

THE UNIVERSITY OF  
NEW SOUTH WALES



Australian School of Business  
School of Economics

**ECON 4307 / ECON 6307**

**HEALTH ECONOMICS**

**Course Outline**  
**Semester 2, 2011**

# TABLE OF CONTENTS

<u>1</u>	<u>STAFF CONTACT DETAILS</u>	<u>1</u>
1.1	Communications with staff	1
<u>2</u>	<u>COURSE DETAILS</u>	<u>1</u>
2.1	Teaching Times and Locations	1
2.2	Units of Credit	1
2.3	Summary of Course	1
2.4	Prerequisite and Relationship to Other Courses	2
2.5	Aims	2
2.6	Student Learning Outcomes	3
<u>3</u>	<u>LEARNING AND TEACHING ACTIVITIES</u>	<u>4</u>
3.1	Approach to Learning and Teaching in the Course	4
3.2	Learning Activities and Teaching Strategies	4
<u>4</u>	<u>ASSESSMENT</u>	<u>5</u>
4.1	Formal Requirements	5
4.2	Assessment Details	5
4.3	Weekly Assignments	6
4.4	Tutorial Presentations	6
4.5	Class Attendance and Participation	6
4.6	Quality Assurance	6
<u>5</u>	<u>ACADEMIC HONESTY AND PLAGIARISM</u>	<u>7</u>
<u>6</u>	<u>COURSE EVALUATION AND DEVELOPMENT</u>	<u>7</u>
<u>7</u>	<u>STUDENT RESPONSIBILITIES AND CONDUCT</u>	<u>8</u>
7.1	Workload	8
7.2	Attendance	8
7.3	Keeping Informed	8
<u>8</u>	<u>STUDENT RESOURCES AND SUPPORT</u>	<u>9</u>
<u>9</u>	<u>COURSE RESOURCES</u>	<u>10</u>
9.1	Course Website	10
9.2	Textbooks	10
<u>10</u>	<u>LECTURE SCHEDULE</u>	<u>11</u>
<u>11</u>	<u>KEY DATES AND STUDENT RESPONSIBILITIES</u>	<u>18</u>

## **1 STAFF CONTACT DETAILS**

Lecturer-in-charge: Dr Shiko Maruyama

Room: Quadrangle Building, Room Q3116 (Green)

Phone No: 9385 3386

Email: [s.maruyama@unsw.edu.au](mailto:s.maruyama@unsw.edu.au)

Consultation Times – Mon, 12:30 – 3:30 pm @ Q3116.

### **1.1 Communications with staff**

You should feel free to contact the lecturer about any course specific inquiries. The lecturer may be contacted by email, during consultation time or by appointment.

Some information concerning administrative matters may also be obtained from the School of Economics Office on the fourth floor of the ASB Building.

## **2 COURSE DETAILS**

### **2.1 Teaching Times and Locations**

Wednesday 2 pm – 5 pm, ASB 205. The course starts from Week1, 20 July.

Students taking (or considering taking) this course should attend the first class. If this is not possible, you must notify the lecturer of your intention by e-mail or in person in advance.

### **2.2 Units of Credit**

The course is worth 6 units of credit.

This course is taught in parallel to undergraduate (BEC Honours students) (ECON4307) and postgraduate students in the MEd and PhD programs (ECON 6307).

### **2.3 Summary of Course**

Welcome to ECON 4307 / 6307! This is a course intended for honours and post-graduate students who are interested in health economics.

Health care has become a dominant economic and political issue in many countries and the area of health economics is rapidly growing and developing. ECON

4307/6307 provides a broad introduction to the subject of health economics as an applied microeconomics field. The course also looks at empirical methods useful in studying topics in health economics. In addition, policies and current issues facing policy makers and researchers in the area of health are reviewed.

The subject is suitable both for those students interested in microeconomics applied to the area of health economics and to students interested in current public policy issues in the provision of health and health care. Students who aim to write a PhD or Honours thesis on health or health-related topics are especially encouraged. The course consists of lectures, including lectures by visitors, weekly assignments, and tutorial student presentations.

