

## COURSE CONTENT

<b>Course Coordinator</b>	Akshar Saxena
<b>Course Code</b>	HE3604 / HE3025
<b>Course Title</b>	Health Economics
<b>Pre-requisites</b>	HE1001 Microeconomics I/ HE9091 Principles of Economics/ HE5091 Principles of Economics/ AB0901 Principles of Economics: A Singapore Perspective/ HU9001 Introduction to Environment and Urban Studies/ HU5001 Introduction to Environment and Urban Studies
<b>No of AUs</b>	3
<b>Contact Hours</b>	39 hours (2 hours lecture and 1 hour tutorial per week)

### **Course Aims**

This course aims to study the basic principles of economics of health and healthcare. We will cover topics such as production of health, market for insurance and its issues such as adverse selection and moral hazard, and supply of physician and organization of hospitals and payments systems. Lastly we will cover recent issues in health economics such as role of health in economic development, persistent issues of high medical inflation, and behavioral aspects of health and sin-taxes. The course prepares you for a career in government (e.g. Ministry of Health, Ministry of Finance), private sector (policy think tanks and consultancies addressing and advising on organization of healthcare), and academia.

### **Intended Learning Outcomes (ILO)**

By the end of this course, you should be able to:

1. Explain, using mathematical and graphical tools, the core concepts of health economics such as health production model, asymmetric information, moral hazard and adverse selection, supply of physician labour, and behavioural aspects of health and healthcare.
2. Conduct evaluation of government policies by calculating the efficiency losses and redistributive effects.
3. Debate and critique current and proposed government policies based on ethical and empirical principles.

### **Course Content**

1. Demand for Healthcare: Grossman Health Production Model
2. Demand for Healthcare Insurance: Expected Utility, Risk-aversion,
3. Demand for Healthcare Insurance: Asymmetric information, Moral Hazard, Adverse Selection
4. Supply of Healthcare: Market for Physician Labor, Organization of Hospitals
5. Payment models for Healthcare
6. High Cost of Healthcare: Technology Growth, Innovation, Geographic Variation
7. Health and Economic Development
8. International Healthcare Reform
9. Behavioral Aspects of Health: Rational Addiction models, Sin-Taxes

**Assessment (includes both continuous and summative assessment)**

Continuous Assessment :	<u>100%</u>
Total :	<u>100%</u>

**Reading and References**

Following are the *recommended* textbooks for understanding basic principles. The instructor will complement the basic analysis with local policy examples and advances in current literature.

[BHT] Bhattacharya, J., T. Hyde and P.Tu (2014), Health Economics

[FGS] Folland, S., A.C. Goodman and M. Stano (2007), The Economics of Health and Health Care, 5th. edn., New Jersey: Prentice-Hall.

**Course Instructors**

Instructor	Office Location	Email
Akshar Saxena	SHHK 04-38	aksharsaxena@ntu.edu.sg

**Planned Weekly Schedule**

Week	Topic	ILO	Readings/ Activities
Week 1	Introduction and overview	1-3	Lecture notes
Week 2	Demand for Healthcare: Grossman	1-3	Lecture notes
Week 3	Health Insurance: Moral Hazard	1-3	Lecture notes
Week 4	Health Insurance: Adverse Selection	1-3	Lecture notes
Week 5	Supply of Healthcare: Labor market for Physicians	1-3	Lecture notes
Week 6	Economics of Payment Models and Managed Care	1-3	Lecture notes
Week 7	Midterm Group Presentations	1-3	Nil
<b>Recess Week</b>			
Week 8	Health and Economic Development	1-3	Lecture notes
Week 9	Healthcare Innovation	1-3	Lecture notes
Week 10	Healthcare Productivity: Geographical variation	1-3	Lecture notes
Week 11	Unhealthy Behaviour: Evidence and Policy	1-3	Lecture notes
Week 12	Behavioral Economics of Health	1-3	Lecture notes
Week 13	Final Project Presentations	1-3	Nil