Course Goals: This course examines the organization, financing, and management of the U.S. health care system and programs, and emphasizes contemporary health policy concerns. By the end of the semester, students should have the institutional knowledge and analytic tools needed to contribute to current public policy debates about health and medical care.

Specifically,
- Be familiar with basic facts about the U.S. health care system
- Be familiar with the major economic issues in health care policy
- Have experience using economic policy analysis to evaluate public policy issues in health care

In addition, one of the main goals that I have as an instructor is to encourage students to explore dissertations that involve the health care system. My philosophy with graduate teaching is that the main goal is to move you toward writing a dissertation.

Readings: Some articles come from the Handbook of Health Economics (HHE), as well as the AER, QJE, JPE, and J. Health Economics. In addition, several health-related journals (Health Affairs, Health Services Research, and Inquiry) are also relevant.

Cancelled classes: It is possible that, due to other obligations, several MW class sessions may need to be cancelled. If so, I plan on having a make-up lecture at a time that works for all students.

Grading: In order to encourage students to conduct original research in health economics and move along on their dissertations, the grading will consist of the following:

1. In-class presentation (20%) – The field of health economics is vast and the goal of the in-class presentation is to teach the entire class about an unexplored aspect of health economics. The presentations will be around 20 minutes each (with 5 minutes for questions), and probably take the final three class sessions (April 22, 27 and 29, 2015). You must have the topic approved by me. The topics should focus on timely issues in health economics, such as the Massachusetts health reform, the Affordable Care Act’s “young adult” provisions or establishment of health insurance marketplaces, the Oregon Health Insurance Experiment, Medicare Part D reforms, or Average Wholesale Pricing issues in pharmaceuticals. Presentation proposals will be due by April
2. Short Paper #1 (40%) – All students will use publicly available data of their choosing (i.e., BRFSS, NHIS, NIS, CPS, ACS, SIPP, PSID, NLSY, GSS, NSA, HRS, AHEAD, Vital Statistics, Census PUMS, Google Trends, etc.) to ask and answer a research question related to health economics. Students will provide data, programs, log files and write-up in electronic form. All programming must be done in Stata and write-up must be in Word. Although we will expand on this later, the write-up must not exceed 2000 words (approximately 12 manuscript pages), including diagrams, figures, tables and references. The word count will be strictly enforced, and the overall goal is to have a paper that exactly conforms to the guidelines from *Economics Letters*. See [http://www.elsevier.com/journals/economics-letters/0165-1765/guide-for-authors](http://www.elsevier.com/journals/economics-letters/0165-1765/guide-for-authors). Your proposal for Paper #1 will be due by **February 4, 2015**. I will give you feedback by February 11, 2015. Paper #1 (and programs, log files, data) will be due on **March 23, 2015**, and I will give you a grade by March 30, 2015.

3. Short Paper #2 (40%) – All the students will use a health care data set called “HCUP” (Health Cost and Utilization Project, see [http://www.hcup-us.ahrq.gov/](http://www.hcup-us.ahrq.gov/)) which is a nationwide inpatient sample. The Nationwide Inpatient Sample (“NIS”) contains data from approximately 7 million hospital stays for 995 hospitals in 35 states. You will pose a focused, health-related question with this data. In order to do this project, you must have access to the HCUP data. I have obtained the 1988-2010 data, which I am allowed to share with you, if you are my research team. I can share this data with research team members who complete the “HCUP Data Use Agreement Training” – see [http://www.hcup-us.ahrq.gov/tech_assist/dua.jsp](http://www.hcup-us.ahrq.gov/tech_assist/dua.jsp). The training emphasizes the importance of data protection, shows you how to reduce the risk of inadvertent violations, and describes your individual responsibility when using HCUP data. After completing the training course, you will receive an HCUP DUA Training Course certification code. Please save this code, print your certificate, and forward it to me. You are strongly encouraged to examine the “HCUP Statistical Briefs” at [http://www.hcup-us.ahrq.gov/reports/statbriefs/statbriefs.jsp](http://www.hcup-us.ahrq.gov/reports/statbriefs/statbriefs.jsp) to get an understanding on the kinds of topics (and medical coding conventions) that are used in the HCUP. Students will provide data, programs, log files and write-up in electronic form. All programming must be done in Stata and write-up must be in Word. Although we will expand on this later, the write-up must not exceed 2000 words (approximately 12 manuscript pages), including diagrams, figures, tables and references. The word count will be strictly enforced, and the overall goal is to have a paper that exactly conforms to the guidelines from *Economics Letters*. See [http://www.elsevier.com/journals/economics-letters/0165-1765/guide-for-authors](http://www.elsevier.com/journals/economics-letters/0165-1765/guide-for-authors). The “research team” questionnaire is due by **January 16, 2015**. Your proposal for Paper #2 will be due by **March 9, 2015**. I will give you feedback by March 23, 2015 (after Spring Break). Paper #2 (and programs, log files, data) will be due on **April 29, 2015**, and I will give you feedback by the end of the grading period.
Class Timeline

Note: Readings will be made available to students in electronic form when possible.