## **2.4 Prerequisite and Relationship to Other Courses**

ECON 4307/6307 is an option available for students enrolled in an Honours or Post-graduate program in Economics or Commerce. The course relies considerably on microeconomic methods. Economic concepts and tools such as those learned in Microeconomics II and Advanced Economic Analysis are assumed knowledge in the course. Additional microeconomic tools appropriate for the analysis of health economics will be reviewed in class.

In addition, this course requires students to read academic empirical papers. Hence, your knowledge of introductory econometrics is a minimum requirement, and intermediate or advanced knowledge of econometrics, for example your completion of two econometrics courses such as ECON2206 and ECON2207, will aid your learning in this course.

## **2.5 Aims**

In this course, we will review economic approaches to the understanding of markets for health care and more generally the behaviour of agents involved in the provision and consumption of health care. We also discuss characteristics that are integral to health economics, namely information problems, insurance, government intervention and the institutional environment generally. Students are exposed to the widest possible range of perspectives and are encouraged to form their own critical evaluation of the current state of health care provision in Australia and other countries. In addition, special attention will be paid to how to critically read challenging state-of-the-art empirical papers.

The course aims to provide benefits to students in terms of:

- An understanding of the underlying economic frameworks appropriate to study health and health care.
- Knowledge of market failures in the provision of health care and the justifications for government policy.
- An appreciation of the different market environments in which health and health policy decisions must be made.
- The ability to use a rational approach in the evaluation of government intervention and programs in health.
- The ability to critically and appropriately evaluate health economics research papers and to prepare quality academic presentation.

## 2.6 Student Learning Outcomes

On completion of the course, students should be able to:

1. Demonstrate an understanding of the basic economic concepts used in the study of health economics;
2. Apply appropriate economic tools to analyse the behaviour of the various agents in the provision and consumption of health care;
3. Describe the major government programs and institutional features in the provision of health care in Australia and the debates currently surrounding these programs;
4. Demonstrate knowledge of the main empirical tools used in the analysis of issues in health economics; and
5. Critically evaluate and discuss empirical research in this field.

### Graduate Attributes

Course Learning Outcomes	ASB Graduate Attributes
1, 2, 3, 4, 5	1. Critical thinking and problem solving
1, 2, 3, 4	2. Communication
1, 2, 3	3. Teamwork and leadership
1, 2, 3	4. Social, ethical and global perspectives
1, 2, 3, 4, 5	5. In-depth engagement with relevant disciplinary knowledge
1, 2, 3, 4, 5	6. Professional skills

### **3 LEARNING AND TEACHING ACTIVITIES**

#### **3.1 Approach to Learning and Teaching in the Course**

The philosophy underpinning this course and its Teaching and Learning Strategies are based on “Guidelines on Learning that Inform Teaching at UNSW. These guidelines may be viewed at: [www.guidelinesonlearning.unsw.edu.au](http://www.guidelinesonlearning.unsw.edu.au). Specifically, the lectures, student presentations, class discussion and assessment have been designed to appropriately challenge students and support the achievement of the desired learning outcomes. A climate of inquiry and dialogue is encouraged between students and the lecturer and among students (in and out of class). The lecturer aims to provide meaningful and timely feedback to students to improve learning outcome.

#### **3.2 Learning Activities and Teaching Strategies**

The course provides a broad survey of issues in health economics and an in-depth discussion of the main government programs and institutional features affecting health care in Australia. A specific list of topics and readings is provided further below in the Schedule of Lectures.

##### *Lectures*

The purpose of the lectures is to provide a logical structure for the topics that make up the course; to provide the necessary background enabling the students to understand the material; to provide guidance in the choice and the usage of the appropriate economic tools; to emphasise important concepts and methods for each topic; to provide and discuss relevant examples to which the concepts and methods are applied; and to motivate and mediate discussions of current issues in health economics using economic methods.

##### *Tutorials*

The purpose of the tutorials is to provide an opportunity for students to discuss the issues covered in the lectures and in the assigned readings; to present related material and extend the coverage of the lectures; to provide practice questions and answers; and to get feed-back from both the lecturers and the other students in the class. Students are expected to work through all the tutorial readings assigned and participate in the discussion surrounding the assignments every week. Normally tutorial assignments will review and extend the previous week’s lecture material and will allow students to assess their level of understanding of the material.

