

HEALTH ECONOMICS  
TULANE UNIVERSITY - HPAM 6450  
SUMMER 2024

---

<b>Instructor:</b> Shyam Raman	<b>Time:</b> 8-9:15p CT / 9-10:15p ET
<b>Email:</b> <a href="mailto:sr21@williams.edu">sr21@williams.edu</a>	<b>Place:</b> Asynchronous

---

## 1 Important stuff

**Student hours:** Virtually by [appointment](#).

**Communication policy:** Only contact me via email, with **HPAM 6450** in subject line.

**Late homework policy:** Any late homework discounted by 50%.

**Late discussion post policy:** Any late discussion posts will be given zeros.

**Grading policy:** No ad hoc final grade changes. Aggregate grade inflation will be included in posted grade.

**Prerequisites:** None. Students should be comfortable with basic geometry and introductory algebra.

**Teaching assistants:** Yin Wang ([e-mail](#))

**TA hours:** TBD, by the teaching assistant.

### 1.1 Course summary

This course introduces basic economic concepts and analytical tools used to address questions concerning the efficient and effective production of health and health services in the context of a market economy. The course emphasizes the application of economic tools of analysis to the management of health-related organizations and to health policy development. Students will study current research on the health care industry and the ways in which economic analysis is employed in the development of public policy on issues related to population health and healthcare.

### 1.2 Required textbooks

Bhattacharya, J., Hyde, T., & Tu, P. (2014). *Health economics*. Palgrave Macmillan.

## 2 Classroom policies

### 2.1 Live sessions

Live sessions in online learning are essential for creating an interactive and effective learning environment. They allow students to interact with instructors and their peers in real time, which fosters a sense of community and makes the learning experience more dynamic and enriching. Students can ask questions, seek clarification, and participate in discussions, which helps them to better understand the material and to connect with other learners. Live sessions also enable instructors to review challenging concepts and to discuss practical applications, which helps students to apply their knowledge to the real world.

The live sessions for the Frazier case study and the health insurance presentations are mandatory. During these live, synchronous sessions, we will be completing the case study presentations that are a part of your grade. Therefore, we expect you to attend. If you are unable to attend, please notify your instructor in advance to discuss alternative assignment options. For all other live sessions, attendance will not be graded, however you are responsible for all the content covered. All live sessions are recorded.

## 2.2 Homework and group assignments

Please be kind to your hard-working TA and work in groups of up to 2 for homework assignments. There will be no groups of three permitted. If you are unable to find a partner, you may turn in your own assignment, of course. Each pair need only turn in a single response set. Homework must be typed, though you can draw graphs by hand.

## 2.3 Attendance and participation

While attendance at discussion sections is not monitored and does not show up directly in the course grade, this is an excellent way to learn the information. Discussion videos are available only as a courtesy, and should not be presumed to be clear, audible, or even existent.

## 2.4 Strategies for success in this course

- Read the chapters before you watch the videos. This will help you to participate in class discussion, work on problems, and work on team projects.
- Go to problem sessions. Sometimes it is hard to translate the textbook or lectures into the analytical problems. These will help you. If you cannot attend either problem session due to scheduling conflicts, hopefully your partner will be able to attend. Problem sessions will not be recorded.
- When you study for exams review your homework, review the lecture notes, and then familiarize yourself with the chapters. Exam questions will resemble homework questions or be taken from material covered in lecture.

# 3 Assignments and evaluation

## 3.1 Evaluation

Your grade will be determined according to the following grading scheme:

Homework .....	20%
Discussion board posts .....	20%
Written policy brief (Frazier Case Study) - Individual .....	15%
Presentation of team project (Frazier Case Study) .....	15%
Exam .....	30%

I will use a numeric grading scale combined with a curve to assign final grades. You will receive the grade from whichever system gives you a better letter grade.

This is the numeric grading scale:

A = 94:100; A- = 90:93; B+ = 87:89; B = 83:86; B- = 80:82; C = 70:79; F  $\leq$  69.

I will also implement a beneficial curve at the end of the semester. I will make sure that the top 25% of students receive an A, the top 50% receive at least an A-, and the top 75% receive at least a B+.

