



# B.E. International Program

## Faculty of Economics, Thammasat University



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### Course Outline

#### EE 474 Health Economics

Semester 1/2013 (August 13 – November 30, 2013)

**Number of credits:** 3 credits

**Lecture Time:** Wednesdays and Fridays, 15.30 – 17.00 hrs

**Lecture Venue:** Room 303, Faculty of Economics

**Instructor:** Phatta Kirdruang, PhD

**Office:** Room 3, 60<sup>th</sup> year Building, Faculty of Economics

**E-mail:** [phatta@econ.tu.ac.th](mailto:phatta@econ.tu.ac.th)

**Office hours:** Wednesdays and Fridays, 14.00 – 15.00 hrs  
and by appointment

#### Course Description:

This course provides an overview of economic thoughts concerning health and health care services. The topics covered are: production of health, demand for health capital, demand for and supply of health care, health insurance, asymmetric information in health care, factors of health service production, efficiency and equity in health care system, market failure in health care market and government intervention, evaluation of health care projects, health economics at macro level, health care systems, and the reform of health service systems in Thailand and in other countries.

**Prerequisites:** a) EE210 or b) EE211 or c) EE213

#### 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 require students to combine the material learned from the class, and to develop critical thinking skills when reading academic journal articles.

### 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, S. (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]

Note: More supplemental readings, if any, will be added via B.E. Moodle.

### Course Outline:

No	Date	Topic and Readings (*= Required)	Remarks
1	Aug 14	Course Introduction and Overview of Health Economics	
2	Aug 16	Introduction to Health Economics *FGS, Chapter 1 Phelps, Chapter 1, p.1-15 S&N, Chapter 1	
3	Aug 21	Production of Health (1) *FGS, Chapters 5 Phelps, Chapter 1, p.15-27 S&N, Chapter 2, p.42-60 Fuchs, V. R. (1974). "Who Shall Live?" Chapter 2 in <i>Who Shall Live?</i> New York: Basic Books, pp. 30-55.	
4	Aug 23	Production of Health (2) *FGS, Chapters 5	
5	Aug 28	Demand for Health Capital (1) *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.	
6	Aug 30	Demand for Health Capital (2) *FGS, Chapter 7	QUIZ #1

7	Sept 4	<p>Demand for Health Care (1)</p> <p>*FGS, Chapter 9</p> <p>Phelps, Chapters 4-5</p> <p>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.</p>	
8	Sept 6	<p>Demand for Health Care (2)</p> <p>*FGS, Chapter 9</p>	QUIZ #2
9	Sept 11	<p>Supply of Health Care (1)</p> <p>*FGS, Chapter 6</p> <p>S&amp;N, Chapter 7</p>	
10	Sept 13	<p>Supply of Health Care (2)</p> <p>*FGS, Chapter 6</p>	QUIZ #3
11	Sept 18	<p>Demand and Supply of Health Insurance (1)</p> <p>*FGS, Chapter 8</p> <p>Phelps, Chapter 10</p> <p>S&amp;N, Chapter 6</p> <p>Pauly, M. (1968). "The Economics of Moral Hazard: Comment." <i>American Economic Review</i> vol. 58, pp. 531-537.</p> <p>Nyman, John A. (1999). "The Value of Health Insurance: The Access Motive." <i>Journal of Health Economics</i>, Vol. 18(2), pp. 141-152.</p>	
12	Sept 20	<p>Demand and Supply of Health Insurance (2)</p> <p>*FGS, Chapter 8</p>	QUIZ #4
13	Sept 25	<p>Demand and Supply of Health Insurance (3)</p> <p>*FGS, Chapter 8</p>	
14	Sept 27	<p>Asymmetric Information in Health Care</p> <p>*FGS, Chapter 10</p>	QUIZ #5
	Oct 2	<i>No Class (Midterm-Exam Period)</i>	
	<b>Oct 4 (15.30-17.00)</b>	<b>MIDTERM</b>	

