

Econ 2451-001: Economic Behavior and Health Policy
Fall 2023
Monday, Wednesday, and Friday 11:15 – 12:05,

In person classes: Oak 108

Instructor: David Simon, PhD



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Office: In person, OAK 344

online on webex: <https://uconn-cmr.webex.com/meet/das13016>

Fall 2023 Office Hours: M/W 9:00 – 10:00, or by appointment. I am happy to meet in either my office or in my webex room.

Course Website: Econ 2451 on husky CT.

Please register on HuskyCT early in the semester. Husky CT will also be used expansively for announcements, posting of problem sets and solutions, recorded lectures, additional course documents, review exams and more.

My Professional Website: <https://desimon.weebly.com/>

Twitter: https://twitter.com/David_E_Simon: Following me on Twitter is an optional way of getting additional exposure to the world of health and labor economists. I occasionally tweet updates on my own research and I often retweet the thoughts and work of prominent health and labor economists.

Course Description: The US spends more per capita on health than any other developed country. Yet, this spending yields relatively low returns to life expectancy and health. Likewise, *within* the population there are striking health disparities by income, racial, and education groups. Is there anything that can be done to improve the efficiency and equality system? In the process of understanding the challenges of improving health outcomes in the US we will explore related questions: What explains differences in health between different people and communities? What role does one's economic status play in shaping health related decision and what role can/should government policy play? How do economic conditions and behaviors influence health? How do health behaviors influence economic trends in things such as health costs.

The focus of the course will be on the economics of health behaviors, health disparities, and public health issues. This includes fascinating questions such as how insurance impacts health behaviors, the relationship between poverty and health, and how risky health behaviors effect our lives (behaviors such as drug/alcohol use). Students will develop a set of economic tools to evaluate the problems and policies associated with these topics. In addition to investigating the data and

research, we will construct a theoretical frameworks to help us understand why health is different for different people/groups and the implications this has for markets and enlightened social policy. Often the conversation will come back to: “What is the justification and role (if any) for government involvement in health-related markets?”

Getting Help: My goal as a teacher is to make it possible for all students in this class to be able to succeed. I urge us all to be patient with each other and to treat any difficulties we may experience with understanding and compassion. I am here to help you be successful in this class in any way I can: short of watering down the material to make the course easier. You are encouraged to take advantage of office hours and to ask questions by email, or in class. Ask your classmates for help and offer to help others. Students are also welcomed to schedule an appointment to discuss any personal or class related issues. I appreciate your willingness raise issues that may stand in the way of your success in this course.

Prerequisites: ECON 1200 or both ECON 1201 and 1202

Objectives: The course objective is to: (1) provide you with the tools and analytical capabilities needed to engage in knowledgeable discussions on issues of health economics; (2) provide you with various theoretical concepts that can be used to better understand health economics and health policy; and (3) Give you a broad understanding of the empirical knowledge researchers have accumulated to answer the major questions in the economics of health behavior and public health.

Class will consist of three types of activities. I will aim to spend about **one** class per week in each of these activities, though sometimes there will be more lecturing:

- 1) Lectures where I introduce a concept and go over background material.
- 2) Group/class discussion where you break up into small groups to discuss a reading I gave you or consider a case study. Then we come together to discuss in more detail as a class (with me doing some additional lecturing). I will be making notes of participation during these classes for your participation grade.
- 3) “Workshop” classes where we break up into groups to do economic modeling problems (ex: supply and demand analysis). I will provide you with help during the workshop as well giving answers/answering questions afterwards.

Required Materials:

Text Book and Readings: There is no required text for this course. Nearly every week there will be either an article, or book chapter for you to read. These readings will be scanned by me, and provided on the husky ct website.

if you do want an outside reference, Some possible good texts on health economics include:

- Bhattacharya, Jay, et al. Health Economics. United Kingdom, Bloomsbury Academic, 2014.

- Santerre, Rexford E., and Neun, Stephen P.. Health Economics: Theory, Insights, and Industry Studies. United States, South-Western, Cengage Learning, 2013.

Grading Policy:

Your grade will consist of one midterm exam, a final exam, homework assignments, and a project. Each component of your grade is given the following weights:

- 12.5% Homework and Group Problems.
- 12.5% Participation and Reading Questions
- 25% midterm exam.
- 25% class project
- 25% final (not comprehensive)

The final grade and exams will be curved to fit the following scale:

| Grade | Score |
|-------|--------|
| A | 93-100 |
| A- | 90-92 |
| B+ | 87-89 |
| B | 80-86 |
| B- | 78-79 |
| C+ | 68-77 |
| C | 66-67 |
| C- | 63-65 |
| D+ | 61-62 |
| D | 57-60 |

Regrades: If you find a mistake on a graded piece of work you have one week after it has been returned (and the answer key has been posted) to request a re-grade. Request a re-grade by emailing me describing which problems/questions were unfairly marked wrong and why the grade should be changed. Put in the subject of the email your last name, the class, and assignment: ex: Simon Health econ Midterm. Even if it was a simple asthmatic error I require an email, that is how I keep track of regrades. If more than a week has passed before the request, I will not change your grade.

