

Health Economics - ECON 3543
Department Economics
Acadia University
FALL 2024

Professor Information

Name: Dr. Barry Watson

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Office Location: BAC 343

Office Hours: Mondays & Wednesdays, 1pm - 5pm (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 3543

Location: BAC 206

Meeting Times: Tuesday & Thursday, 4:00-5:20pm

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, and on reserve at the library.

Grading

Participation	10%	
Assignments (3)	30%	(10% each)
Midterm	20%	
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). 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 (fairly) 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 (i.e., Moodle).

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.

Equity, Diversity, and Inclusion

We are committed to fostering an inclusive and equitable learning environment where the principles of human rights and social justice are paramount. We recognize and respect the diverse backgrounds, identities, and experiences of all students. Our collective goal is to create a space where every individual feels valued, heard, and supported.

All students are encouraged to contribute to and uphold an atmosphere of mutual respect and empathy. Discrimination, harassment, or any form of intolerance will not be tolerated. If you have any concerns or require accommodations to ensure your full participation in this course, please do not hesitate to reach out. Together, let's work towards understanding and advancing human rights and equity, both within and beyond the classroom.

Acadia's Human Rights and Equity Office is responsible for the management and implementation of Acadia's Policy Against Harassment and Discrimination. This Policy is underpinned by a commitment to deconstructing the problematic structures of systemic racism and discrimination within the University Community. Acadia upholds a commitment to fostering a culture within the University Community that is welcoming and reflective of the diverse individuals that comprise this community and to fostering cultural safety, anti-oppression and anti-racism within the University Community, making it our goal to achieve a culture where our diversity is our strength.

For more information, as well as resources for those who have experienced (or witnessed) the above, please contact Polly Leonard at equity@acadiau.ca.

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](#) or email them at Accessible.learning@acadiau.ca for more information.

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 visit their [website](#).

The Counselling Centre offers a confidential, safe, and caring place for students to access mental health support. To book an appointment, please [click here](#), 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](#).

Important Dates

- Sept 13 Last day to add/change fall courses
Last day to withdraw from fall courses without receiving a "W"
- Sept 30 National Day for Truth and Reconciliation observed – No classes
- Oct 14 Thanksgiving - No classes
- [October 15 - October 18: Reading Week - No classes](#)
- Nov 11 Remembrance Day observed- No classes
- Nov 22 Last day to withdraw and receive a "W"; withdrawals thereafter receive an "F"
- Dec 4 Last day of classes
- Dec 7 First day of exams
- Dec 18 Last day of exams