

Syllabus

Course name

Health Economics

Semester

Spring 2023 semester

Name of the main instructor

Eva Hromadkova, Ph.D.

eva.hromadkova@cerge-ei.cz

Date

- Classes: May 1 – June 9, 2023
- Final exam week: June 12 – 16, 2023
- Make-up exam week: June 19 – 23, 2023

Time

- Lectures: Monday 10:30 – 12:00 a.m. CEST, Tuesday 10:30 – 11:15 a.m. CEST.
- Exercise session: Tuesday 11.15 - 12.00 a.m. CEST

Office hours

To be determined.

Course description

This course covers production and demand for healthcare, how the determinants of demand and supply affect the costs of various types of healthcare services, and individual, family, and market investments in health. The field uses the tools from both microeconomics and econometrics to theoretically and empirically examine a number of topics, including the role of health insurance, healthcare in developing countries, and risky behavior.

Prerequisites

Intermediate Microeconomics and Basic Econometrics

Textbook and Materials

Handbook of Health Economics. (2000, 2011). Eds.: Anthony J. Culyer and Joseph P. Newhouse. Volume 1, 2A and 2B, North-Holland (relevant chapters will be provided on Moodle)

Grading

2 HW assignments	30 points
Team project	30 points
Final exam	40 points

A general rule is that a student must have more than 50% of overall course results, and more than 50% on the final exam, to pass a DLP course and be awarded the CERGE-EI Foundation certificate.

Course Outline

Week 1	Demand for health
--------	--------------------------

Course Requirements + Project

Introduction to Health Economics

- Health and health care – international comparison
- Can economic analysis be applied to health?

Demand for health care

- Grossman model for investment in health
- Determinants of health
- Empirical evidence

Week 2 +3

Health Insurance

Principles of health insurance

- Definition – why is there a demand for insurance?
- How much insurance will you buy? What are the determinants?
- Systems of health insurance around the world
- Health effects of insurance

Market distortions (patient side) - Moral hazard and Adverse selection

- Ex-ante and ex-post moral hazard
- Adverse selection

Health care financing

- Public vs. Private insurance
- Managed care system
- Supply side measures: copayments, waiting lists

Week 4

Health care markets

Long term care:

- Demographics trends
- Demand for long-term care
- Supply of long-term care – formal and informal

General practice:

- Physician – patient relationship
- Referrals in GP practice
- Prevention

Pharmaceuticals:

- Structure of the industry
- Patents and pharmaceutical innovation
- Pricing

Week 5+6

Selected topics in Health Economics

Improving Health in Developing Areas

- Household decision making under liquidity constraints
- Main health issues in developing areas
- Effectiveness of government and international programs
- Behavioral models and health

Risky health behavior

- Economic model of rational addiction and habit
 - Behavioral aspects of addiction
 - Economic consequences of risky health behavior
 - Strategies for modifying risky health behaviors (taxes, restrictions, cash incentives)
-