### *Out-of-Class Study*

While students may have preferred individual learning strategies, it is important to note that most learning will be achieved outside of class time. Lectures can only provide a structure to assist your study, and tutorial time is limited.

An “ideal” strategy (on which the provision of the course materials is based) might include:

- Reading of the assigned material before the lecture. This will give you a general idea of the topic area.
- Attendance at lectures. Here the context of the topic in the course and the important elements of the topic are identified. The relevance of the topic is explained. More complex material is reviewed using a variety of techniques and examples to allow more in-depth understanding.
- Complementing the lecture notes using assigned and suggested readings and identifying areas where more study or help is needed.

## **4 ASSESSMENT**

### **4.1 Formal Requirements**

In order to pass this course, you must:

- achieve a composite mark of at least 50 out of 100; and
- make a satisfactory attempt at all assessment tasks (see below).

### **4.2 Assessment Details**

<b>Assessment Task</b>	<b>Weighting</b>	<b>Learning Outcomes assessed</b>	<b>ASB Graduate Attributes assessed</b>	<b>Due Date</b>
Weekly Assignments	65%	1, 2, 3, 4, 5	1, 2, 5, 6	9:00 am on every class date
Tutorial Presentations	20%	1, 2, 3, 5	1, 2, 3, 4, 6	
Class Attendance and Participation	15%	1, 2, 3, 5	1, 2, 3, 4	
Total	100%			

### **4.3 Weekly Assignments**

Tutorial reading material will be provided in lectures and on the website. Every week, each student is expected to thoroughly read the pre-assigned material and prepare a presentation. Each student should send his/her own presentation electronically to [s.maruyama@unsw.edu.au](mailto:s.maruyama@unsw.edu.au), by 9:00 am on every class date. Hence, throughout the course, each student is supposed to prepare 11 presentations in total. No late submission will be considered for assessment.

The presentations are to be well-organized summary of the reading material with intense discussions and innovative evaluations based on your critical view. If necessary, you are encouraged to do further readings at your discretion.

### **4.4 Tutorial Presentations**

Each week, one student is chosen to give a presentation. The presentation is to last around 30 to 60 minutes; half hour discussion follows each presentation.

### **4.5 Class Attendance and Participation**

Given high level involvement expected for students in this course, class attendance (at the beginning of course every week) will be counted toward the grade. For students who could not attend a class due to illness or other extraordinary circumstances, special consideration may be given conditional on a written document, such as doctor's medical certificate.

Furthermore, during tutorial presentations, all students are expected to ask questions, provide feedback, and contribute to the discussion surrounding the presentation. The tutorial participation mark will be awarded on the basis of general participation in tutorials.

### **4.6 Quality Assurance**

The ASB is actively monitoring student learning and quality of the student experience in all its programs. A random selection of completed assessment tasks may be used for quality assurance, such as to determine the extent to which program learning goals are being achieved. The information is required for accreditation purposes, and aggregated findings will be used to inform changes



aimed at improving the quality of ASB programs. All material used for such processes will be treated as confidential and will not be related to course grades.

## 5 ACADEMIC HONESTY AND PLAGIARISM

The University regards plagiarism as a form of academic misconduct, and has very strict rules regarding plagiarism. For UNSW policies, penalties, and information to help you avoid plagiarism see: <http://www.lc.unsw.edu.au/plagiarism/index.html> as well as the guidelines in the online ELISE and ELISE Plus tutorials for all new UNSW

students: <http://info.library.unsw.edu.au/skills/tutorials/InfoSkills/index.htm>.

