EC3880G Topics in Economics: Introduction to Health Economics

Summer 2019

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SCHEDULE
24 June – 26 July, 2019
Details to be announced

SYNOPSIS
This module aims to help students to understand how the demand and supply of healthcare services interact to yield market outcomes (price, quantity, and quality) in various healthcare markets, such as US, UK, Singapore, and China. Students will learn to analyse (1) the behaviour of consumers, insurers, physicians, and hospitals using basic economic frameworks; (2) the impacts of public policies in health and medical care from an economic perspective.

LEARNING OUTCOMES
Upon successful completion students will have an informed overview of the healthcare systems in the world. They will also achieve the following goals: 1) identify key concepts and debates in healthcare markets, including US and Singapore; 2) understand the interactions of different factors, i.e., consumers, hospitals, and regulators, in determining the price and quantities of healthcare services; 3) apply economic principles to analyse the important consequences of health policies.

SYLLABUS (subject to change)
Week 1: Demand side
Class 1 – Introduction
(Why health care sector is massive and growing; overview of the healthcare systems in US, UK, Singapore, China, and Taiwan.)

Class 2 – Demand for health care
(Introduce the basic model of demand for health and healthcare; measure price sensitivity and discuss how price of health care affects health.)

Class 3 – Socioeconomic disparities in health
(Introduce health inequality within country and across the globe; discuss the basic model of health disparity; discuss hypotheses that explain the health disparity.)

**Week 2: Supply side**

Class 4 – Labor market for physicians

(Introduce the training of physicians, physician wage, barriers to entry and interaction between physicians and patients.)

Class 5 – Overview of hospital industry

(Discuss the rise and decline of the modern hospitals; discuss the hospital systems in US, UK, Singapore, China, and Taiwan.)

Class 6 – Further discussion of hospital industry

(The relationship between hospital and physicians, other hospitals (hospital competition), payers, and regulators.)

**Week 4: Information asymmetry and regulations in healthcare market**

Class 7 – Demand for health insurance

(Discuss declining marginal utility of income, uncertainty of health, risk aversion, and the demand for health insurance.)

Class 8 – Adverse selection and moral hazard

(Explain the intuition and basic economic model of adverse selection; the concept and evidence of moral hazard, and how to reduce moral hazard.)

Class 9 – Health policy conundrum

(How should health insurance market work? How should moral hazard be controlled? How should health care provision be regulated? Compare national health policies across countries. Population aging and the future of health policies.)

**Week 5: Policy analysis and group presentation**

Class 10 – Group presentations, feedbacks and class discussion

Class 11 – Group presentations, feedbacks and class discussion

Class 12 – Summary and discussion on how big data will shape the future of health policy-making and health economics research

**ASSESSMENT (subject to change)**

Class Participation (20%)
Students will be assessed based on their participation in class.

**Paper Summary (50%)**

There will be two paper summaries. In each summary, students should select a paper from the reading list, summarize the research question, policy and institutional background, main analytical methods, and conclusion. Each paper summary should be 3-4 pages in length.

**Group Project (30%)**

Students will be broken up into groups of 3 to 5 students. Each group will select a particular health reform from the list; read academic papers and news report on this reform; understand the institutional backgrounds; and analyse the consequences of this health reform. Each group will be allotted 30-40 minutes on July 22, 24, and 26 to present its findings to the class. All group members in the same group will receive the same grade.

**READINGS (subject to change)**