## 3.2 Explanation of evaluation methods

Students are assigned weekly homework consisting of calculation, graphing, and short answer questions that they complete in pairs. There will also be discussion board posts (with rubrics in the course website) where students will be prompted to connect the week's module to events outside the course. The exam consists of similar questions to the homework. The students also complete case studies in teams where they design a policy response to a given issue and detail how they manage that response. These policy responses are evaluated for internal logical constancy and if there are any unintended consequences. These policy

responses are presented orally. Additionally, each student must write a short paper on one aspect of their team's policy response to the first case study.

### 3.3 Exam

The exam will be an open-book take-home exam. I will hold a review session for the final exam during the last week of class. You may not discuss the exam with anyone else, nor may you use any resources other than the textbook and your notes. LOs are the learning objectives which are covered in each week of content.

## 4 Course schedule

Module	Week	Topics	Textbook chapters	LOs
1	June 3	Grossman model of health demand	2,3	1,2
2	June 10	Supply of providers and provider-firms	5,6	3
3	June 17	Demand for insurance and moral hazard	7,11	1,5
4	June 24	Frazier Case Study	–	6
5	July 1	Adverse selection and externalities	4,10,20	1,5
6	July 8	Cost-benefit analysis and pharmaceuticals	12-14	4,5
7	July 15	Health equity, policy, and disparities	4	1
8	July 22	Behavioral economics and public policy design	15,23-24	2,5
9	July 29	Health insurance presentations	–	6
10	August 4	Exam	–	1-5

### 4.1 Weekly expectations & course flow

- We will cover approximately one book chapter per week.
- Monday: Initial discussion posts due by midnight (all times U.S. Central).
- Wednesday: Synchronous sessions 6:30pm-7:45pm.
  - I will answer any questions you have about the week's module.
- Thursday: TA problem sessions 6:30pm-7:30pm
  - The TA will be available to answer questions on the homework.
  - *These sessions will not be recorded.*
- Friday: Homework and 2 discussion responses due by midnight

## 5 Learning objectives

This course is built around learning objectives (LO) for both the MPH and MHA programs. Each LO is tied to a specific competency in both the MPH and MHA programs. These programs require learning experiences and assignments/assessments that are designed to help students achieve these objectives. The following table outlines the course learning objectives, the competencies they are tied to, and the learning experiences and assignments/assessments that are designed to help students achieve these objectives.

Course learning objectives	MPH competencies	MHA competencies	Learning experiences	Assignment/Assessment
<b>1. Model</b> how economic and non-economic factors alter the health status of a population.	Apply economic and legal concepts and theories to the analysis of healthcare policy and management issues.	Deconstruct complex problems into smaller elements and synthesizing that with other data to derive recommendations. (Critical Thinking and Analysis)	Class participation	Homework on Grossman model and demand for insurance where students identify factors influencing present and future health inside the Grossman model.
<b>2. Predict</b> behavior relating to the demand for health and health care by consumers using basic economic theory.	Evaluate health policies for impacts and unintended consequences using fundamental research and analytic methods.	Deconstruct complex problems into smaller elements and synthesizing that with other data to derive recommendations. (Critical Thinking and Analysis)	Class participation	Homework on demand for health care where students use price elasticities to predict demand for health care.
<b>3. Assess</b> the impacts of key characteristics of perfectly competitive and monopolistic markets on quantity, cost, prices, and quality of health-related goods and services.	Apply economic and legal concepts and theories to the analysis of healthcare policy and management issues.	Deconstruct complex problems into smaller elements and synthesizing that with other data to derive recommendations. (Critical Thinking and Analysis)	Class participation	Homework on hospital competition and physician labor market where students identify factors influencing supply and price of medical services.

