COURSE DESCRIPTION

This course is designed to give the student a general understanding of the economics of healthcare. At the end of the course the student will understand why economics in Healthcare is unique. Healthcare is the perfect industry to see how market failures occur and why government or regulation may be necessary. The student will have a better understanding of health insurance and Healthcare financing. Finally, the student will be exposed to different techniques for economic evaluation in Healthcare. While this course is an economics course, it is focused on the application of principles in real life settings and uses current events to highlight their impact. We also try and touch upon regulatory reform and understand how each constituent has an impact on the others within the system.

Course Themes:

General overview of how economic theory, models, and techniques can be applied to the unique case of Healthcare. (opportunity cost, wants/needs/demands, public/private mix of activities). It will give a general overview of the Healthcare, primarily domestically, and its importance to the overall economy. It will highlight what is unique about healthcare.

Healthcare Markets. Topics included in the demand for Healthcare, the production and costs of Healthcare, and the supply side of Healthcare. It will also evaluate the cost-benefit and cost-effectiveness analysis.

The Market for Healthcare, Market Failures, and the Role of Government will be addressed. Issues including Healthcare related externalities, public goods, asymmetrical information, and market power will be discussed. The regulations, taxes, and public policy will also be discussed.

We will evaluate the impact of the third party payment system on Healthcare. The supply, demand, and failures of Health Insurance will be discussed. Other topics to be discussed include the framework for Healthcare financing, prospective reimbursement, types of payers and methods of payment.

We will also evaluate the provider side of healthcare including hospitals and physicians.

Finally, we will review the role and impact of the consumer, suppliers, and government. It will touch upon how companies, consumers, the government, and others can help to change the current state of Healthcare based upon the application of economic theories in concert with synergistic strategies.
Classroom Contributions. The learning experience in a course like this one depends heavily on each student being prepared to actively participate in every class session. We all have experiences that will enrich the topic and direction of discussion in the course. This means that you need to be fully acquainted with the readings for a given session. Positive participation includes attendance, active involvement in all in-class exercises and discussions, and maintenance of a classroom demeanor that encourages the participation of others. You will be evaluated on the quantity as well as the quality of your contribution and insights. Quality comments possess one or more of the following attributes: (a) Contribute to moving the discussion forward; (b) Offer a different, unique and relevant perspective on the issue; (c) Build on other comments of others; and (d) Include some evidence or analysis of inherent tradeoffs, i.e., demonstrate reflective thinking.

THERE WILL BE NO LAPTOPS ALLOWED IN THE ROOM.
The class will not be video-taped as students are expected to be in class.
Since there are only 6 lectures, anyone missing 2 classes will automatically fail the class, no excuses are accepted. If a student misses one class, their participation grade will reflect missing the class. If a student is late and/or leaves early for class more than once, this will also be reflected in the student's participation grade. If a student is chronically late/leaves early, this will be considered the same as missing class.

Written Midterm and/or Final Essay. Each student will be required to prepare an essay based upon questions to be distributed in class. Your analysis must be your own work, devoid of any discussion or consultation with others. It should address the questions specifically. All answers should be size 12, single spaced, with 1" borders. Total length of the response will be reported for each question. The case assignment will be graded for content and format. You are required to turn in a paper that conforms to professional standards of organization, grammar, punctuation, spelling, and paragraph/sentence structure. All students will be held to current NYU Honor Code. (http://w4.stern.nyu.edu/scorp/committee.cfm?doc_id=4797)
Each student should include the following at the end of their paper "I pledge my honor that I have not violated the [Stern Honor Code] in the completion of this [examination/assignment]." The essay should be submitted in electronic format to both cbleuste@stern.nyu.edu and the Teaching Assistant (email to be given) in separate emails. All papers will be run through software to check for originality. Any papers that violate the code of conduct will not be accepted and the student will receive a 0 for that piece of work (other disciplinary action may also be taken if appropriate).

Required Reading Material.

Grading Plan. The course grade will be based on the following components and weights:

Classroom Contributions: 30%
Midterm Essay and other submission requests: 45%
Final Exam: 25%

SCHEDULE
Additional readings for each class will be determined a week or so before each class. Since the goal is to keep the class current and relevant, additional cases and readings are picked closer to the class.

Day 1 (September 19)
Required Reading: Health Economics and Financing, 4th Edition: Chapters 1, 2, and 3

Day 2 (September 26)
Required Reading: Health Economics and Financing, 4th Edition: Chapters 4 and 5
3 case studies and questions
Dennis Liotta, MD, MBA
Chief Pharmacy Officer
EmblemHealth

Day 3 (October 3)
Required Reading: Health Economics and Financing, 4th Edition: Chapters 11 and 12
Guest:
Jonathan Korngold
Managing Director & Head of Healthcare
General Atlantic

Day 4 (October 10)
Required Reading: Health Economics and Financing, 4th Edition: Chapters 6 and 7

Day 5 (October 17)
Required Reading: Health Economics and Financing, 4th Edition: Chapters 8 and 9
Guest:
Steven M. Safyer, MD
President and CEO
Montefiore Medical Center

Day 6 (October 24)
Required Reading: Health Economics and Financing, 4th Edition: Chapters 14 and 15
Guest:
Alexander S. Preker
Head Health Investment Policy & Analysis
Editor HNP Publications & Lead Economist
Investment Climate Advisory Services
World Bank Group