15	Oct 9	<p>Factors of Health Service Production: Hospitals</p> <p>*FGS, Chapter 13</p> <p>Phelps, Chapter 8</p> <p>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.</p>	
16	Oct 11	<p>Factors of Health Service Production: Physician's Practice</p> <p>*FGS, Chapter 15</p> <p>Phelps, Chapters 6</p> <p>S&amp;N, Chapter 12</p> <p>Phelps, C.E. (1986). "Induced demand — can we ever know its extent?" <i>Journal of Health Economics</i>, Vol.5(4), pp. 355-365.</p>	
17	Oct 16	<p>Factors of Health Service Production: Health Care Labor Markets</p> <p>*FGS, Chapter 16</p> <p>Phelps, Chapters 7</p>	QUIZ #6
18	Oct 18	<p>Factors of Health Service Production: Pharmaceutical Industry</p> <p>*FGS, Chapter 17</p> <p>S&amp;N, Chapter 14</p>	
	Oct 23	<i>No Class (Chulalongkorn Memorial Day)</i>	
19	Oct 25	<p>Efficiency and Equity in Health Care Market (1)</p> <p>*FGS, Chapter 18</p>	
20	Oct 30	<p>Efficiency and Equity in Health Care Market (2)</p> <p>*FGS, Chapter 18</p>	QUIZ #7
21	Nov 1	<p>Market Failure and Government Intervention in Health Care Market (1)</p> <p>*FGS, Chapter 19</p> <p>Phelps, Chapter 15</p> <p>S&amp;N, Chapter 9</p> <p>Arrow, Kenneth. (1963). "Uncertainty and the Welfare Economics of Medical Care." <i>American Economic Review</i>, Vol. 53(3), pp. 941-973.</p>	

22	Nov 6	Market Failure and Government Intervention in Health Care Market (2) *FGS, Chapter 19	QUIZ #8
23	Nov 8	Evaluation of Health Care Projects (1) *FGS, Chapter 4 S&N, Chapter 3	
24	Nov 13	Evaluation of Health Care Projects (2) *FGS, Chapter 4 S&N, Chapter 3	QUIZ #9
25	Nov 15	Comparative Health Care Systems (1) *FGS, Chapter 22	
26	Nov 20	Comparative Health Care Systems (2) *FGS, Chapter 22	QUIZ #10
27	Nov 22	Comparative Health Care Systems: Case Studies of ASEAN Countries [TBD]	
28	Nov 27	Health Care Financing [TBD]	
29	Nov 29	Health Care Reform: A Case Study of Thailand *FGS, Chapter 23 S&N, Chapter 16 *Hanvoravongchai, P., & Hsiao, W. (2007). Thailand: Achieving Universal Coverage with Social Health Insurance. In W. C. Hsiao, & R. P. Shaw, Social Health Insurance for Developing Nations (pp. 133-154). The World Bank. Wibulpolprasert, S., & Thaiprayoon, S. (2008). Thailand: Good Practice in Expanding Health Coverage - Lessons from the Thai Health Care Reforms. In P. Gottret, G. J. Schieber, & H. R. Waters, Good Practices in Health Financing: Lessons from Reforms in Low- and Middle-Income Countries (pp. 355-383). Washington, DC: The World Bank.	
	<b>Dec 16 (9.00-12.00)</b>	<b>FINAL EXAM</b>	

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

**Assessment:**

Quizzes	20 %	
<b>Midterm Exam</b>	<b>30 %</b>	<b>(Friday, October 4, 2013, 15.30-17.00 hrs)</b>
<b>Final exam</b>	<b>50 %</b>	<b>(Monday, December 16, 2013, 9.00 – 12.00 hrs)</b>

**Remarks:**

- ◆ There will be 10 quizzes in total. Each quiz will cover the material from the previous lecture and required readings for the current lecture.
- ◆ I reserve the right to change the proportion of grades if appropriate.

**Important Dates:**

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|------------------------------------|---|
| ◆ First semester begins            | August 13, 2013                           |
| ◆ Period of withdrawal without “W” | August 13-27, 2013                        |
| ◆ <b>Mid-Term Examination</b>      | <b>October 4, 2013 (9.30-11.00 hrs)</b>   |
| ◆ Last day of withdrawal with “W”  | October 16-21, 2013                       |
| ◆ <b>Final Examination</b>         | <b>December 16, 2013 (9.00–12.00 hrs)</b> |

*Last updated – July 25, 2013.*