To see if you understand plagiarism, do this short quiz: <http://www.lc.unsw.edu.au/plagiarism/plagquiz.html>

For information on how to acknowledge your sources and reference correctly, see: <http://www.lc.unsw.edu.au/onlib/ref.html>

For the *ASB Harvard Referencing Guide*, see the ASB Referencing and Plagiarism web

page: <http://www.asb.unsw.edu.au/learningandteaching/studentervices/resources/Pages/referencingandplagiarism.aspx>

- In the School of Economics all cases of substantial plagiarism are reported to the Associate Head of School. The following penalties will apply:
- Reduction in marks for the assessment item, including zero;
- Failure in the course [00FL] in extreme cases;
- Other additional penalties in accordance with the UNSW Procedures for Dealing with Student Plagiarism, may be considered in extreme cases;
- All cases will be recorded on the UNSW Plagiarism Central Register

## 6 COURSE EVALUATION AND DEVELOPMENT

Each year feedback is sought from students and other stakeholders about the courses offered in the School and continual improvements are made based on this feedback. UNSW's Course and Teaching Evaluation and Improvement (CATEI) Process is one of the ways in which student evaluative feedback is gathered. You are strongly encouraged to take part in the feedback process.

## 7 STUDENT RESPONSIBILITIES AND CONDUCT

Students are expected to be familiar with and adhere to university policies in relation to class attendance and general conduct and behaviour, including maintaining a safe, respectful environment; and to understand their obligations in relation to workload, assessment and keeping informed.

Information and policies on these topics can be found in the 'A-Z Student Guide': <https://my.unsw.edu.au/student/atoz/A.html>. See, especially, information on 'Attendance and Absence', 'Academic Misconduct', 'Assessment Information', 'Examinations', 'Special Consideration', 'Student Responsibilities', 'Workload' and policies such as 'Occupational Health and Safety'.

### 7.1 Workload

It is expected that you will spend at least **ten hours** per week studying this course. This time should be made up of reading, research, working on assignments and attending classes. In periods where you need to complete assignments or prepare for examinations, the workload may be greater.

Over-commitment has been a cause of failure for many students. You should take the required workload into account when planning how to balance study with employment and other activities.

### 7.2 Attendance

Your regular and punctual attendance at lectures is expected in this course. University regulations indicate that if students attend less than eighty per cent of scheduled classes they may be refused final assessment.

### 7.3 Keeping Informed

You should take note of all announcements made in lectures or on the course web site. From time to time, the University will send important announcements to your university e-mail address without providing you with a paper copy. You will be deemed to have received this information. It is also your responsibility to keep the University informed of all changes to your contact details.

## 8 STUDENT RESOURCES AND SUPPORT

The University and the ASB provide a wide range of support services for students, including:

- **ASB Education Development Unit (EDU)** ([www.business.unsw.edu.au/edu](http://www.business.unsw.edu.au/edu))  
Academic writing, study skills and maths support specifically for ASB students. Services include workshops, online and printed resources, and individual consultations. EDU Office: Room GO7, Ground Floor, ASB Building (opposite Student Centre); Ph: 9385 5584;  
Email: [edu@unsw.edu.au](mailto:edu@unsw.edu.au)
- **Capturing the Student Voice:** An ASB website enabling students to comment on any aspect of their learning experience in the ASB: <http://www.asb.unsw.edu.au/currentstudents/resources/studentfeedback/Pages/default.aspx>
- **Blackboard eLearning Support:** For online help using Blackboard, follow the links from [www.elearning.unsw.edu.au](http://www.elearning.unsw.edu.au) to *UNSW Blackboard Support / Support for Students*. For technical support, email: [itservicecentre@unsw.edu.au](mailto:itservicecentre@unsw.edu.au); ph: 9385 1333
- **UNSW Learning Centre** ([www.lc.unsw.edu.au](http://www.lc.unsw.edu.au))  
Academic skills support services, including workshops and resources, for all UNSW students. See website for details.
- **Library training and search support services:** <http://info.library.unsw.edu.au/web/services/services.html>
- **IT Service Centre:** Technical support for problems logging in to websites, downloading documents  
etc. <https://www.it.unsw.edu.au/students/index.html>  
UNSW Library Annexe (Ground floor)
- **UNSW Counselling and Psychological Services**  
(<http://www.counselling.unsw.edu.au>)  
Free, confidential service for problems of a personal or academic nature; and workshops on study issues such as 'Coping With Stress' and 'Procrastination'.  
Office: Level 2, Quadrangle East Wing; Ph: 9385 5418
- **Student Equity & Disabilities Unit** (<http://www.studentequity.unsw.edu.au>)  
Advice regarding equity and diversity issues, and support for students who have a disability or disadvantage that interferes with their learning. Office: Ground Floor, John Goodsell Building; Ph: 9385 4734

## 9 COURSE RESOURCES

### 9.1 Course Website

The course materials are available on my personal website: <http://research.tigrou.jp/teaching.html>. The website will contain copies of all course handouts, lecturer notes, readings, and announcements.

