



Course Outline

EE474: HEALTH ECONOMICS

Semester 2/2021 (January 10th – May 7th, 2022)

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

Prerequisite: EE 311 or EE 312

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.

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.

Instructor:

Name:	Phatta Kirdruang
Office Hours:	By appointment
Email:	phatta@econ.tu.ac.th

Class Time and Logistic

Class day: Wednesdays and Fridays

Class time: 09.30 – 11.00 hours

Teaching Materials Platform: <http://bemoodle.econ.tu.ac.th>; Enrollment key: 6438

Meeting Platform: <https://zoom.us/j/6167968064>

LINE Group:



Main Text:

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

Recommended Texts & Materials

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]

Bhattacharya, J., Hyde, T., & Tu, P. (2013). *Health economics*. Macmillan International Higher Education.

Suggested Readings: Text chapters and papers as specified in the reading references for each topic.

Assessment:

Research proposal and presentation	15 %	[Due May 7, 2022]
Midterm Exam	35 %	[March 2, 2022, 9-11 am]
Final exam	50 %	[May 24, 2022, 9 am- noon]

Research Proposal

Each student 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, descriptive statistics and proposed research methodology. Students are not asked to conduct the research, but need to suggest practical and reasonable methods to conduct the research.

Students will present their proposal during the last two weeks of classes, and will submit written research proposals by May 7, 2022 via google classroom. The written report is no more than 5 pages (12 fonts, 1.5 space), and the reference style is APA.

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.

Tentative Class Schedule:

Week	Date	Topics and Readings (*=Required)
1	January 12, 14	Course Introduction and Overview of Health Economics *FGS, Chapter 1 Phelps, Chapter 1, p.1-15 S&N, Chapter 1 Hall, R. E., & Jones, C. I. (2007). The value of life and the rise in health spending. <i>The Quarterly Journal of Economics</i> , 122(1), 39-72.
2	January 19, 21	Production of Health *FGS, Chapters 5 Phelps, Chapter 1, p.15-27 S&N, Chapter 2, p.42-60 *Oster, E. (2020). Health recommendations and selection in health behaviors. <i>American Economic Review: Insights</i> , 2(2), 143-60. Fuchs, V. R. (1974). "Who Shall Live?" Chapter 2 in <i>Who Shall Live?</i> New York: Basic Books, pp. 30-55.
3	January 26, 28	Demand for Health Capital *FGS, Chapter 7 *Grossman, M. (2000). "The Human Capital Model," in A.J. Culyer and J.P Newhouse (editors), <i>Handbook of Health Economics, Volume 1A</i> . 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. Lleras-Muney, Adriana, "The Relationship Between Education and Adult Mortality in the United States," <i>Review of Economic Studies</i> , 72(1), 2005, 189-221.
4	February 2, 4	Demand for and Supply of Health Care *FGS, Chapter 6, 9 Phelps, Chapters 4-5 S&N, Chapter 7

		* Aron-Dine, Aviva, Liran Einav and Amy Finkelstein, "The RAND Health Insurance Experiment, Three Decades Later," <i>Journal of Economic Perspectives</i>, 2013. 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. Cutler and McClellan (2001) "Is Technological Change in Medicine Worth It?" <i>Health Affairs</i>, 20(5):11-29. Newhouse (1992) "Medical Care Costs: How Much Welfare Loss?" <i>Journal of Economic Perspectives</i> 6(3): 3-21.
5	February 9, 11	Demand and Supply of Health Insurance *FGS, Chapter 8 Phelps, Chapter 10 S&N, Chapter 6 * Gladwell, Malcolm, "The Moral Hazard Myth," <i>The New Yorker</i>, August 29, 2005. [https://www.newyorker.com/magazine/2005/08/29/the-moral-hazard-myth] Einav, Liran, Amy Finkelstein, and Mark R. Cullen, "Estimating Welfare in Insurance Markets using Variation in Prices." <i>Quarterly Journal of Economics</i>, 125(3), 2010, 877—921. 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. 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.

Week	Date	Topics and Readings (*=Required)
6-7	February 18, 23, 25	Factors of Health Service Production: Hospitals, Physician's Practice, Health Care Labor Markets, Pharmaceutical Industry *FGS, Chapter 13, 15, 16, 17 Phelps, Chapter 8 *Duggan, M. G. (2000). Hospital ownership and public medical spending. <i>The Quarterly Journal of Economics</i>, 115(4), 1343-1373. Lakdawalla and Phillipson (2006). "The Nonprofit Sector and Industry Performance." <i>Journal of Public Economics</i>, Vol. 90, pp. 1681-1698. Dranove, D., Kessler, D., McClellan, M., & Satterthwaite, M. (2003). Is more information better? The effects of "report cards" on health care providers. <i>Journal of political Economy</i>, 111(3), 555-588.
	March 2	-----Mid-Term Examination-----
8	March 9, 11	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.
9	March 16, 18	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.
10	March 23, 25	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(6), 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.
11-12	March 30, April 1, 8	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.
13	April 20, 22	Economics of Covid-19 *Allcott, H., Boxell, L., Conway, J., Gentzkow, M., Thaler, M., & Yang, D. (2020). Polarization and public health: Partisan differences in social distancing during the coronavirus pandemic. <i>Journal of Public Economics</i> , 191, 104254. [More to be added later.]
14-15	April 27, 29	Students' Presentations [Online]
15	May 6	Class wrap-up
	14/05/2020	-----Final Examination-----

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