<p><b>4. Apply cost-benefit and cost-effectiveness</b> analysis in decisions to produce and distribute health-related goods and services.</p>	<p>Critique the health policy literature on how robustly the evidence base supports a particular policy.</p>	<p>Utilize data to effectively organize and coordinate the performance and activities of a healthcare organization in order to achieve defined objectives. (Management)</p>	<p>Class participation; Assigned reading</p>	<p>Homework on stool guaiac test where students calculate cost-effectiveness ratios for preventative tests.</p>
<p><b>5. Assess</b> the sources of market failure in the health system, how it affects the efficient functioning of health care markets, and potential remedies for correcting it.</p>	<p>Apply economic and legal concepts and theories to the analysis of healthcare policy and management issues.</p>	<p>Deconstruct complex problems into smaller elements and synthesizing that with other data to derive recommendations. (Critical Thinking and Analysis)</p>	<p>Class participation</p>	<p>Homework on externalities where students identify total economic loss of hamburger consumption.</p>
<p><b>6. Interpret</b> the findings of empirical health economics research and its implications for predicting the behavior and performance of consumers and organizations in the health industry.</p>	<p>Communicate health policy issues written and orally.</p>	<p>Speak and write in a clear, concise and logical manner in formal and informal situations within healthcare settings to convey cogent business presentations and to facilitate a group. (Effective Communication)</p>	<p>Class participation</p>	<p>Frazier case study brief where students advocate for a method of care reimbursement and how that would influence savings.</p>

## 6 Tulane SPHTM policies and expectations

Students and faculty have a shared commitment to the School's [mission, values and motto](#).

### 6.1 Academic integrity

Students are required to adhere to the SPHTM Honor Code, available online [here](#). Academic standards policies for Master's Programs are also available online [here](#).

Educational web sites may contain study guides for specific courses offered by Tulane University. While these sites can be useful learning tools, they should not contain information taken directly from Tulane courses. Tulane University considers lecture slides, recordings, videos, handouts, materials on Canvas, assignments, quizzes, and test questions to be proprietary. Web sites that offer these proprietary materials should be reported to the course instructor(s) and/or to the Dean's office. The use of unauthorized web sites that contain Tulane University's proprietary educational materials is considered a violation of the school's honor code.

### 6.2 Disability access and accommodations

It is the policy and practice of Tulane University to comply with the Americans with Disabilities Act (Pub. L. No. 101- 336), Section 504 of the Rehabilitation Act of 1973 (Pub. L. No. 93-112, 504, as amended), and state and local requirements regarding individuals with disabilities. Under these laws, no qualified individual with a disability shall be denied access to or participation in services, programs, and activities of Tulane University.

The Goldman Center for Student Accessibility offers assistance to all students and employees of Tulane, and accommodates them with modifications to their academic and work environments. More information on classroom accessibility is available [here](#) Tulane University recognizes the inherent dignity of all individuals and promotes respect for all people. As such, Tulane is committed to providing an environment free of all forms of discrimination including sexual and gender-based discrimination, harassment, and violence like sexual assault, intimate partner violence, and stalking. If you (or someone you know) has experienced or is experiencing these types of behaviors, know that you are not alone. Resources and support are available: you can learn more at [this page](#).

Any and all of your communications on these matters will be treated as either "Confidential" or "Private" as explained in the chart below. Please know that if you choose to confide in me I am mandated by the university to report to the Title IX Coordinator, as Tulane and I want to be sure you are connected with all the support the university can offer. You do not need to respond to outreach from the university if you do not want. You can also make a report yourself, including an anonymous report, through the form at [here](#).

<p><b>Confidential</b></p> <p><i>Except in extreme circumstances, involving imminent danger to one's self or others, nothing will be shared without your explicit permission.</i></p>	<p><b>Private</b></p> <p><i>Conversations are kept as confidential as possible, but information is shared with key staff members so the University can offer resources and accommodations and take action if necessary for safety reasons.</i></p>
<p><b>Counseling and Psychological Services (CAPS)</b></p> <p>504.314.2277</p> <p>The Line (24/7) at 504.264.6074</p>	<p><b>Case Management and Victim Support Services</b></p> <p>504.314.2160</p> <p><a href="mailto:srss@tulane.edu">mailto:srss@tulane.edu</a></p>
<p><b>Student Health Center</b></p> <p>504.865.5255</p> <p>—</p>	<p><b>Tulane University Police (TUPD)</b></p> <p>Uptown: 504.865.5911</p> <p>Downtown: 504.988.2331</p>
<p><b>Sexual Aggression Peer Hotline and Education (SAPHE)</b></p> <p>504.654.9543</p> <p>—</p>	<p><b>Title IX Coordinator</b></p> <p>504.862.8083</p> <p><a href="mailto:msmith76@tulane.edu">mailto:msmith76@tulane.edu</a></p>