### 9.2 Textbooks

There is no required text for the course but some material is taken from the following three texts:

Folland, S., A.C. Goodman and M. Stano, *Economics of Health and Health Care*, Fifth Edition, Pearson Prentice Hall, 2006 (the 6<sup>th</sup> edition will become available in August 2009)

Gruber, J., *Public Finance and Public Policy*, 2nd edition, Palgrave Macmillan, February, 2007

Culyer, A.J. and J.P. Newhouse (eds.) *Handbook of Health Economics*, Volumes 1A and 1B, North-Holland, Elsevier Science, 2000

The first book (FGS) is an undergraduate textbook and will be useful in providing background material as well as an intermediate level discussion of the course material. The second is another excellent undergraduate textbook, which covers broader topics in public finance and public policy with many examples from health economics. The third text (HHE) presents more advanced material and is also useful in providing surveys of the literature. The second volume (1B) of the Handbook of Health Economics deals with more specialized topics.

For a review over Australian health care system, see:

Duckett, S.J. *The Australian Health Care System*, Oxford University Press, third edition, 2006.

## 10 LECTURE SCHEDULE

Lectures start in Week 1 and finish in Week 12.

The following schedule is tentative. Not necessarily all of the following topics will be taught. The depth and inclusion of topics will be adapted to the size, interest and composition of the class.

The first part of the course deals with basic issues of health and health care. The demand and supply sides of health care, information problems and the provision of health insurance are discussed. We conclude the first part with a review of empirical evaluation techniques used in health economics.

The second part of the course looks at the key players in the provision of health care and the current institutional and policy environment surrounding health care in Australia. Specialists in the field will present lectures on topics in the area. These topics are chosen to reflect the areas of expertise of the presenters and also to address recent debates and policy reforms in the provision of health care in Australia.

In the following, \* indicates recommended readings which will be covered during lectures.

### **July 20, Week 1**

### **Introduction.**

Arrow, K. 1963. "Uncertainty and the Welfare Economics of Medical Care." *American Economic Review*, 53, 941-973.

### **July 27, Week 2 and August 3, Week 3**

### **Health Capital, and Demand for Health and Health Care.**

\*Grossman, M. 1972. "On the Concept of Health Capital and the Demand for Health." *Journal of Political Economy*, 82, 223-255.

Becker, G. 1965. "The Theory of the Allocation of Time." *The Economic Journal*, 75, 493-517.

Fuchs, V. 1983. *Who Shall Live?* New York: John Wiley & Sons.

Grossman, M. 1972. *The Demand for Health: A Theoretical and Empirical Investigation*, New York: Columbia University Press.

Pauly, M. 1983. "Is Medical Care Different?" in *Issues in Health Economics*. W. Greenberg (ed.), Washington: Bureau of Economics, FTC.

Pauly, M. 1988. "Is Medical Care Different? Old Questions, New Answers." *Health Politics, Policy & Law*, 13, 227-238.

HHE, Chapter 7 (The human capital model).

### **Reading Assignments for Week 2:**

Cutler, David M., Edward L. Gleaser, Jesse M. Shapiro. 2003. "Why Have Americans Become More Obese?" *Journal of Economic Perspectives*, 17(3), 93-118.

Tomer, John F. 2011. "What Causes Obesity? And Why Has It Grown So Much? An Alternative View," *Challenge*, Forthcoming.

### **Reading Assignments for Week 3:**

Gruber, Jonathan. 2009. "Universal Health Insurance Coverage: Progress & Issues," *Policy Brief*, Syracuse University.

Wagstaff, Adam. 2010. "Social Health Insurance Reexamined," *Health Economics*, 19, 503-517.

