

ECO 618: Seminar in Health Economics

Tue/Thu 2:00 – 3:15 p.m.
Anspach Hall 153
Fall 2016



OFFICE HOURS

Just stop by during these times
No need to call or email!

Wednesdays

10:00 – 11:30 a.m.

& 1:30 – 2:30 p.m.

(Exceptions will be announced via Blackboard)

Contact Information

Professor Aparna Lhila
Associate Professor of Economics
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Course Rationale

*Use advanced-level microeconomic theory to analyze health care decisions and markets.
Employ advanced statistical methods to produce an empirical research paper.*

Upon completion, you will be able to:

- Demonstrate an understanding of microeconomic theory as it applies to health and healthcare.
 - Evaluate the role that demand for health, the effects of health institutions and laws, information, and third-party payee system on health and healthcare decisions.
- Derive empirically testable, health-policy relevant hypotheses from microeconomic theory.
 - Apply the scientific method to test hypotheses using appropriate secondary data.
 - Disseminate results of analyses both in writings and peer presentations.
- Actively participate in discussions by critiquing both peer-written papers and published articles.

My expectations are:

- That your work will be academically honest. Ignorance of the policy is not an excuse. CMU policy: https://www.cmich.edu/colleges/cgs/Graduate_Assistant_Training/Pages/Policy-on-Academic-Integrity.aspx
 - That you will come to class regularly!
 - That you will complete the assigned readings.
 - That you will submit your work in a timely manner.
- That you will participate in class discussions actively and enthusiastically.
 - That you will help each other.
- That you will show up for your peers' presentations.

HERE'S WHAT YOU CAN EXPECT FROM ME:

- That I will treat you with respect
- That I will do my best to help you grasp the course material
- That I will be fair in my assessment of your work
- That I will return graded assignments in a timely manner

Policy for Students with Disabilities
CMU provides students with disabilities reasonable accommodations to participate in educational programs, activities or services. If you require accommodation to meet course requirements, contact the Student Disability Services. Obtain documentation regarding appropriate accommodations, provide me a copy, and I will make appropriate arrangements.

Campus Resources

- **CMU Virtual Lab**

You can access statistical software, Stata (preferably) and/or SAS, free-of-charge through remote computing at CMU. Instructions for setting up Virtual Lab on your home computer:

https://www.cmich.edu/office_provost/oit/kb/help-desk/Pages/VDI-Virtual-Lab-Configuration-Instructions-for-Windows-and-Mac.aspx

- **CMU Writing Center**

The quality of your writing is an important component of your term paper.

Seek help from the Writing Center early and often in the process.

Park Library 400 (Northwest corner of the Fourth Floor)

989.774.2986

Hours

Weeks 1 and 2: Aug 29 to Sept 2 and Sept 5 to 9

Monday through Thursday 9 am to 5 pm; Friday 9 am to 1 pm

Regular Schedule Begins Week 3 on Sunday, Sept 11

Sunday 5 pm to 9 pm; Monday through Thursday 9 am to 9 pm

Friday 9 am to 1 pm; Saturday 11 am to 3 pm

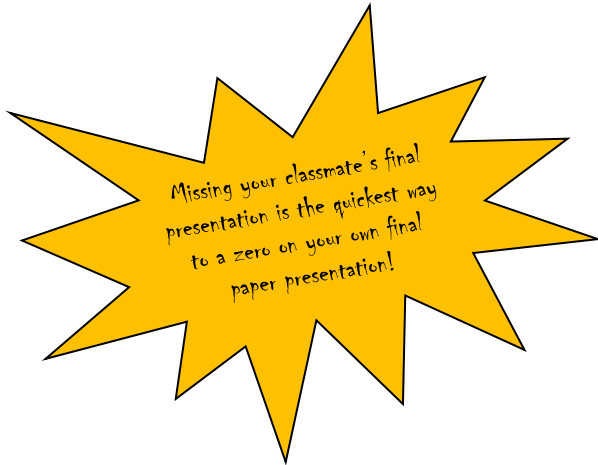
- **Student Disability Services**

Park Library 120

Phone: (989) 774-3018

Email: sds@cmich.edu

Hours: M-F 8:00-5:00



Requirements for **final term paper** will be posted on Blackboard. It is an important document to consult!

