Objectives:

This is a second year graduate course on Health Economics. It is designed to provide students with a thorough overview of many topics in Health Economics. As the field is very broad, we will not provide a thorough overview of every topic. Instead, we will choose four or five topics (many of which are interrelated) and concentrate on those. The course will primarily focus on empirical work. However, it will also broach some theory at points. The primary objective of this course is to acquaint graduate students with both classic and frontier work in the field with the ultimate aim of preparing you for serious research in empirical micro-economics.

Readings:

The readings will primarily be from journal articles. These articles should all be available from the library’s electronic resources. However, some others will be available on the web as working papers. Links will be provided on this syllabus when possible. Some books will also be useful such as:


The book on household surveys is a must for anyone serious about working in empirical micro. We will draw heavily upon this book. The book on the economics of health care is a good resource for anyone who wants a non-technical overview of how the market for health care functions, particularly in the US. It is available at the book store. Manski’s book provides an excellent discussion on many important methodological concerns in the social sciences. While an excellent book, however, its use will only be peripheral in this course.

Grading:
Your grade will be determined by a problem set on empirical techniques commonly used in the field (20%), an in-class presentation (30%) and a take home final (50%).

Course Structure

The course will consist of five sections. Section 1 will focus on the demand for health and its inputs. Section 2 will focus on the effects of health on economic behavior. Section 3 will be devoted to empirical methodologies that are commonly employed in Health Economics and Empirical Micro-economics, more broadly. Section 4 will focus on the market for health care and health insurance. Section 5 (if time permits) will focus on interdisciplinary work on the gradient or the statistical correlation between health and wealth. In addition, there will be occasional econometric digressions as we encounter new empirical techniques in our readings.

Section 1: The Demand for Health and Its Inputs

Health Investment: Weeks 1 and 2 – August 22, 24 and 29


Household Demand for Food: Weeks 2 and 3 – August 31, September 7 and 12


Equivalence Scales from AHS, pp. 241-268.


Intra-Household Allocation: Weeks 3 and 4 – September 14, 19 and 21

Intra-Household Allocation from AHS, pp. 223-240.


Section 2: The Impact of Health on Economic Behavior

The Effects of Health on Household Behavior: September 26 and 28


Rosen, Harvey and Steven Wu, “Portfolio Choice and Health Status,” NBER Working Paper No. 9453


**Consumption and Health Risk: October 3 and 5**


**Retirement Behavior: October 10**


**Section 3: Empirical Methodologies**

*Identification: October 12 and 17*

Selections from Chapters 2 through 6 of Manski

*Treatment Effects: October 19, 24 and 26*


**Propensity Scores: October 31**


**Section 4: The Market for Health Insurance**

**Moral Hazard: November 2 and 7**


Moral Hazard from *The Economics of Health and Health Care (EHHC)*, pp. 151-154.


*Adverse Selection: November 9 and 14*


Adverse Selection from EHHC, pp. 187-201.


**STUDENT PRESENTATIONS: November 16, 21, 23 and 28**

**Section 5: The Wealth-Health Nexus: December 5 and 7**

Topics TBA

**TAKE-HOME FINAL WILL BE AVAILABLE ON FRIDAY DECEMBER 9 AT NOON AND WILL BE DUE ON MONDAY DECEMBER 12 AT NOON**