

# Economics of Health

ECP 4530-0002

**Instructor:** Dr. Douglas Norton

**Time and Location:** MW 3:05pm - 4:20pm, BEL 0021

**Contact:** danorton@fsu.edu

**Office Hours:** MW 1pm - 2:30pm (or by appointment), Zoom

**Course Description:** The course provides an overview of the U.S. health care system and the role that economics plays in advancing our understanding of it. Our topics will include the demand and production of health care, the demand for insurance how insurance affects demand for care, publicly financed insurance (e.g. Medicaid and Medicare), cost-benefit analysis, and more. Throughout the course, you will have opportunities to improve your writing through instruction and assigned papers.

**Prerequisites:** It is necessary that you have a thorough understanding of supply and demand diagrams, elasticity, production possibilities curves, production functions, and other materials taught in ECO2013 (Principles of Macroeconomics) and ECO2023 (Principles of Microeconomics).

**Reading Writing Center and ACE:** On-campus tutoring and writing assistance is available for many courses at Florida State University. For more information, please contact the Reading Writing Center <https://wr.english.fsu.edu/reading-writing-center> or visit the Academic Center for Excellence (ACE) Tutoring Services' comprehensive list of on-campus tutoring options - see <http://ace.fsu.edu/tutoring> or contact [tutor@fsu.edu](mailto:tutor@fsu.edu). High-quality tutoring is available by appointment and on a walk-in basis. These services are offered by tutors trained to encourage the highest level of individual academic success while upholding personal academic integrity.

## Required Materials:

While there will often be other required readings (academic papers, newspaper articles and editorials, etc.), I recommend that you purchase the text book. I will post links or files of non-textbook required readings to Canvas.

1. **Book:** Charles E. Phelps *Health Economics*, Routledge, 6<sup>th</sup> ed

## Course Objectives:

Upon completion of this course students will be able to:

1. Apply the economic way of thinking to our understanding about healthcare and health insurance markets.
2. Debate tradeoffs in market versus non-market rationing of medical services.

3. Calculate, illustrate and explain how indemnities, coinsurance, copayments and deductibles impact demand curves and optimum quantity demanded for medical services.
4. Describe sources and characteristics of private and publicly financed insurance in the U.S. including Medicare, Medicaid, CHIP and Marketplace insurance.
5. Describe how to perform cost identification, cost benefit, and cost-effective analyses.
6. Explain how selection bias creates problems for making causal claims.
7. Discuss commonly used research designs used in the social sciences that help test causal claims.
8. Evaluate arguments for and against compensation for kidney donation.
9. Express individual ideas as well as summarize others' opinions and facts through college-level writing.
10. Convey personal opinions about health policies in clear, grammatically correct prose through multiple writing and revision assignments that will be completed throughout the course.

**Grade Distribution:**

Participation	10%
Paper 1	15%
Paper 2	15%
Midterm 1	15%
Midterm 2	15%
Final Exam	30%

**Letter Grade Distribution:**

$\geq 93.00$	A	73.00 - 76.99	C
90.00 - 92.99	A-	70.00 - 72.99	C-
87.00 - 89.99	B+	67.00 - 69.99	D+
83.00 - 86.99	B	63.00 - 66.99	D
80.00 - 82.99	B-	60.00 - 62.99	D-
77.00 - 79.99	C+	$\leq 59.99$	F

This course satisfies the University's Upper Division Writing requirement. In order to fulfill FSU's Upper-Division Writing requirement, the student must earn a "C-" or higher in the course, and earn at least a "C-" average on the required writing assignments. If the student does not earn a "C-" average or better on the required writing assignments, the student will not earn an overall grade of "C-" or better in the course, no matter how well the student performs in the remaining portion of the course. If you are taking the class as S/U, you must earn a "C-" or better in the course in order to earn an S in the class.

**Course Policies:**

- **General**

- Reflection questions will take place at the very beginning and end of classes.
- There are no make-up midterms. The weight from a missed midterm will be placed on the final exam. The final exam can also replace lower midterm grades.
- No electronic devices should be used in class.

- If you have SDRC accommodations it is your responsibility to let me know.