Class Participation and Homework Grades

A considerable portion of this class is based on in class discussions, group problems, and homework. Jointly these are worth over 25% of your grade. You will be expected to do readings

and answer questions on those readings to hand in during class. This is so that you come prepared for class discussions.

You will be graded on handing in these answers to the readings. These will be given a grade of 1 or 0 for complete or incomplete. Likewise, I will be writing down names of students who regularly participate either in their small groups or in discussions with class as a whole. The expectation will be that each student participates at least once per each official “class discussion.” With a grade of 1 given for either participating and 0 for not participating each class discussion.

At the end of the course one incomplete participation grade will be counted as complete. Your participation grade will then be calculated as:

(# of complete readings questions + in-class discussion participation / # total class discussions and readings).

Additionally, Regular homework and group problems (usually completed in class) will be handed in during class and will be graded as either complete or incomplete (0 or 1). No late homework or in class problems will be accepted. A grade of complete will be given if a reasonable attempt is made to answer all of the questions on homework or in class problems. *I will make accommodations for documented sickness (such as a positive covid test).*

At the end of the course one incomplete homework or class problem grade will be counted as complete. Your participation grade will then be calculated as:

(# of complete homeworks + Group Problems / # total homeworks and in class problems).

Things invariably happen over the semester: deadlines are missed, computers crash, emergencies occur. Changing **one** assignment from incomplete to complete provides you with a little extra leeway in case you are unexpectedly unable to attend class.

Finally, some students get extremely anxious participating in class. I want to encourage all students to participate because that creates an exciting learning environment. However, if you feel you cannot participate due to social anxiety you may contact me *within the first three weeks of class*, to arrange an alternative. If you need to be absent form a class discussion because you are sick.

With all this that class participation being said:

IF YOU ARE FEELING UNWELL DO NOT COME TO CLASS!!! I will make accommodations for those who have documented their sickness such as through a positive covid test. I require documentation before class begins.

Make Up Exams

If you miss the midterm exam, I will allow you to make up the exam within a week. If you believe you will need to reschedule, you should speak to me about it as soon as possible. If you fail to

reschedule within a week, I will typically add the weight of the midterm onto your final exam grade. If you need special accommodations for testing contact me via email as soon as possible.

Class Project:

Objective: Demonstrate use of economic thinking to critically evaluate an economic policy or event. Apply research discussed in class to critically evaluate an economic policy or event.

The class project is the capstone of the course. The project asks you to demonstrate what you have learned about the course: start with a health related policy or event you are interested in applying to one of the topics we covered in class. I then ask that you apply one of the economic model and class readings related to that topic make a prediction about the impacts of the policy/event.

Important Dates (subject to change! Any changes will be announced on Husky CT):

- Midterm Exam: **Friday March 3rd**.
- Class Project Rough Draft: Monday March 20th.
- Class Project Due: end of semester.
- Final Exam (preliminary date/time): **(Not yet Scheduled)**,

Academic Integrity:

From the Uconn Community Standards: “Academic misconduct is dishonest or unethical academic behavior that includes, but is not limited to, misrepresenting mastery in an academic area (e.g., cheating), failing to properly credit information, research, or ideas to their rightful originators or representing such information, research, or ideas as your own (e.g., plagiarism)” Integrity and honesty are the foundations of scholarship. You must work independently on the midterms and finals. You are welcome (and encouraged) to collaborate on the homework assignments. The project must be done on your own and may not be plagiarized, in whole or in part, from another source.

Any violation of the academic integrity will result in an immediate **0** on the relevant assignment, and will likely be referred to the Academic Misconduct Hearing Board for further sanctions.

Course Outline: This is meant as a rough guide: and may change substantially as we go. Readings will be taken away or added.

Part 1: Foundations*Societies Production of Health: Contemporary United States*

- a. Lecture Slides: “Intro and Rising Costs”
- b. Reading for discussion:
 - i. Garber and Skinner 2008: “Is American Health Care Uniquely Inefficient?”
 - ii. Article: “Doctor’s Recommend Fewer Tests”
- c. Workshop: On health production functions.

Some Stylized Health Facts

- a. Lecture Slides: “Health: where we came from, where we are, where we are going”
- a. Readings from “Extra Life”:
 - i. Introduction: Twenty Thousand Days
 - ii. The Long Ceiling: Measuring Life Expectancy, pgs. 1-35
 - iii. Safe as Milk: pgs 96-110

How Much Do We Value our Lives?

- a. Slides: “The Value of a Life”
- b. Readings:
 - i. