

Health Economics - ECON 3883
Department Economics
Acadia University
Winter 2024

Professor Information

Name: Dr. Barry Watson

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Office Location: BAC 343

Office Hours: Tuesdays & Thursdays, 12-4pm (or by appointment). I am in my office most days, and so long as my door is open (which it normally is), I am available for drop-in consultations.

Course Information

Course Title: Health Economics

Course Number: ECON 3883

Location: Emmerson Hall 207

Meeting Times: Monday & Wednesday, 2:30-3:50pm

Course Description

Health Economics is an applied economics course drawing heavily upon microeconomic theory. Through the application of economic principles, this course evaluates healthcare institutions and markets with an emphasis on Canadian issues and policies. The topics covered include the determinants of healthcare, the economics of insurance and risk aversion, the behaviour of consumers and healthcare providers, asymmetric information, population health, and the nature of the market for healthcare services.

By the end of this course you should be able to provide detailed responses to questions such as: What are the economic determinants of poor health outcomes? Is the rise in the number of physicians in a region accompanied by more patient hours proof of supplier induced demand? How important is asymmetric information in insurance markets and what can be done to combat it? How has economic growth contributed to the overall health of society?

Textbook

Bhattacharya, J., Hyde, T., & Tu, P. (2013) Health Economics. MacMillan International.

The textbook is available at the campus bookstore.

Grading

Participation	10%	
Assignments (2)	20%	(10% each)
Midterm	20%	
Presentation	10%	
Final Exam	40%	

The midterm will be held during class hours and will consist of a series of short-answer questions. Assignments will require that you to access public-use data and interpret (no advanced statistical analytics are required). You will also be asked to provide a 20 minute presentation on one of a series of health-related questions that will be posted to ACORN. The final exam will be cumulative, with the exact date set by the Registrar's Office. Like the midterm, questions will be in short-answer format. Finally, given we are a small class, participation is important, and you are encouraged to voice your thoughts during lectures.

Grading Scale

Grades for individual course components may fall between 0 and 4.33. Final grades will be reported as a letter grade. The letter grading system is provided below.

Grade	GPA	%	Performance
A+	4.33	90-100	
A	4.00	85-90	Excellent
A-	3.67	80-84	
B+	3.33	77-79	
B	3.00	73-76	Good
B-	2.67	70-72	
C+	2.33	67-69	
C	2.00	63-66	Satisfactory
C-	1.67	60-62	
D+	1.33	57-59	
D	1.00	53-56	
D-	0.67	50-52	Pass
F	0.00	0-49	Failure

Course Topics

1. Introduction & A brief review of economics

Chapter 1

2. Measuring health: An introduction to econometrics

- Notes will be posted to ACORN.

3. Determinants of health: The Grossman Model

Chapter 3

Muurinen, J. (1982). Demand for Health: A Generalised Grossman Model. *The Journal of Health Economics*, 1(1), 5-28.

4. Demand & supply of health care

Chapters 2 & 5

Arrow, J.K. (1963). Uncertainty and the welfare economics of medical care. *American Economic Review*, 53(5), 941-973.

5. Risk aversion & Insurance markets

Chapters 7-8, 11 & 23

Akerloff, G. A. (1970). The Market for 'Lemons': Quality Uncertainty and the Market Mechanism. *Quarterly Journal of Economics*, 84(3), 488-500.

Kahneman, D. & Tversky, A. (1979) Prospect Theory: An Analysis of Decision Under Risk. *Econometrica*, 47(March), 263-291.

Pauly, M. V. (1968). The economics of moral hazard: Comment. *American Economic Review*, 49(June), 531-537.

6. Population health

Chapters 4 & 21-22

Ruhm C. (2000). Are Recessions Good for Your Health? *Quarterly Journal of Economics*, 115(2), 617-650.

Cutler, D., Deaton, A., & Lleras-Muney, A. (2007). The Determinants of Mortality. *Journal of Economic Perspectives*, 20(3), 97-120.

Accessibility

The Accessibility Learning Office is committed to creating a welcoming and inclusive environment for all students, including those with disabilities. Their office strives to ensure that all students have equal access to educational opportunities and resources. Students who require accommodations to complete coursework, or fully participate in class, are encouraged to contact them directly. Please visit the Accessible Learning Services website (<https://www2.acadiau.ca/student-life/accessiblelearning.html>) or email them at Accessible.learning@acadiau.ca for more information.

Equity, Diversity, and Inclusion

Acadia University is committed to providing a safe and inclusive community. This can only be achieved where there are simultaneous efforts to eliminate all forms of discrimination and harassment from our campus community, including the elimination of all discrimination, harassment and violence based on one's identity, including but not limited to, gender, race, class, ethnicity, sexual orientation, disability, gender identity, gender expression, and Indigeneity.

The Equity Office serves to prevent discrimination, sexual harassment, and personal harassment from occurring. For more information, as well as resources for those who have experienced (or witnessed) the above, please contact Polly Leonard at equity@acadiau.ca.

Health & Well-being

Acadia provides a host of services for student health, well-being, and safety. The university's physicians provide services for: medical diagnosis and treatment of health concerns, reproductive health (pap tests, birth control, pregnancy tests), sexual health (confidential testing for all sexually transmitted infections and HIV), and emergency contraception. For more information, please contact studenthealth@acadiau.ca, or go to <https://www2.acadiau.ca/student-life/health-wellness/clinic.html>

The Counselling Centre offers a confidential, safe, and caring place for students to access mental health support. To book an appointment, please go to <https://www2.acadiau.ca/student-life/health-wellness/mental-health.html>, or contact counselling@acadiau.ca.

Academic Ethics

Students should familiarize themselves with the Acadia's policy on academic ethics. Plagiarism and other academic offences are not tolerated. Penalties are severe and may result in suspension or expulsion. A complete list of regulations can be found in the student handbook at <https://www2.acadiau.ca/elc/current-student.html>.

Important Dates

Jan 17	Last day to add/change winter courses Last day to withdraw from winter courses without receiving a "W" Last day to withdraw from Fall/Winter courses and receive a "W". Any courses withdrawn after today will receive an "F" grade.
Feb 19	Heritage Day – No classes
Feb 20 - 33	Winter study break - No classes
Mar 8	Last day to withdraw and receive a "W"; withdrawals thereafter receive an "F"
Mar 29	Good Friday - No classes
Apr 5	Last day of classes
Apr 8	First day of exams
Apr 18	Last day of exams