- **Grades**

- **Papers:** Two papers will make up 30 percent of your course grade. **While there will be three paper prompts available, you only need to complete two papers.** (If you choose to complete three, your lowest score will be dropped.) Papers are 1500 word critical thinking papers. Each paper is worth 15 percent.

**All versions of a paper must be submitted electronically to Canvas by 11:00pm on the day they are due.** Since you have three paper options, late work submitted via email, or work uploaded to the incorrect Canvas assignment are not accepted. Failure to submit your work as a result of technological failure will not grant you an extension. Submitting your work on time is your responsibility. Extra credit cannot be applied to Upper Division Writing Papers or to satisfy the University’s “C-” requirement.

- \* Paper 1 is due **September 15th** - Vaccine Allocation
- \* Paper 2 is due **October 27th** - Compensating kidney donors
- \* Paper 3 is due **December 1st** - Medicaid Expansion (no opportunities for revision after submission)

- **Exams:** The two midterm exams will make up 30 percent of your course grade. Each midterm exam is worth 15 percent of your course grade. Midterm exams will be multiple choice. The final exam will be cumulative and a mixture of multiple choice and essay. The midterms will be dropped if you perform better on the final exam. Because of this no make up exams are given for the midterms.

- \* Midterm 1 **September 29th**
- \* Midterm 2 **November 10th**
- \* Final **December 9th at 3pm**

- **Participation:** There are multiple components of the participation grade: reflection questions, participation in class discussions, peer evaluations from feedback teams, and post-midterm performance reviews. The expectation for reflection questions is a thoughtful response. The Canvas course site contains information on how peer evaluation happens.

**Liberal Studies Curriculum:** The Liberal Studies for the 21st Century Program at Florida State University builds an educational foundation that will enable FSU graduates to thrive intellectually and materially and to engage critically and effectively in their communities. In this way your Liberal Studies courses provide a comprehensive intellectual foundation and transformative educational experience.

These requirements are for students who matriculated to the University in the 2015-2016 academic year, beginning with Summer C 2015. If you entered the University prior to Summer C 2015, you are under the old Liberal Studies requirements.

**Upper Division Writing:** Skill in professional writing is critical to the long-term success of all FSU graduates. Professional writing requires the ability to write clearly and effectively, as well as the ability to draw upon a variety of material, and forms, and writing conventions to convey information for different audiences and a variety of purposes. That is, competent professional writers are flexible and can write to meet the demands of a specific task or context. Thus, all students will be required to demonstrate competence in professional writing by taking upper-division coursework, which includes a substantial writing component. Multiple opportunities for feedback are required and instructors will provide opportunities for revision. This coursework may be completed outside or within a student's major course of study.

**Requirements:** Students must complete one Liberal Studies-approved Upper-Division Writing course prior to the receipt of the baccalaureate degree. Honors in the Major undergraduate thesis credit may also count towards the Upper-Division Writing requirement. In order to fulfill FSU's Upper-Division Writing requirement, the student must earn a "C-" or higher in the course, and earn at least a "C-" average on the required writing assignments. If the student does not earn a "C-" average or better on the required writing assignments, the student will not earn an overall grade of "C-" or better in the course, no matter how well the student performs in the remaining portion of the course.

**Learning Objectives:** These courses are designed to help students become flexible and proficient writers for professional purposes. By the end of the course, students will:

- Use appropriate evidence from multiple sources to illustrate how a chosen topic is relevant to a particular field.
- Compose as a process, including drafts, revision, and editing.
- Convey ideas clearly, coherently, and effectively for a particular purpose, occasion, or audience representative as appropriate for the field.

## Tentative Schedule

Week	Monday	Wednesday
1	Syllabus	Economic Way of Thinking
2	Markets	RWC Presentation / Cambie Case
3	No Class	Utility and Health (Rough)
4	Writing Workshop	Costs and Benefits (Final)
5	Costs and Benefits	Compensation for Kidneys
6	<b>Review</b>	<b>Midterm 1</b>
7	Causal Inference	Evidence Based Medicine (Revised)
8	Production in Health	Demand for Care
9	Demand for Care with Insurance	Demand for Insurance (Rough)
10	Writing Workshop / Information	Employer Provided Insurance (Final)
11	Managed Care	Guest Lecture
12	<b>Review</b>	<b>Midterm 2</b>
13	Medicaid	Medicare (Revised)
14	No Class (Rough)	No Class
15	Writing Workshop	Review (Final)

- Blue - indicates there is a rough draft, final draft, or revised draft due
- Green - indicates a writing workshop to discuss revisions to the recent rough draft.

