G. S., Grossman, M., & Murphy, K. M. (1994). An Empirical Analysis of Cigarette Addiction. <i>The American Economic Review</i> , 396-418. Arrow, Kenneth. (1963). "Uncertainty and the Welfare Economics of Medical Care." <i>American Economic Review</i> , Vol. 53(3), pp. 941-973.
12	8/04/2020 10/04/2020	Evaluation of Health Care Projects *FGS, Chapter 4 S&N, Chapter 3 Cutler, David. (2007). "The Lifetime Costs and Benefits of Medical Technology." <i>Journal of Health Economics</i> , 26(60), 1081-1100. Drummond, Michael (2004) "Economic Evaluation in Health Care: Is It Really Useful or Are We Just Kidding Ourselves?" <i>The Australian Economic Review</i> 37(1):3-11.
13	11/04/2020- 17/04/2020	Comparative Health Care Systems & Health Care Reform *FGS, Chapter 22, 23 *Hanvoravongchai, P., & Hsiao, W. (2007). Thailand: Achieving Universal Coverage with Social Health Insurance. In W. C. Hsiao, & R. P. Shaw, <i>Social Health Insurance for Developing Nations</i> (pp. 133-154). The World Bank. Schoen, C., Osborn, R., Squires, D., Doty, M. M., Pierson, R., & Applebaum, S. (2010). How health insurance design affects access to care and costs, by income, in eleven countries. <i>Health Affairs</i> , 10-1377. Roland and Rebecca Rosen (2011). "English NHS Embarks on

		Controversial and Risky Market-Style Reforms in Health Care.” <i>New England Journal of Medicine</i> , 364(14):1360-6.
14	22/04/2020 24/04/2020	Students’ Presentations
15	29/04/2020 1/05/2020	Students’ Presentations
16	*6/05/2020 (TBA) 8/05/2020	Course wrap-up
	14/05/2020	-----Final Examination-----

Note: The class schedule shown above may be adjusted during the semester as needed.

Assessment:

Group project and presentation	15 %
Midterm Exam	35 %
Final exam	50 %

Group Project:

Each group of no more than 3 students is asked to write a research proposal related to any topic discussed in class or topics related to health economics issues (under the instructor’s permission). The proposal consists of the statement of problem, research question, research objectives, related literature review, and proposed research methodology. Students are not asked to conduct the research, but need to suggest practical and reasonable methods to conduct the research. Including related descriptive statistics are strongly recommended.

Students will present their proposal during the last two weeks of classes, and will submit written research proposals by May 8, 2020. The written report is no more than 5 pages (12 fonts, 1.5 space), and the reference style is APA.

ACADEMIC CALENDAR & HOLIDAY

Semester 2/2019

(January 13 – May 9, 2020)

Activities	Time Period
Classes Begin	January 13, 2020
Add-drop period	January 13 – 27, 2020
Tuition payment period	January 13 – 28, 2020
<i>Makha Bucha Day*</i>	<i>February 8, 2020</i>
<i>Substitution for Makha Bucha Day*</i>	<i>February 10, 2020</i>
Mid-term Examination Period	March 2 – 7, 2020
Withdrawal period with "W" on record	March 18 – 23, 2020
<i>Chakri Memorial Day*</i>	<i>April 6, 2020</i>
<i>Songkran Festival Day*</i>	<i>April 12 – 18, 2020</i>
<i>Coronation Day*</i>	<i>May 4, 2020</i>
<i>Visakha Bucha Day*</i>	<i>May 6, 2020</i>
<i>Royal Ploughing Ceremony Day*</i>	<i>May 11, 2020</i>
Last day of class for Semester 2/2019	May 9, 2020
Final exam period	May 11 – 22, 2020

* Holiday, No classes during this period

CONTACT INFORMATION

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