

Course Syllabus  
Health Economics (ECON 531)  
Department of Economics  
University of South Carolina  
Spring 2019

**Class Information**

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*Lectures*

Time: Tuesdays & Thursdays, 1:15 – 2:30pm  
Location: DMSB 109

*Instructor*

Name: Lindsey Woodworth  
E-Mail: lindsey.woodworth@moore.sc.edu  
Office Hours: Tuesdays, 9:00 – 10:45am (or by appointment)  
Office: DMSB 452E (southwest corner of the building, on the perimeter of the donut)

**Required Text**

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“Health Economics”, by Jay Bhattacharya, Timothy Hyde & Peter Tu

**Course Description**

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This course is intended to provide students with an overview of the market for healthcare, including the factors that distinguish this particular market from many of the other markets studied in economics. Using this information, economic theories will be applied to the healthcare framework to analyze how healthcare is supplied, how insurance markets work, and how policy interventions might be expected to impact the delivery of healthcare. The institutional features of the health systems used in different parts of the world will be discussed and compared.

**Learning Objectives**

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- Students will understand how and why healthcare markets are distinct from most other markets
- Students will understand the particular challenges that confront making insurance markets sustainable
- Students will understand the institutional features of the U.S. healthcare system
- Students will be able to compare and contrast health systems used in different parts of the world

## **Assignments and Exams**

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### *Homework (20% of course grade)*

Homework assignments will be posted to Blackboard on Tuesdays and will be due by the start of class the following Tuesday. You should turn in your homework as a hard copy in class. Assignments that are submitted late and/or electronically will not be accepted without special permission. Each assignment will be graded out of two points.

### *Final Project (5% of course grade)*

More information on the final project will be provided later in the semester.

### *Exams (75% of course grade)*

Three exams will be administered. Please see the schedule on the last page of the syllabus for the exam dates. The exams will not be cumulative. Each exam will be weighted equally (25% apiece). If for any reason you are unable to attend one of the exams, you must notify the instructor no later than 24 hours before the scheduled exam time. Requests to re-take an exam will only be considered in the event of illness (with a doctor's note), extreme emergency, or university-related athletic travel.

## **For Graduate Students Only**

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If you are enrolled in this course as a graduate student, you will need to complete one additional "homework" assignment. This is the only distinction in your course requirements relative to the course requirements for undergraduate students taking ECON 531.

Your grade on the additional assignment will be incorporated into the 20% weight on homework. (Effectively, this means your weekly assignments will each carry less weight in your overall course grade.)

Briefly, your additional assignment will be to first select one recent newspaper article that is related to healthcare. You will then need to write a 2-page report summarizing the article and tying the concepts the article discusses into the economic theories that have been presented in class. Finally, you must present your work to the class in a ~5 minute presentation. You are free to choose the date for your presentation, but you will need to have your date approved at least two weeks in advance. Please note that your newspaper article must be approved before you begin the project. More detailed instructions about the graduate student assignment are posted to Blackboard. Contact Professor Woodworth ASAP if you have any questions.

## **Grading**

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Letter grades will be assigned using the following rubric. Please note that “plus grades” are reserved for rounding situations only. The thresholds below represent hard cuts. For example, a score of 89.499% will NOT be awarded a B+.

A	90-100%
B+	89.5-89.9̄%
B	80-89.49̄%
C+	79.5-79.9̄%
C	70-79.49̄%
D+	69.5-69.9̄%
D	60-69.49̄%
F	0-59.9̄%

If you wish to appeal a grade, please refer to the Darla Moore School of Business’ grade grievance policy for the correct protocol:

[https://www.sc.edu/study/colleges\\_schools/moore/internal/rights\\_and\\_responsibilities/grievances.php](https://www.sc.edu/study/colleges_schools/moore/internal/rights_and_responsibilities/grievances.php)

## **Academic Honesty and Classroom Behavior**

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Students caught cheating will be given a zero.

The community of scholars at the University of South Carolina is dedicated to personal and academic excellence. Choosing to join the community obligates each member to the Carolinian Creed. Academic dialogue and civil discourse are the cornerstone of the educational system and crucial to individual growth. Students are encouraged to practice personal and academic integrity, respect the rights and dignity of all persons, respect the rights and property of others, discourage bigotry, while striving to learn from differences in people, ideas, and opinions, and demonstrate concern for others, their feelings, and their need for conditions which support their work and development.

If you are unclear about the activities that constitute cheating, please refer to the University of South Carolina Honor Code: <http://www.sc.edu/policies/ppm/staf625.pdf>

## **Special Accommodations**

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If you are in need of special accommodations for a disability (or other reason), please let me know as soon as possible and I am happy to make arrangements.

If you have a documented disability, you should contact the Student Disability Resource Center at 777-6142 to arrange appropriate accommodations.

## **Course Outline**

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The course material will be presented in the following order. If time constraints prevent any of the material from being covered in class then you will not be held responsible for those topics.

### **Introduction**

Chapter 1 – Why health economics?

### **Supply and Demand in Healthcare**

Chapter 2 – Demand for health care

Chapter 3 – Demand for health: The Grossman model

Chapter 5 – The labor market for physicians

Chapter 6 – The hospital industry

### **Insurance**

Chapter 7 – Demand for insurance

Chapter 8 – Adverse selection: Akerlof's market for lemons

(Here, we may do a re-cap of if Consumer Choice Theory if necessary)

Chapter 9 – Adverse selection: The Rothschild-Stiglitz model

Chapter 11 – Moral hazard

### **Economics of Health Innovation**

Chapter 13 – Technology and the price of healthcare

Chapter 14 – Health technology assessment

### **Health Policy**

Chapter 15 – The health policy conundrum

Chapter 16 – The Beveridge model: Nationalized healthcare

Chapter 17 – The Bismarck model: Social health insurance

Chapter 18 – The American model

### **The Affordable Care Act**

(Not in textbook)

## **Important Dates**

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### **Week 1**

Tuesday, January 15  
Thursday, January 17

### **Week 2**

Tuesday, January 22  
Thursday, January 24

### **Week 3**

Tuesday, January 29  
Thursday, January 31

### **Week 4**

Tuesday, February 5  
Thursday, February 7

### **Week 5**

Tuesday, February 12  
Thursday, February 14 – *Exam 1*

### **Week 6**

Tuesday, February 19  
Thursday, February 21

### **Week 7**

Tuesday, February 26  
Thursday, February 28

### **Week 8**

Tuesday, March 5  
Thursday, March 7

### **Week 9**

Tuesday, March 12 – *Spring Break*  
Thursday, March 14 – *Spring Break*

### **Week 10**

Tuesday, March 19  
Thursday, March 21

### **Week 11**

Tuesday, March 26  
Thursday, March 28 – *Exam 2*

### **Week 12**

Tuesday, April 2  
Thursday, April 4

### **Week 13**

Tuesday, April 9  
Thursday, April 11

### **Week 14**

Tuesday, April 16  
Thursday, April 18

### **Week 15**

Tuesday, April 23  
Thursday, April 25

### **FINAL EXAM:**

Tuesday, May 7 @ 4:00pm