

HEALTH ECONOMICS (Econ 436 Section 001) Syllabus
Department of Economics, University of Tennessee
Spring 2007

INSTRUCTOR:

Assistant Professor Murat K. Munkin
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Meeting: 11:10-12:25 TR HSS 108
Office Hours: W 1-3 PM 531 SMC

COURSE GOALS:

The course goals are:

- (1) Provide a detailed description of the institutional features of the health care market and current trends in this rapidly changing field;
- (2) Demonstrate the use and usefulness of analyzing the health care market using economic analysis, particularly microeconomics.

Compared to other areas of economics, health economics is complicated by a lack of information (about what health services the consumer needs), great uncertainty (hence insurance) and payment through third parties (insurance companies) rather than direct payment by the consumer.

PRE-REQUISITE:

Economics 311 (intermediate microeconomics),
Note that Intro Math is a pre-requisite for Economics 311.
It is helpful to have taken introductory statistics.

TEXTBOOK:

Sherman Folland, Allen C. Goodman and Miron Stano, *The Economics of Health and Health Care*, 5th edition, Prentice Hall, 2006 (Required).
Thomas E. Getzen, *Health Economics: Fundamentals and Flow of Funds*, 2nd ed., Wiley, 2004 (Recommended but not required).

COURSE OUTLINE:

- I. Basic Economic Tools (Chapters 1–4)
- II. Supply and Demand (Chapters 5-9)
- III. Information and Insurance Markets (Chapters 10–13)
- IV. Key Players in the Health Care Sector (Chapters 14–17)
- V. Social Insurance (Chapters 18–22)
- VI. Special Topics (Chapters 23–24)

Course Requirements and Grading

You will be responsible for all material discussed in class. Most of this material will be taken from your textbook, but also will cover certain topics, which are not in your textbook. You will **not** be responsible for material that is in your textbook but not covered in class.

ATTENDANCE at lectures is required. You will receive credits for attending the class. I allow students to miss 3 classes without a documented reason and still receive full credit for attendance.

There will be five homework assignments. You will have a week since the announcement of an assignment in class to complete it. Assignments will be graded satisfactory (2%) or unsatisfactory (0%). Satisfactory means a serious attempt to answer the questions. Solutions will be discussed in class. If you do not submit an assignment you receive no credit for it. No credit is given for late assignments. It is your responsibility to keep graded assignments. If you submit an assignment and do not receive it back inform me about it as soon as possible.

There are two midterm exams and a final. All exams are closed book with a mixture of short answer and multiple-choice questions. Note that the final is comprehensive: about 40% on material up to the midterms and 60% on the remainder.

Trust me - attending class and taking your own lecture notes is important to performing well in this class. All lecture material is fair game for exam questions and sometimes varies significantly from the material contained in the text. If you miss a lecture, please do not expect me to repeat the material at another time (such as in my office) - borrow a classmate's notes or take your chances at exam time. My personal notes are not available for copying.

Attendance:	10%	
Assignments:	10%	Due dates of five assignments will be announced
Midterm I:	25%	Thursday February 15
Midterm II:	25%	Thursday March 29
Final Exam:	30%	Comprehensive Monday May 7, 12:30-2:30 pm

The course grade is determined by the total score, with weights given above. Since the assignments are graded on a generous scale (satisfactory or unsatisfactory) most students will get full credit on the assignment portion, so for most students the course score is determined by scores on the exams and attendance. To indicate your progress I give a grade on each midterm. But the final grade is determined by summing the exam, attendance and assignment scores (and not by averaging the grades).

Important: All mid-term exams and the final are to be strictly individual efforts. Academic honesty is required. Any violation of this rule will result in an **F** for the course. The Dean of Students will be informed about the reason for the failing grade. No make up exams will be given. If you have a **very good reason** (according to me) for not being able to take an exam I will impute a score at the end of the semester based on your overall performance. If you miss an exam, you must talk to me about it as soon as possible.