## University Mandated Material:

- **Public Health Protocols:** In our classroom, I will expect everyone to wear a proper, well-fitting mask. As our President has informed the university community, FSU expects everyone on campus to use face-coverings. In regions where virus rates are high, the CDC recommends that even vaccinated individuals wear masks in public indoor spaces, like classrooms, especially where social distancing is not possible. Florida infection and hospitalization rates are greater now than they were at the height of the 2020 surge due to the Delta variant, a more infectious and easily transmissible version of the COVID-19 virus. The best way to protect against serious illness is to be fully vaccinated, but not everyone among us can be. Because the Delta variant can infect even vaccinated individuals and can be spread by them to others, it poses a special threat to members of the community with underlying health conditions and children at home who are too young for vaccination. For these reasons, FSU expects each member of the community to comply with the public health protocols our President set forth on August 9, 2020, including (1) wearing masks in public indoor spaces, (2) getting fully vaccinated, (3) being tested for the virus if you have symptoms, and (4) staying home and away from others if you are sick. Please remember that you should NOT attend class in person if you have tested positive for COVID-19 or are quarantining after exposure. Finally, please bear in mind that the COVID-19 situation is fast moving and that university guidance on the issue may change at any time.
- **Course Recording Permitted:** In this class, consistent with state law and university policy, students are permitted to make recordings of class lectures for personal use only. As noted, sharing, posting, or publishing classroom recordings may subject you to honor code violations and legal penalties associated with theft of intellectual property and violations of other state law. Moreover, students and educators have expressed concern that recording classroom activities may negatively impact the learning experience for others, especially in classes that involve questions, discussion, or participation. To protect a learning environment in which everyone feels free to experiment with ideas, we ask you refrain from recording in ways that could make others feel reluctant to ask questions, explore new ideas, or otherwise participate in class. Students must monitor their recording so that they do not include participation by other students without permission. Students with disabilities will continue to have appropriate accommodations for recordings as established by the Office of Accessibility Services.
- **Course Recording Not Permitted:** In this class, consistent with state law and university policy, you may not make recordings of classroom activities without the permission of the instructor. This policy applies to both audio and video recordings.
- **University Attendance Policy:** Excused absences include documented illness, deaths in the family and other documented crises, call to active military duty or jury duty, religious holy days, and official University activities. These absences will be

accommodated in a way that does not arbitrarily penalize students who have a valid excuse. Consideration will also be given to students whose dependent children experience serious illness.

Please note: Because students who test positive for COVID-19 are required to self-isolate for ten (10) days, positive COVID-19 test results, required isolation orders, or documentation of contact tracing should all be considered valid documentation for missing class.

- **Academic Honor Policy:** The Florida State University Academic Honor Policy outlines the University's expectations for the integrity of students' academic work, the procedures for resolving alleged violations of those expectations, and the rights and responsibilities of students and faculty members throughout the process. Students are responsible for reading the Academic Honor Policy and for living up to their pledge to "...be honest and truthful and... [to] strive for personal and institutional integrity at Florida State University." (For more details see the FSU Academic Honor Policy and procedures for addressing alleged violations.)
- **Academic Success:** Your academic success is a top priority for Florida State University. University resources to help you succeed include tutoring centers, computer labs, counseling and health services, and services for designated groups, such as veterans and students with disabilities. The following information is not exhaustive, so please check with your advisor or the Dean of Students office to learn more.
- **Process for Resolving Academic Problems or Grievances:** Please use this step-by-step guide to resolving academic problems to begin the process of communicating with your instructor to resolve any confusion or difficulty you may be having in the course. Detailed information on FSU's grievance procedure, including special instructions for students enrolled in an FSU branch campus, is maintained on the General Bulletin's Academic Integrity & Grievances webpage. Out-of-state distance learning students should review the Office of Distance Learning Complaint Resolution page for additional procedures.
- **Americans With Disabilities Act:** Florida State University (FSU) values diversity and inclusion; we are committed to a climate of mutual respect and full participation. Our goal is to create learning environments that are usable, equitable, inclusive, and welcoming. FSU is committed to providing reasonable accommodations for all persons with disabilities in a manner that is consistent with academic standards of the course while empowering the student to meet integral requirements of the course. To receive academic accommodations, a student:
  - (1) must register with and provide documentation to the Office of Accessibility Services (OAS);