WEEK 1: Wed. Jan. 14 Lecture - Overview of syllabus and papers and goals of course. Lay out expectations with respect to turning in papers (i.e. Word) and statistical programs (i.e. Stata, log files, do files). Objectives of having two 2000-word papers and with no shirking or procrastination; no midterm/final. HCUP research team training.

WEEKS 2/3: Wed/Mon/WED. Jan 21/26/28 - Yelowitz video on online data sources. Objective: be fast and correct with data sources, and in very short order, figure out whether there is sufficient potential with a dataset to move forward of a topic. Gentzkow & Shapiro handout on documenting data, Edelman (JEP) on internet data, Schwabish (JEP) on data presentation. Examples of data sources: (a) Publicly available, pros/cons, (b) Data scraping (i.e. Diamonds), (c) Non-public, expensive data (i.e., Nielsen data, College of Pharmacy), (d) “Free” data with severe hoops (i.e. Census RDC, IRB approval, process of getting findings approved), (e) “Free” data with “buy-in” -- i.e. data from employer. Difference-in-differences handout, Gruber Chapter 3, Standard error corrections – Bertrand, Duflo, Mullainathan (QJE), Cameron Gelbach Miller (JBES, “cgmreg”).

- PAPER 1 PROPOSAL GUIDANCE: Must pose empirical question and answer it with public data. No pure replications and extensions, unless there’s an obvious empirical flaw and improvement.

WEEK 4: Mon/Wed., Feb. 2/4: Overview of health care system (Gruber, Ch. 15, 16) and health and economic conditions (Ruhm QJE; Miller, et al. AEA POP).

- PAPER 1 PROPOSAL DUE; feedback by FEB. 11

WEEK 5: Mon/Wed., Feb. 9/11: RAND Health insurance experiment (Manning, et al., AER, Aron-Dine et al. JEP)

WEEK 6: Mon/Wed., Feb. 16/18: Instrumental variables, weak instruments, credible instruments - McClellan et al. (JAMA), Angrist & Pischke, (JEP).


- PAPER 2 HCUP PROPOSAL GUIDANCE. Use HCUP statistical briefs, find economics papers using HCUP (on NBER, SSRN, Google Scholar)

WEEK 9: Mon/Wed., Mar 9/11: Hospital behavior – Duggan (QJE); Ho and Hamilton (RAND).
• PAPER 2 HCUP PROPOSAL DUE; feedback by MAR 23.

WEEK 10: SPRING BREAK

WEEK 11: Mon/Wed., Mar. 23/25: The Medicare Program (Finkelstein, QJE; Card et al. AER, Newhouse, JEP)
  • MARCH 23 - PAPER 1 DUE; feedback/grade by MARCH 30.

WEEK 12: Mon/Wed., Mar 30/Apr. 1: The Medicaid Program (Cutler & Gruber QJE; Gruber & Yelowitz JPE, Yelowitz QJE)

WEEK 13: Mon/Wed., Apr. 4/6: Expanding coverage, Health insurance and labor supply, Behavioral economics and inertia
  • WED. APR. 6 - PRESENTATION PROPOSAL DUE.


WEEK 15: Mon., Apr. 20: OPEN TOPIC - birth weight, environmental (class input needed)

WEEK 15/16: Wed/Mon/Wed., Apr. 22/27/29 - Presentations (20 min + 5 for questions, random assignment)
  • WED. APR. 29 - PAPER 2 DUE
A. Data Methods, Collection, Documentation, and Presentation in Health Economics

A.1 – Data Sources & Collection, Documentation, Exact Replication and Presentation

* Yelowitz Powerpoint/video on using data – “Data Sources for Economics Students”


A.2 – Empirical Methods

* Yelowitz difference-in-differences handout & examples


B. Overview of Health Economics and Health Insurance


C. Health Status


D. The Demand for Medical Care


E. Malpractice Law


F. Market Innovation - Supply Side Policies


Harman, Hall, Lemak, and Duncan. 2014. “Do Provider Service Networks Result in Lower Expenditures Compared with HMOs or Primary Care Case Management in Florida’s Medicaid
Program?” Health Services Research 49 (3): 858-877.


G. Organizational Form and Performance


H. Public Health Insurance and Expanding Coverage


Antwi, Moriya, Simon, 2015. “Access to health insurance and the use of inpatient medical care:


Young Adults,” Mimeo, University of Virginia.


I. Adverse Selection and Moral Hazard


J. Health Insurance and the Labor Market & Income