Gladwell, M. 2005. "The Moral-Hazard Myth: The Bad Idea Behind Our Failed Health-Care System," *The New Yorker*, August 29, 2005.

Mooney, G. and A. Wodak. 2011. "Just the Medicine for Making Australia a Healthier Place," Opinion in *Sydney Morning Herald*, May 31, 2011.

## **August 10, Week 4 and August 17, Week 5                      Information and Insurance**

\*Ehrlich, I. and G. Becker. 1972. 'Market Insurance, Self-Insurance, and Self-Protection.' *Journal of Political Economy*, 80, 623-648.

\*Pauly, M. 1968. 'The Economics of Moral Hazard: Comment' *American Economic Review*, 58, 531-536.

\* Manning, W., J. Newhouse, N. Duan, E. Keeler, A. Leibowitz, and M. Marquis. 1987. 'Health Insurance and the Demand for Medical Care: Evidence from a Randomized Experiment.' *American Economic Review*, 77, 251-277.

Rothschild, M. and F. Stiglitz. 1976. 'Equilibrium in Competitive Insurance Markets: An Essay on the Economics of Imperfect Information'. *Quarterly Journal of Economics*, 90(4), 629-649.

\*HHE, Chapter 11 Appendix (The anatomy of health insurance).

FGS, Chapter 11 (The organization of health insurance markets).

HHE, Chapter 8 (Moral hazard and consumer incentives in health care).

#### **Reading Assignments for Week 4:**

Currie, J. and M. Stabile. 2003. 'Socioeconomic Status and Child Health: Why Is the Relationship Stronger for Older Children'. *American Economic Review*, 93(5), 1813-1823.

Pop-Eleches, Cristian. 2006. "The Impact of an Abortion Ban on Socioeconomic Outcomes of Children: Evidence from Romania," *Journal of Political Economy*, 114(4), 744-773.

#### **Reading Assignments for Week 5:**

Murphy, K. and R. Topel. 2006. "The Value of Health and Longevity," *Journal of Political Economy*, 114(5), 871-904.

Fonseca, Raquel, Pierre-Carl Michaud, Titus Galama, and Arie Kapteyn. 2009. "On the Rise of Health Spending and Longevity," RAND Working Paper, WR-722.

#### **August 24, Week 6 and August 31, Week 7**

**Recent developments in private health insurance in Australia**

**Guest Lecturer: Senior Lecturer Kees Van Gool, CHERE**

Barrett, G. and R. Conlon. 2003. 'Adverse Selection and the Decline in Private Health Insurance Coverage in Australia: 1989-95.' *Economic Record*, Vol. 79 No. 246 September, 279-296.

- Buchmueller, Thomas C, Denzil Fiebig, Glenn Jones, and Elizabeth Savage. 2009. "Advantageous Selection in Private Health Insurance: The Case of Australia," mimeo.
- Ellis R, Savage E, 2008. "Run for Cover Now or Later? The impact of premiums, threats and deadlines on supplementary private health insurance in Australia", *International Journal of Health Care Finance and Economics*, 8, 257-277 doi: 10.1007/s10754-008-9040-4.
- Doiron D, Jones G, Savage E, Healthy, Wealthy and Insured? The Role of Self-Assessed Health in the Demand for Private Health Insurance, 2008, *Health Economics*, 17: 317-334
- Fiebig, Denzil, Elizabeth Savage, Rosalie Viney, "Does the Reason for Buying Health Insurance Influence Behaviour?" mimeo.
- Frech, H.E. and S. Hopkins 2004. 'Why Subsidise Private Health Insurance?' *Australian Economic Review*, 37(3), pp. 243-256.
- Hall, J., and E. Savage 2005. 'The role of the private sector in the Australian healthcare system' in Maynard, A. (ed.), *The public-private mix for health* Radcliffe Publishing Ltd, Abingdon, pp. 247-278.
- Harper, I.R. 2003 'Health Sense: When Spending Money Saves Money' *Policy*, 19(3) pp. 19-24.
- Lu M, Savage E, Do financial incentives for supplementary private health insurance reduce pressure on the public system? Evidence from Australia, *CHERE Working Paper 2006/11*, CHERE, Sydney, 2006)
- Savage E, Wright D, 2003, Moral Hazard and Adverse Selection in Australian Private Hospitals: 1989-90, *Journal of Health Economics*, 22: 331-359
- Vaithianathan, R. 2004. 'A critique of the private health insurance regulations' *Australian Economic Review*, 37(3), pp. 257-270.