ASSIGNMENTS & WEIGHTS

- Class participation 15%**
Discussion and dialogue are fundamental to the success of this seminar-type class. You must do your readings and come prepared to engage in class. Active discussion in research seminars counts, too!
- Assigned paper presentation 10%**
Present paper(s) assigned from the reading list. Provide overview, research question, underlying theory, empirical strategy, results, and a critical discussion. Use PowerPoint as visual aid. ~15 minutes
- Reading discussion 20%**
On Blackboard, post a summary and 2 questions that come to your mind for each assigned paper prior to class discussion.
- Peer review report 10%**
You will review a peer's paper and offer feedback. Provide a summary of the paper and comments on the strengths and opportunities for improvement. 1-2 pages.
- Final paper presentation 15%**
You will present your final term paper to the class in the last days of the semester. ~20 minutes.
- Term paper 30%**
Your final paper is due (hard copy and digital copy) 2-3:50 p.m. on Tuesday, December 13 in my office.

Grading Scale	
Lower-Bound Percentage	Grade
94%	A
90%	A-
87%	B+
84%	B
80%	B-
77%	C+
74%	C
70%	C-
67%	D+
64%	D
60%	D-
Below 60%	E

- A SUCCESSFUL PAPER PRESENTATION ADDRESSES:**
-
- What is the research question?
 - Why is this research question interesting/relevant?
 - Which paper did you follow? Describe the paper and how yours differs.
 - An explanation of the underlying economic theory OR the mechanism by which X affects Y
 - The empirical method used
 - Data – source, how analytical sample was created, descriptive statistics, final sample size
 - Results – tables with regression coefficient, s.e., and *n*
 - Conclusions, including the limitations of the study

Dates to Remember	
Deviations from the plan will be announced in class and/or Bb, as needed	
September 1, 6, and 8	Econometrics review
Thursday, September 22	Introduction to Stata Bring laptop with Virtual Lab installed & ready
Thursday, September 29	Research day
Tuesday, October 4	Research seminar Bring ideas for paper topics; discuss and finalize in class
Thursday, October 20	Research day
Tuesday, October 25	Research seminar Bring data summary: mean, min, max, standard deviation of <i>all</i> relevant variables
Tuesday, November 8	Draft due (optional) – Intro, literature, data, and method
Tuesday, November 22	Research day
Thursday, November 24	Thanksgiving break
Tuesday, November 29	Research seminar Bring regression results and final questions
Thursday, December 1	Presentations 1. 2. 3.
Tuesday, December 6	Presentations 1. 2. 3.
Thursday, December 8	Last class Presentations 1. 2. 3.
Tuesday, December 13 2-3:50 p.m.	Final paper due in my office E-mail digital copy and drop off paper copy

TOPICS AND READINGS

Journal articles on this reading list are available on Blackboard >> Course Reserve >> ECO 618

1. Writing an empirical article

Bem, D. 2004. "Writing the Empirical Journal Article." Chapter 10 in Darley, Zanna, and Roediger (eds.) *The Compleat Academic: A Career Guide*, 2nd Edition

2. Overview of the field of health economics

Culyer, A. and J. Newhouse. 2000. "The State and Scope of Health Economics." In: Culyer and Newhouse (eds.) *Handbook of Health Economics*, Volume 1A, New York: Elsevier, pp. 1-8.

Fuchs, V. 2000. "The Future of Health Economics" *Journal of Health Economics* 19(2): 141-157.

3. Demand for health

Muurinen, J-M. 1982. "Demand for Health – A Generalised Grossman Model." *Journal of Health Economics*, 1(1): 5-30

Douglas, A. and J. Currie. 2011. "Killing Me Softly: The Fetal Origins Hypothesis." *Journal of Economic Perspectives*, 25(3): 153-172

Cawley, J. 2010. "The Economics of Childhood Obesity." *Health Affairs*, 29(3): 364-371 [no presenter]

4. Education and health

Cutler, D. and Lleras-Muney, A. 2010. "Understanding differences in health behaviors by education." *Journal of Health Economics*, 29(1): 1-28

Currie, J. and E. Moretti. 2003. "Mother's Education and Intergenerational Transfer of Human Capital: Evidence from College Openings." *Quarterly Journal of Economics* 118(4): 1495-1532.

