

**Department of Epidemiology and Health Policy Research  
College of Medicine  
University of Florida**

***MEL 4015: Health Care Economics  
Fall 2009***

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<b>Class Meetings:</b>	Tuesdays and Thursdays, Periods 7-8 (1:55 p.m. – 3:50 p.m.)
<b>Class Location:</b>	1329 Building (1329 SW 16 <sup>th</sup> Street), Room 5279
<b>Credit Hours:</b>	2
<b>Instructor:</b>	Jill Boylston Herndon, Ph.D.
<b>Office Hours:</b>	Tuesdays and Thursdays: 12:45 p.m. – 1:45 p.m. and by appointment
<b>Office:</b>	1329 Building, Suite 5130
<b>Phone:</b>	352-265-7216
<b>E-Mail:</b>	<a href="mailto:jbh@ichp.ufl.edu">jbh@ichp.ufl.edu</a>
<b>Course Website:</b>	<a href="http://plaza.ufl.edu/herndobjb/mel4015.html">http://plaza.ufl.edu/herndobjb/mel4015.html</a>
<b>Texts:</b>	<ol style="list-style-type: none"><li>1. <u>Health Policy Issues: An Economic Perspective on Health Reform</u>, 3<sup>rd</sup> or 4<sup>th</sup> edition by Paul J. Feldstein. Note: This book also is on reserve at the library and available through the library as an “e-book.”</li><li>2. Additional readings will be assigned on the course website throughout the semester.</li></ol>
<b>Prerequisites:</b>	Junior Honors Medical Program student. An understanding of basic microeconomics is helpful but not required.

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### **SUBJECT DESCRIPTION**

Health care economics uses economic theory and empirical techniques to examine how resources are allocated in the health care industry. This course will address key health care issues in the United States, using economic theory as the framework for analysis. Students will analyze health care issues, using efficiency and equity criteria, and evaluate current health care policies for their effects on access, quality, and costs. Topics include: (1) the health economy; (2) the production and demand for health and medical care; (3) the market for health insurance; (4) private (e.g., employment based) and public (e.g., Medicare and Medicaid) sources of health insurance; (5) managed care; and (6) health care reform.

### **COURSE OBJECTIVES**

The primary goal of this course is to enhance students’ knowledge of key health care economic issues in the U.S. and their ability to critically evaluate health care policy, using economic concepts and theory as the framework for analysis.

More specifically, students who successfully complete the course will be able to:

- demonstrate a broad understanding of the organization and financing of health care in the U.S.,
- describe the factors that affect the production and demand for health and medical care,
- describe the economic underpinnings of health insurance markets,
- compare and contrast private and public sources of health insurance in the U.S.,
- describe the concept of managed care and its effects on access, costs, and quality,
- compare and contrast the different types of insurance options available in the U.S.,
- summarize the current state of uninsurance in the U.S. and proposals for reducing uninsurance, and
- critically evaluate health care issues, policies, and reform proposals for their effects on access, costs, and quality using efficiency and equity criteria.

### **COURSE PROCEDURE**

Class time will be used for lectures, small-group activities, and class discussion. The small-group activities are designed to give you the opportunity to assess your understanding of the course material by working with one another on a variety of theoretical and applied exercises. Class discussions will allow us to explore different perspectives and to debate different points of view. You are encouraged to ask questions and offer insights at any time.

The course will be enhanced by your active involvement in class. As a result, it is expected that you will come to class prepared and with a serious intent to put forth the effort required for meaningful learning to occur. While the course will require a dedicated work effort on your part, we will also seek to create a positive and enjoyable environment in which to learn.

### **STUDENT COURSE REQUIREMENTS**

The following will be used to assess your progress in achieving the course objectives:

1. ***Short Assignments.*** Problem sets and short reports will be assigned to prepare you for class and to facilitate your comprehension of the course material. There will be 8 assignments worth a maximum of 10 points each for a total of 80 possible points. All assignments should be e-mailed to me at least one hour before the class in which they are due. You may also want to bring a copy to class for your own reference.
2. ***Attendance and Participation.*** Each student is expected to be an active and regular participant in the course. Participation minimally requires you to come to class regularly and prepared. Asking questions counts as participation.
3. ***Project.*** Students will complete a project on current health care reform proposals that will culminate in both written and oral reports. The project description is provided separately.
4. ***Quizzes and Examinations.*** There will be four quizzes and one examination. Each quiz is worth a maximum of 25 points. Therefore, 100 possible points can be earned on the quizzes collectively. The examination is worth a maximum of 100 points. The quizzes and examination are a combination of problem solving, short answer, and short essays/critical analysis.

## POINT ALLOCATIONS

Assignment	Maximum Points Possible
Short Assignments	80 points
Attendance & Participation	20 points
Project	100 points
Quizzes	100 points
Examination	100 points

## CRITICAL DATES

Please note the critical dates below. Since you have advance notice, please do not ask to reschedule. In the event of an emergency or other excused absence (see the undergraduate catalog regarding university attendance policies), documentation will be required in conformance with university policy.