Ellis, RP. McGuire TG, 2007 'Predictability and Predictiveness in Health Care Spending' *Journal of Health Economics*. 26: 25–48

Gans, J. and S. King 2003. 'Anti-insurance: analysing the health insurance system in Australia' *Economic Record* 79(247) pp. 473- 486.

**Readings for student presentation:**

Buchmueller T, DiNardo J, 2002, 'Did Community Rating Induce an Adverse Selection Death Spiral? Evidence from New York, Pennsylvania, and Connecticut' *American Economic Review*, 92(1) 280-294.

Finkelstein A, McGarry K, 2006, 'Multiple Dimensions of Private Information: Evidence from the Long-Term Care Insurance Market,' *American Economic Review*, 96(4), 938-58.

**September 7      No Class (Mid-Semester Break)**

**September 14, Week 8 and September 21, Week 9**

**Measuring and Valuing Health Outcomes**

**Guest Lecturer: Associate Professor Rosalie Viney, CHERE**

Torrance, G. 1986. 'Measurement of Health State Utilities for Economic Appraisal: A Review'. *Journal of Health Economics* 5, pp. 1-30.

Bleichrodt, H. and J. Quiggin 1999. 'Life-cycle preferences over consumption and health: when is cost-effectiveness analysis equivalent to cost benefit analysis?' *Journal of Health Economics*, 18, pp. 681-708.

Hammit, J. 2002. 'QALYs Versus WTP.' *Risk Analysis* 22, pp. 985-1001.

Bleichrodt, H., P. Wakker and M. Johannesson 1997. 'Characterizing QALYs by Risk Neutrality' *Journal of Risk & Uncertainty*, 15, pp. 107-14.

Topic: Applying the QALY concept in decision making

- Birch, S. and A. Gafni 1992. 'Cost effectiveness/utility analyses. Do current decision rules lead us to where we want to be?' *Journal of Health Economics*, 11, pp. 279-296.
- Devlin, N. and D. Parkin 2004. 'Does NICE have a cost-effectiveness threshold and what other factors influence its decisions? A binary choice analysis.' *Health Economics*, 13, pp. 437-452.
- Harris, A.H., S.R. Hill, G. Chin, J. Li, and E. Walkom, 2008. "The Role of Value for Money in Public Insurance Coverage Decisions for Drugs in Australia: A Retrospective Analysis 1994-2004," *Medical Decision Making*, OnlineFirst, published on March 31, 2008 as doi:10.1177/0272989X08315247.
- Roberts, J. and P. Dolan 2004. To what extent do people prefer health states with higher values? A note on evidence from the EQ-5D valuation set', *Health Economics*, 13, pp. 733-7.
- Brazier, J., Roberts, J., Tsuchiya, A., Busschbach, J., 2004. A comparison of the EQ-5D and SF-6D across seven patient groups. *Health Economics* 13 (9), 873-884.
- Norman, R.P., Cronin, P., Viney, R.C., King, M.T., Street, D. & Ratcliffe, J. 2009, 'International comparisons in valuing EQ-5D health states: A review and analysis', *Value in Health*, vol. 12, no. 8, pp. 1194-1200.
- Scuffham, P., Whitty, J., Mitchell, A. & Viney, R.C. 2008, 'The use of QALY weights for health state valuation and QALY calculations: A review of industry submissions requesting listing on the Australian Pharmaceutical Benefits Scheme 2002 to 2004', *Pharmacoeconomics*, vol. 26, no. 4, pp. 297-310.

### **Readings for student presentation:**

#### **Multi-attribute Utility Instruments and Their Development**

(1) First topic: EQ-5D

- Dolan, P., C. Gudex, P. Kind and A. Williams 1996. 'The time trade-off method: results from a general population study.' *Health Economics*, 5, pp. 141-154.