- (2) must provide a letter from OAS to the instructor indicating the need for accommodation and what type; and,
- (3) should communicate with the instructor, as needed, to discuss recommended accommodations. A request for a meeting may be initiated by the student or the instructor.

Please note that instructors are not allowed to provide classroom accommodations to a student until appropriate verification from the Office of Accessibility Services has been provided. This syllabus and other class materials are available in alternative format upon request. For more information about services available to FSU students with disabilities, contact the:

Office of Accessibility Services (Tallahassee Campus)  
874 Traditions Way, 108 Student Services Building  
Florida State University, Tallahassee, FL 32306-4167  
(850) 644-9566 (voice)  
(850) 644-8504 (TDD)  
oas@fsu.edu  
<https://dsst.fsu.edu/oas/>

Student Accessibility Services (Panama City Campus)  
Office of Student Affairs, 4750 Collegiate Drive 2nd Floor Barron Building (Room 215)  
Panama City, FL 32405  
(850) 770-2172 (office)  
(866) 693-7872 (toll free)  
sds@pc.fsu.edu  
<https://pc.fsu.edu/students/student-affairs/sas>

- **Free Tutoring from FSU:** On-campus tutoring and writing assistance are available for many courses at Florida State University. High-quality tutoring is available by appointment and on a walk-in basis. These services are offered by tutors trained to encourage the highest level of individual academic success while upholding personal academic integrity. For more information, visit the Academic Center for Excellence (ACE) Tutoring Services' comprehensive list of on-campus tutoring options - see the Academic Center for Excellence (ACE) Tutoring Services' website (<http://ace.fsu.edu/tutoring>) or contact [tutor@fsu.edu](mailto:tutor@fsu.edu).

- **Confidential Campus Resources:** Various centers and programs are available to assist students with navigating stressors that might impact academic success. These include the following:

Victim Advocate Program

University Center A, Room 4100

Florida State University, Tallahassee, FL 32306-4167

(850) 644-7161, Available 24/7/365

Office Hours: Monday-Friday 8am-5pm

<https://dsst.fsu.edu/vap>

Counseling & Psychological Services (Tallahassee Campus)

942 Learning Way, Askew Student Life Center, 2nd Floor

Florida State University, Tallahassee, FL 32306-4167

(850) 644-8255 / (850) 644-TALK

<https://counseling.fsu.edu/>

University Health Services

Health and Wellness Center

(850) 644-6230

<https://uhs.fsu.edu/>

- **FSU Food Pantries:** FSU has established Food Pantries where students in need can pick up non-perishable food items freely and anonymously. The Food Pantry is available during the pandemic, and it is free and open to all students to take what they need. Donations for collection of non-perishable food items are encouraged.

For more information about the Tallahassee Food Pantry, visit the Tallahassee Food for Thought Pantry website (<https://dos.fsu.edu/resources/food-for-thought-pantry>). The pantry is located at University Center A, Suite 4148. If you have questions or concerns, contact the Department of Student Support and Transitions at [dsst@fsu.edu](mailto:dsst@fsu.edu) or (850) 644-2428.

For more information about the Panama City Food Pantry, visit the PC Food Pantry website (<https://pc.fsu.edu/students/student-services/food-pantry>). The pantry is located at Holley West Hall. If you have questions or concerns, contact Kathleen Duval LCSW at [krduval@fsu.edu](mailto:krduval@fsu.edu) or (850) 770-2174.

- **Syllabus Change Policy:** “Except for changes that substantially affect implementation of the evaluation (grading) statement, this syllabus is a guide for the course and is subject to change with advance notice.”