5. Health and labor market

Norton, E. and E. Han. 2008. "Genetic Information, Obesity, and Labor Market Outcomes." *Health Economics*, 17(9): 1089–1104

Baum, C. L. and W. F. Ford. 2004. "The Wage Effects of Obesity: A Longitudinal Study". *Health Economics*, 13(9): 885–899

Anderson, P.M, K. F. Butcher, and P. B. Levine. 2003. "Maternal Employment and Childhood Overweight." *Journal of Health Economics*, 22(3):477–504

6. Demand for addictive goods

Tauras, J., L. Powell, F. Chaloupka, and H. Ross. 2007. "The demand for smokeless tobacco among male high school students in the United States: the impact of taxes, prices and policies." *Applied Economics* 39(1): 31-41

Ours, J. C. 2003. "Is Cannabis a Stepping-stone for Cocaine?" *Journal of Health Economics*, 22(4): 539–554

7. Health insurance

Buchmueller, T., Z. M. Levinson, H. G. Levy, and B. L. Wolfe. 2016. "Effect of the Affordable Care Act on Racial and Ethnic Disparities in Health Insurance Coverage." *Am J Public Health*, 106:1416 – 1421. [no presenter]

Manning, W, J. Newhouse, N. Duan, E. Keeler, and A. Liebowitz. 1987. "Health Insurance and the Demand for Medical Care: Evidence from a Randomized Experiment." *American Economic Review* 77(3): 251-277.

Gruber, J. and E. Washington. 2005. "Subsidies to Employee Health Insurance Premiums and the Health Insurance Market." *Journal of Health Economics* 24(2): 253-276.

Cook, P., A. Parnell, M. Moore, and D. Pagnini. 1999. "The effects of short-term variation in abortion funding on pregnancy outcomes." *Journal of Health Economics* 18(2): 241-257.

8. Production of medical care

Sloan, F., G. Picone, D. Taylor, and S. Chou. 2001. "Hospital Ownership and Cost and Quality of Care: Is There a Dime's Worth of Difference?" *Journal of Health Economics* 20(1): 1-21.

Almond, D., J. Currie, and E. Simeonova. 2011. "Public vs. private provision of charity care? Evidence from the expiration of Hill-Burton requirements in Florida." *Journal of Health Economics* 30(1): 189-199.

9. Health sector labor market

- Weeks, W. and A. Wallace. 2002. "The More Things Change: Revisiting a Comparison of Educational Costs and Incomes of Physicians and Other Professionals." *Academic Medicine* 77(4): 312-319. [no presenter]
- Noether, M. 1986. "The Growing Supply of Physicians: Has the Market Become More Competitive?" *Journal of Labor Economics* 4(4):503-537.

10. Information and health

- Scanlon, D., M. Chernew, C. McLaughlin, and G. Solon. 2002. "The Impact of Health Plan Report Cards on Managed Care Enrollment." *Journal of Health Economics* 21(1): 19-41.
- Dranove, D., D. Kessler, M. McClellan, and M. Satterthwaite. 2003. "Is More Information Better? The Effects of "report Cards" on Health Care Providers." *Journal of Political Economy* 111(3): 555-588.
- Dranove, D. and P. Wehner. 1994. "Physician Induced Demand for Childbirths" *Journal of Health Economics* 13(1): 61-73.

11. Macroeconomy and health

- Ruhm, C. 2000. "Are Recessions Good for your Health?" *Quarterly Journal of Economics* 115(2): 617-650
- Dehejia, R. and A. Lleras-Muney. 2004. "Booms, Busts, and Babies' Health." *Quarterly Journal of Economics* 119(3): 1091-1130

12. Health issues in developing economies

- Bharadwaj, P. and L. Lakdawala. 2013. "Discrimination Begins in the Womb: Evidence of Sex-Selective Prenatal Investments." *Journal of Human Resources*, 48(1): 71-112
- Duflo, E. 2003. "Grandmothers and Granddaughters: Old-Age Pensions and Intrahousehold Allocation in South Africa." *World Bank Economic Review* 17(1): 1-25
- Camacho, A. 2008. "Stress and Birth Weight: Evidence from Terrorist Attacks." *Papers & Proceedings of the American Economic Association meetings*, 98(2): 511-515 [no presenter]

13. Advertising and demand for health inputs

- Berndt, E. and J. Donohue. 2008. "Direct-to-Consumer Advertising in Health Care: An Overview of Economic Issues." Chapter 6 in Sloan and Kasper (eds.) *Incentives and Choice in Health Care*, pp. 131-162.

14. Peer effects on health behaviors

- Lundborg, P. 2006. "Having the Wrong Friends? Peer Effects in Adolescent Substance Use." *Journal of Health Economics* 25(2): 214-233.
- Christakis, N. and J. Fowler. 2007. "The Spread of Obesity in a Large Social Network over 32 Years." *New England Journal of Medicine* 357: 370-379. [no presenter]