Dolan, P., 1997. Modeling valuations for EuroQol health states. *Medical Care* 35, 1095-1108.

Note: These papers both report the same research - it is generally helpful to read both as the details of the research are not sufficiently reported in the first paper.

(2) Second topic: SF-6D

Brazier, J., J. Roberts M. and Deverill 2002. 'The estimation of a preference-based measure of health from the SF-36.' *Journal of Health Economics*, 21, pp. 271-92.

**September 28, Week 10 and October 5, Week 11**

**Health Care Financing and Incentives**

**Guest Lecturers: Professor Jane Hall, CHERE**

\*Chalkley, M, and Malcomson, JM, Government Purchasing of Health Services, *Handbook of Health Economics*, ch 15

\*Feldstein M, 2006. 'Balancing the goals of health care provision and financing.' *Health Affairs*, 25(6) 1603-1611.

\*Glied, S. Managed Care, *Handbook of Health Economics*, ch 13

Goddard, M., and R. Mannion 1998. 'From competition to co-operation: new economic relationships in the National Health Service'. *Health Economics*, 7(2), pp. 105-19.

Hall, J. 2004. *Can we design a market for competitive health insurance?* CHERE Discussion Paper No. 53.

\*Hsaio, W, 2007, Why is a systemic view of health financing necessary? *Health Affairs*, 26, no. 4 (2007): 950–961; 10.1377/hlthaff.26.4.950

Rice, N. and P. C. Smith, 2001. 'Capitation and risk adjustment in health care financing: an international progress report.' *Milbank Quarterly* 79(1), pp. 81-113.

Williams A, Priority setting in public and private health care: a guide through the ideological jungle. *Journal of Health Economics* 1988, 7, 173-183

**Readings for student presentation:**

Dusheiko M, Gravelle H, Smith P, 2006. "The effect of financial incentives on gatekeeping doctors: evidence from a natural experiment," *Journal of Health Economics*, 25(3), pp. 449-478.

Martin S, Rice N, Smith PC, 2008. "Does health care spending improve health outcomes? Evidence from English programme budgeting data," *Journal of Health Economics*, 27, 826-842.

Mas N, Seinfeld J, 2008. "Is managed care restraining the adoption of technology by hospitals?" *Journal of Health Economics*, 27,1026-1045.

Nassiri A, Rochaix L, 2006. "Revisiting physicians' financial incentives in Quebec: a panel system approach," *Health Economics*, 15,49-64.

Scott A, Schurer S, Jensen PH, Sivey P, 2009. "The effects of an incentive program on quality of care in diabetes management," *Health Economics*, 18: 1091-1108.

**October 12, Week 12**

**Student Presentation**

## **11 KEY DATES AND STUDENT RESPONSIBILITIES**

*It is your responsibility to ensure that:*

1. You are recorded by the University as being correctly enrolled in all your courses.

2. You have successfully completed all prerequisite courses. Any work done in courses for which prerequisites have not been fulfilled will be disregarded (unless an exemption has been granted), and no credit given or grade awarded.

3. You abide by key dates:

**Monday 18 July** is the first day of Semester 2 lectures. **Sunday 24 July** is the last day you can enrol in Semester 2 courses.

**Sunday 24 July** is the due date for Semester 2 fees.

**Wednesday 31 August** is the last day for students to discontinue without financial penalty (and the last date to finalise arrangements for FEE-HELP).

**Sunday 4 September** is the last day to discontinue without academic penalty.

4. You organise your affairs to take account of examination and other assessment dates where these are known. **Be aware that your final examination may fall at any time during the semester's examination period.** The scheduling of examinations is controlled by the University administration. No early examinations are possible. The examination period for Semester 2, 2011, falls between **Friday 28 October** and **Tuesday 15 November**.

5. When the provisional examination timetable is released, ensure that you have no clashes or unreasonable difficulty in attending the scheduled examinations. The final examination timetable for Semester 2 is released in early October.

6. Note that the dates for ASB supplementary exams for Semester 2, 2011 are not yet scheduled but could be held as much as 2 weeks after release of results on 1 December.

A full list of UNSW Key Dates is located

at: <https://my.unsw.edu.au/student/resources/KeyDates.html>