STUDENTS FOR WHOM THE COURSE IS INTENDED

For students entering UML in Fall 2015 and thereafter: This course meets two of the new Essential Learning Outcomes (ELOs): SRE and CTPS

It meets the Essential Learning Outcome of Social Responsibility and Ethics (SRE) as defined under the Core Curriculum requirements. As such, the course will require students to reason about their own right and wrong conduct, assess the moral beliefs and practices of themselves and others, and apply that knowledge to make a positive difference in the community and the world.

It meets the Essential Learning Outcome of Critical Thinking and Problem Solving (CTPS) as defined under the Core Curriculum requirements. As such, the course will reinforce the students’ ability to identify, analyze, interpret, and evaluate arguments, data, evidence, problems, and conclusions as part of formulating an opinion or conclusion. Then use that information to design, evaluate and implement a strategy to achieve a desired outcome.

For other students: This course satisfies the General Education requirements in Social Sciences. It also satisfies the learning outcome “Ethics” under the same General Education requirements.

- The only prerequisite for this course is a course in principles of economics (Economics 1). We will use concepts such as marginal product, supply and demand curves, elasticity, and opportunity cost. You should also be very familiar with the use of graphs and with concepts such as the “slope” of a curve. If you feel you might have troubles with either the diagrams or the math, you should talk to me during the first week of class. If you did not take Economics 1 (because you are a pre-med student, for example) talk to me on the first day of classes and I will do my best to assist you.

- This is a 3 credit course, as defined by federal regulation. You should expect to complete 6 hours of out of class work each week for approximately 15 weeks, for a total of 90 hours of outside-of-class work.
COURSE DESCRIPTION
This course will examine how economic analysis can be used to analyze health behaviors, health policy issues and the health care sector. The importance of this sector has increased dramatically during the last few decades and governments and citizens are facing the increasing need of understanding the unique aspects of the healthcare market. This class aims to help students becoming more informed future citizens and consumers or producers of healthcare.
During this course we will first review some basic economic principles and discuss the reasons behind the development of health economics as a self-standing economic field of analysis. We will then move do discuss specific topics to achieve the following main objectives:
- To teach students how production theory can be applied to the study of the production of health both through an historical perspective and in modern days
- To teach students how individual decisions regarding health behavior can be studied both within an investment and a consumption framework and how such study will explain the relationship between socio economic status and health status
- To teach students the important economic concepts of moral hazard and adverse selection and their effects on the functioning of the insurance market
- To teach students how the tradeoff between equity and efficiency considerations may affect government’s role in the health care market
- To teach students some of the main features of the physicians, hospitals, long-term care and pharmaceutical sectors
- To teach students the main features of the 2010 US Health care reform and of the 2006 Massachusetts health care insurance reform law.
- To teach students the main differences between the US system and the health systems of other western economies and developing countries.

TEXTBOOK: Health Economics. by Bhattacharya, Hyde and Tu. Publisher: Palgrave Macmillan 2013. I will leave a copy of the book on reserve at the Lydon library (you can check it out and consult it on site for a total of two hours).
You can buy it from the bookstore or from here (including an e-book): https://www.macmillanihe.com/page/detail/?SF1=barcode&ST1=9781137029966
You can buy the e-book also from here: https://www.vitalsource.com/products/health-economics-jay-bhattacharya-timothy-v9781137029973

The LearningForce team at UMASS Lowell Libraries has created a libguide to supplement our course material. Here you will find class readings, exercises (please refer to the posted pages for your weekly homework: You will find the homework under Course material and EReserves. Password: galizzihealth). They have also gathered videos, links to databases, and tips that will greatly help with homework and research. Here the link: http://libguides.uml.edu/ECON3450-Galizzi

TWO SUGGESTED READING:
Who Shall Live? by Victor Fuchs, 2nd expanded edition, published by World Scientific, 2011. I will leave a copy of the book on reserve at the Lydon library (you can check it out and consult it on site for a total of two hours).

Do not buy this yet. We will talk about this in class.

GENERAL ASSIGNMENTS:
Health economics is one of the most recent fields of economic analysis and its development is highly driven by the continuously changing needs and problems faced by the population. This is why this is a course where I expect you to participate actively to the lecture with questions and with discussions related to your personal experiences and to readings I will assign in advance.

- I will expect you to be always up to date with the reading of your textbook and sometimes I will ask you to read some chapters before our class discussion takes place. I am aware that the textbook is complex and this is why I really encourage you not to fall behind with your reading.
- I will inform you about links to relevant newspapers articles or papers for discussion. For example, I will often refer you to articles that will have appeared the previous week on The Wall Street Journal in the section titled “Health Journal” or “Science Journal.” (The Wall Street Journal is available both electronically and in paper from the Library on North Campus.) I will expect you to read them for the following class. In this context, class participation is going to be very important.
- On a weekly basis I will assign you homework from the Review Questions and Problems that are listed at the end of each chapter in your textbook. Each weekly homework will be worth 10 homework points.

Announcements about changes in schedule, homework and required readings will be posted on a weekly base on the course website through On Campus Blackboard at https://www.uml.edu/it/services/academic-technology/learning-management-system.aspx (on Campus Course Login)

SPECIFIC HOMEWORK
I will assign you a set of specific homework:

- Your first paper/brief essay is due February 5th, will be a brief essay (around 4-5 pages double spaced). You have a choice of two different topics to write about:

  I. You should interview one of your parents or possibly grandparents (or any person you know of the same generation) and ask them whether they have witnessed any changes in the delivery of health care during their lifetime. You should also ask them what they believe to be both the positive and negative aspects of the medical care system in the US and what they believe should be changed and how. You should then briefly compare their answers with what you think you will experience as a “consumer” (or possibly provider) of health services. Your essays will help our discussion and frame many of the topics that we will cover during the course. Finally, on an
ATTENDANCE POLICY

Regular attendance is not required but strongly recommended. Class participation will enter into grade computation under “class participation”. Students are responsible for announcements covered in class or material distributed in class. Again, do not forget to check the course website!