Event	Date
Quiz 1	Thursday, September 3
Quiz 2	Tuesday, September 15
Quiz 3	Thursday, September 24
Quiz 4	Thursday, October 8
Project Presentation	Thursday, October 29
Examination	Thursday, November 5

## GRADING

Grading in this course is not based on a curve; it is based on the total number of points that you earn:

360 points or greater	A
346 points – 359.99 points	A-
333 points – 345.99 points	B+
320 points – 332.99 points	B
306 points – 319.99 points	B-
293 points – 305.99 points	C+
280 points – 292.99 points	C
266 points – 279.99 points	C-
253 points – 265.99 points	D+
240 points – 252.99 points	D
239.99 points or less	E

Please see the UF Undergraduate Catalog for current grading policies for assigning grade points:  
<http://www.registrar.ufl.edu/catalog/policies/regulationgrades.html>.

### Comment on Your Course Grade:

My responsibility is to make my expectations and the course requirements as clear as possible and to present the material in an organized, clear, and professional manner. It is your responsibility to complete assignments on time and to let me know when clarification is needed. I will be available to assist you both in and out of class throughout the term to help you to succeed in this course. Ultimately, however, the grade that you earn in this course is *your* responsibility. If, at the end of the semester, you have not earned the grade that you initially set your sights on, I will not change your grade for any reason.

## **COURSE POLICIES**

Carefully review the following course policies.

### **Course Website**

Additional detail, regular updates to the course schedule and assignments, announcements, and course notes will be posted on the course web site. *You are expected to check the web site on a regular basis (i.e., at least one day prior to each class meeting).*

### **Class Decorum**

Please: (1) be on time, (2) respect others' points of view, (3) listen quietly when others are speaking, and (4) turn off cell phones, alarms, and other such distractions.

### **Returned Assignments**

Keep copies of all assignments that you submit and of all returned assignments until you receive official notification of your final course grade.

### **Academic Honesty**

You are expected and required to comply with the University's academic honesty policy (University of Florida Rules 6C1-4.017 Student Affairs: Academic Honesty Guidelines, available at <http://regulations.ufl.edu/chapter4/4017.pdf>). Cheating, plagiarism, and other forms of academic dishonesty will not be tolerated. Note that misrepresentation of the truth for academic gain (e.g., misrepresenting your personal circumstances to get special consideration) constitutes cheating under the University of Florida Academic Honesty Guidelines.

### **Attendance Policy**

Class attendance is mandatory. Excused absences follow the criteria of the UF Undergraduate Catalog (e.g., illness, serious family emergency, military obligations, religious holidays), and should be communicated to the instructor prior to the missed class day when possible. Students should read the assigned readings prior to the class meetings, and be prepared to discuss the material.

### **Policy on Make-Up Work**

Students are allowed to make up work only as the result of illness or other unanticipated circumstances. In the event of such emergency, documentation will be required in conformance with university policy. Work missed for any other reason will earn a grade of zero.

### **Special Needs**

If you have special needs (such as a physical disability or a learning disability) that pertain to this course, please inform me immediately. Please note that university policy requires students requesting classroom accommodation to register with the Dean of Students Office. [Contact the Disability Resource Center within the Dean of Students Office, 352-392-8565, <http://www.dso.ufl.edu/drc/>.] The Dean of Students Office will work with you to provide the appropriate documentation to the instructor.

## TOPICAL OUTLINE

- I. Introduction to Health Care Economics and the Health Care Economy in the U.S.
- II. The Production of Health
- III. Health Insurance
  - A. Demand for Health, Medical Care and Insurance
  - B. Moral Hazard and Social Welfare
  - C. Risk and Uncertainty
- IV. Private Health Insurance in the United States: Role of Employer Based Insurance
  - A. Historical Basis
  - B. Tax Policy
  - C. Access and Costs
- V. Managed Care
  - A. Evolution of Health Insurance Markets
  - B. Managed Care Definitions and Plan Types
  - C. Comparing Fee-For-Service with Managed Care
  - D. Costs and Quality
- VI. Public Health Insurance
  - A. Medicare
    - 1. History
    - 2. Structure, eligibility, and financing
    - 3. Equity, efficiency, and reform
  - B. Medicaid
    - 1. History
    - 2. Structure, eligibility, and financing
    - 3. Equity, efficiency, and reform
  - C. SCHIP
    - 1. History
    - 2. Structure, eligibility, and financing
    - 3. Equity, efficiency, and reform
  - D. Children's Insurance Coverage in Florida
- VII. Uninsured
  - A. Profile of Uninsured
  - B. Reasons for Uninsurance
- VIII. Health Care Reform
  - A. Overview: Access, Cost, and Barriers to Reform
  - B. Lessons from Other Countries
  - C. Reform Proposals

**NOTE: Specific dates of coverage, the associated readings, and supplemental materials are available only through the course website. Therefore, you should check the website regularly for class assignments.**