Instructor: Sarah Reber
Office: 6339 Public Policy
Office Hours: Tuesdays 10-12 and by appointment
Contact: sreber@ucla.edu
Time: Tuesdays 2-4:50 pm
Place: Public Affairs 3343

Classes will be a mix of lectures and discussions. Students should read the readings before class in order to participate fully in the discussion. The readings will be available on the course website.

**Course Objectives**

This course provides students with an introduction to health economics for public policy. The course will cover research on the determinants of health, the relationship between medical spending and health, how health insurance works and doesn’t work, public health insurance programs, health care quality, the economics of prescriptions drugs, and the economics of health system reform. Finally, students will evaluate policies for health system reform.

**Email, Facebook, and the Course Website**

All readings, assignments, and other materials will be posted on the CCLE website for the course. Most assignments will be turned in and graded online.

We’ll be using a Facebook Group to continue the discussion outside of class and especially to post relevant articles and reports. I have one Facebook group for all of my classes, and some former students remain in the group. You do not have to join the Group (and you do not have to join Facebook). Please be respectful and relevant. Post things related to health care or health policy or what we have discussed in class. You may post what you like and don’t like about the professor, but keep in mind that the professor sees the posts. The group is “Closed” in FB parlance, so supposedly only other people in the group can see what is posted there. I will only accept students enrolled in the class and other MPP students who are interested into the group, but keep in mind that Facebook, not I, controls what happens to the content there.

To join the FB group, go here and request to join the group. I’ll approve as fast as I can.

[https://www.facebook.com/groups/404583286310030/](https://www.facebook.com/groups/404583286310030/)
Assignments and Grading

Students will turn in an assignment every week in class. Two of the weeks, the assignment will be a policy memo. The first policy memo will be a short Briefing Memo on an assigned topic. The final policy memo will be slightly longer and on a topic of the student’s choosing. For the policy memos, students may work in groups of up to three (and turn in a single memo). For the other weekly assignments, students may discuss the assignment in groups, but each student must write up and turn in his or her own work.

There will also be a take home final exam. It will be open book, but students must work alone on the final exam.

Grades will be calculated as follows:

- Seven Weekly Assignments (40%, drop lowest)
- First Policy Memo (15%)
- Final Memo (20%)
- Take Home Final Exam (20%)
- Class Participation, including Facebook (5%)

Letter grade lower-bounds are as follows: 93 (A); 90 (A-); 87 (B+); 83 (B); 80 (B-); and so on.

Course Readings

Students are expected to complete the readings before class. Students should refer to the discussion questions as they do the reading and come prepared to participate in lecture and discussion.

The chapters from the Folland and Gruber textbooks provide an introduction to the topic. You will usually want to read those first and the other readings in the order in which they appear on the syllabus.

A few of the readings are technical and difficult (the ones that say “skim”). Many readings may use terms with which you are not familiar. You should make every effort to understand as much of the readings as possible, but you do not need to understand all the technical intricacies. Try not to be put off by math and notation. Often, you can get the main point of the article even if you skim over the math. Finally, try to make some assessment of whether you think the author’s argument is convincing and what the weaknesses are. We will discuss the most important points of each reading in class.
Class Schedule

**Week 1: Introduction to Health Economics and the Production of Health and Costs**

January 6

**Introduction to Health Economics**

   - What affects health?

**Health care costs**


**Week 2: The value of medical care, quality and efficiency**

January 13


**Week 3: Health Insurance: Introduction and Moral Hazard**

January 20

1. Handout on Insurance and Moral Hazard

**Week 4: Adverse Selection in Health Insurance**  
January 27
1. Handout on Adverse Selection

**Week 5: Employer-Provided Health Insurance and Prescription Drugs**  
February 3
**Employer-Provided Health Insurance**

**Prescription Drugs**

**Week 6: Public Programs**  
February 10
**The Effects of Medicare and Medicaid**
1. Gruber, Public Finance and Public Policy, Sections 16.1-16.5
2. Chay, Kenneth, Kim, Daeho, and Shailender Swaminathan, "Medicare, Hospital Utilization and Mortality: Evidence from the Program's Origins" (skim, especially look at the graphs)
Financing and Reforming Public Programs

Week 7: No Class (Presidents Day)

Week 8: The uninsured, the history of reform efforts and the ACA
February 24
The Uninsured
ACA
6. Health Affairs Health Policy Brief, “Premium Tax Credits,”
7. For reference: http://kff.org/interactive/implementation-timeline/

Week 9: Bending the Curve
March 3
Bending the Curve

Workplace Wellness Programs

Week 10: ACA, wrap-up and the economics of the Supreme Court decision
March 10
The Supreme Court
3. The Supreme Court Opinion and Dissent in the ACA case
ACA in its Second Year
7. [http://www.whitehouse.gov/blog/2014/12/18/2014-has-seen-largest-coverage-gains-four-decades-putting-uninsured-rate-or-near-his](http://www.whitehouse.gov/blog/2014/12/18/2014-has-seen-largest-coverage-gains-four-decades-putting-uninsured-rate-or-near-his)

Assignments

February 17       Memo 1 due
March 10          Memo 2 due
March 11          Take-home final handed out
March 14, 5pm     Take-home final due