All exams will have to be taken on the scheduled dates and no exceptions will be made except on valid medical grounds supported by necessary documentation. No makeup examinations or extra assignments will be given in the event of unexcused absences or poor performance.

In accordance with University policy and the ADA, I will provide accommodation for students with documented disabilities. If you have a disability, please contact the Office of Disability Services as soon as possible and provide me with documentation at the beginning of the semester. Their office is at University.
• Please inform me at the beginning of the semester if you need to miss some classes because of religious holidays. Information about emergency school cancellation are posted on the UML web site and you can sign up for notifications here: https://www.uml.edu/alert/

• Academic Misconduct Policy: In this course, I do not expect academic misconduct to be an issue. I would, however, like to make clear that if cheating on an exam or plagiarism on any assignment were confirmed, I would strictly follow the University of Massachusetts policy regarding academic honesty and integrity. If necessary, contact your advisor for clarification of these policies or read them at https://www.uml.edu/Catalog/Undergraduate/Policies/Academic-Policies/Academic-Integrity.aspx

• A note on classroom conduct:
  In this class, and in all classes at the University of Massachusetts Lowell, students are expected to exhibit professional and respectful behavior that is conducive to a mutually beneficial learning environment in the classroom. Examples of inappropriate behavior include: text messaging, listening to music, cell phone use (other than the campus alert system), late arrivals, early departures, use of laptops for other than class purposes, disrespectful comments or behavior, intentional disruptions, failure to follow faculty directives. Students in violation of these standards may be asked to leave class and/or be referred to the Dean of Students for disciplinary action.

GRADING:

• The final course grade will be based on one mid-term exam, a final exam, and your class participation (including homework, your essays, and your class presentations). Both the midterm and the final will be given a weight of 35%; class participation and homework will be given a weight of 30%.
• After the midterm I will provide you with information about the mean and median scores in your class to let you know how you are doing as the course progresses.
• Exams will primarily be made up of multiple choice questions but also of calculation problems and short essay questions. No exams are "comprehensive" in the sense that they cover the whole course, but material naturally builds from the simple to the complex.
• Tentative schedule of exams (subject to revision: to be confirmed in class):
  
  Midterm: March 5th (or possibly the 7th)
  Final Exam: See University’s schedule

Grading:
In deciding your final grade I will consider how you have performed with respect to the mean, median, maximum and minimum scores obtained in your class. However, I do not grade “on a curve” in the sense that I do not set a specific number of “A”s that I can assign in each class. This means that I will assess your performance based on my
knowledge of how well students have historically performed in this class. This means that if in your class all perform very well, you may all receive an “A”. Similarly, if many of you perform poorly, many of you will receive a low grade. Here I am listing some of my general grading criteria:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Description</th>
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<tbody>
<tr>
<td>A/A-</td>
<td>Complete correct answer; nothing missed; demonstrates in-depth, full understanding of the subject matter; clear evidence of original thinking and of ability to apply the newly learned economic concepts to a variety of situations. Strong grasp of analytic methods. Good writing skills.</td>
</tr>
<tr>
<td>B+/B</td>
<td>Virtually complete, correct answer; something small missed; perhaps a calculation error; answer suggests less than complete understanding of the topic; some evidence of effort to move beyond the course lectures and readings. Clear but not particularly sophisticated understanding of economic analysis.</td>
</tr>
<tr>
<td>B-/C+/C</td>
<td>Partially correct, incomplete answer; evidence of partial understanding of the topic; little or no attempt to go beyond the material presented in class and the readings. Weak mastering of economic analysis and limited ability to apply the newly learned concepts to the study of other problems.</td>
</tr>
<tr>
<td>C-/D+/D</td>
<td>Only few correct answers; lack of understanding of both the new topics and of some of the more basic economic concepts and techniques; no attempt to go beyond the material presented in class and the readings.</td>
</tr>
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Within each range, grades may differ depending on the degree of consistent effort and participation that the student has shown during the semester.

COURSE OUTLINE:
1. Does economics apply to health and health care?
2. Short introduction to the 2010 US Health Care Reform
3. The production of health (the role of medicine, schooling, socio-economic status, behavior, environment, technology, costs)
4. The demand for health (the concept of health capital, role of time)
5. The demand for health care (elasticity, personal characteristics)
6. Information and demand for health insurance (risk aversion, moral hazard, adverse selection)
7. The supply of health care (For-profit versus not-for-profit hospitals, market for health care workers, supplier-physician induced demand, malpractice)
8. The employer provided health insurance, managed care
9. The role of social insurance (tradeoff between, equity, efficiency and needs, government intervention, Medicare and Medicaid)
10. International comparison (the US system versus health care in other developed and developing countries)

ADDITIONAL INSTRUCTIONAL RESOURCES:
This class has a TA. Take advantage of it. Also, the Writing Center, located on the third floor of O’Leary Library, offers free writing tutoring. You can meet with a tutor about any writing assignment in any class. The Centers for Learning and Academic Support Services provide many tutoring resources http://class.uml.edu/. I encourage you to seek assistance if you are struggling in this or any class here at UML. Their services are free to use (and paid for by your student fees!).
Please complete this questionnaire and return it to me ASAP  

Name:

Phone number:

E-mail:

Previous economic courses:

Are you an economic major? If not, what is your major?

Why are you taking this course?

Do you have any specific expectations from this course?

Any specific topic you would like to be discussed in class?