

Course Outline

Department of Economics
School of Business and Economics

ECON 3840-3
Economic Analysis of Health Economics (3,0,0)

Calendar Description

Students apply microeconomic tools to an analysis of the health care system, while being introduced to the major issues in health economics and the ongoing debate over health care policy. Topics include the economic determinants of health, the market for medical care, the market for health insurance, the role of the government in healthcare, and health care reform.

Educational Objectives/Outcomes

After completing this course, students should be able to:

1. Apply basic microeconomic concepts to issues and problems in the health care sector.
2. Describe the institutional aspects of the health care sector in Canada.
3. Discuss different aspects of the health care reform debate.
4. Demonstrate the basic tools of economic evaluation of health care services.

Prerequisites

ECON 1900

Co-requisites

Texts/Materials

Jeremiah E. Hurley, Health Economics, First Edition, McGraw-Hill Ryerson.

Student Evaluation

Participation	0-20%
Assignments/quizzes	0-20%
Project/term paper	0-25%
Midterm(s)	30-60%
Final exam	30-50%

Course Topics

1. Introduction
 - The health system
 - Health care systems
 - Economics and variation in the design of health systems
2. Essential Economic Concepts
 - Efficiency
 - Equity
 - Equity and efficiency
3. Basics of Markets
 - Conditions for a well-functioning market
 - Mechanisms of the market
4. Methods of Economic Evaluation
 - What is an economic evaluation
 - Three methods of economic evaluation
 - Some common analytical challenges to conducting an economic evaluation
5. Individual- Level Demand for and Production of Health
 - Health capital model
 - Empirical evidence on individual-level demand for and production of health
 - Health-related behaviours
6. Determinants of Population Health
 - Determinants of the level of health in a population
 - Health inequalities
7. Nature of Health Care as an Economic Commodity
 - What is health care?
 - Characteristics of health care as an economic commodity
 - Is health care different?
8. Demand for Health Care and Health Care Insurance
 - Need, demand, and utilization
 - Demand for health care within the standard economic framework
 - Informational asymmetry and the demand for health care
9. Demand for Health Care Insurance
 - Risk pooling and insurance
 - Demand for insurance
 - Nature of insurance contract

10. Private Insurance Market

- Moral hazard
- Risk selection
- Economies of scale
- A missing market for insurance against premium increases

11. Systems of Health Care Finance

- Efficiency and equity in pure private and pure public systems of finance
- Public and private roles in mixed systems of finance

12. Health Care Funding

- Principal-agent framework and funding systems
- Participants in a funding scheme
- Funding mechanisms
- Designing funding schemes

13. Physicians, Their Practices, and the Market for Physician Services

- Physician services sector
- Modelling the physician practice and physician behaviour
- Planning physician supply: an economic perspective

14. Health Care Institutions: Hospitals

- Models of hospitals as organizations
- Hospital markets and hospital competition
- Assessing hospital efficiency
- Not-for-profit versus for-profit: Does ownership Matter?

15. Pharmaceuticals

- Pharmaceutical industry
- Government regulation of the pharmaceutical industry
- Design of pharmaceutical benefits programs

Methods for Prior Learning Assessment and Recognition

As per TRU policy

Attendance Requirements – Include if different from TRU Policy

As per TRU policy

Special Course Activities – Optional

Use of Technology – Optional

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