Econ 249: Topics in Health Economics

The course will cover key topics in health economics, with a focus on the healthcare industry in the United States. The topics will be primarily empirical. In addition to covering existing work, a big part of the course will emphasize areas of research where additional research is feasible and warranted. Emphasis will also be given to the overlap between health economics and other applied micro fields, such as industrial organization, public economics, and labor economics.

The focus of the course will be on topics, not methods, and will therefore cater to a broad set of students, especially those with interest in applied microeconomics, broadly defined. Formally, this class satisfies the second-year field requirement for labor economics in the department of economics, but it should also be highly complementary to the second-year sequences in IO and public.

My goals in the course are to take students closer to the research frontier in several areas related to health economics, educate students about the specific aspects and institutions of the (highly complex) US healthcare system, and hopefully generate possible research topics and ideas that could lead to second-year papers and subsequent dissertations. I hope to balance two objectives: learning how to identify and pose interesting questions, and learning how to formulate and execute empirical analyses that sheds light on these questions. I also plan to highlight the use of theory to guide hypothesis testing and the specification of empirical models.

Below I list the tentative schedule of classes and topics, which will also include a fair amount of guest lectures given the large number of health-related scholars visiting Stanford this year.

For a general background, students are encouraged to consult the two following textbooks:

- *Your Money or Your Life*, by David Cutler, Oxford University Press, 2005.

For broad coverage of topics in the health economics literature, students may also consult the following handbooks:

Course logistics and requirements

The class meets regularly on Mondays and Wednesdays, 11:30am–1:20pm in Room 206 (Landau Economics), and will also have several additional Friday morning meetings (9:30-11:20) in Room 351 (see class schedule). It will be a combination of my own lectures and a collection of guest lectures. I will be using Coursework to post material and send announcements. Student requirements will include three components (weight in the final grade in parentheses):
1. Problem sets that will mostly include reviews of papers, concepts, and research ideas (30%).
2. Class attendance, preparation, participation, and occasional short class presentations (35%).
3. Take-home final exam (35%).

Class topics and schedule

1. Monday, March 28: Introduction
2. Wednesday, March 30: Selection markets
3. Monday, April 4: Demand for healthcare
4. Wednesday, April 6: Health insurance
5. Monday, April 11: Health insurance
6. Wednesday, April 13: Health insurance
7. Monday, April 18: Medicare and Medicaid
8. Wednesday, April 20 (Joanna Lahey): Health and labor
   - Monday, April 25: No class
9. Wednesday, April 27 (Loren Baker): Managed care and physician organizations
10. Friday, April 29 (Jay Bahtacharya): Obesity
    --. Monday, May 2: No class
11. Wednesday, May 4 (Amanda Kowalski): The uninsured
12. Friday, May 6 (Mark Duggan): Disability
13. Monday, May 9: Hospitals
14. Wednesday, May 11 (Josh Gottlieb): Physician incentives
15. **Friday**, May 13 (Marcella Alsan): Health in developing countries

16. Monday, May 16: Managed competition

17. Wednesday, May 18 (Gui Woolston and Mark Cullen): Healthcare and “Big Data”

   --. Friday, May 20: No class

18. Monday, May 23 (Jeff Clemens): Medical Innovation

19. Wednesday, May 25 (Pietro Tebaldi): The Affordable Care Act

20. **Friday**, May 27: Managed Competition

   --. Wednesday, June 1: no class
Reading List for my classes (** denotes assigned readings)

(Readings for the guest lectures will be assigned prior to each class)

1. Introduction (Lecture 1)


2. Adverse Selection (Lecture 2, 4, 5, 6)

Theory

Empirical work
3. Demand for healthcare (Lecture 3)


Medicare (Lecture 7)


Hospitals (Lecture 13)


Managed Competition and Risk Adjustments (Lectures 16, 20)


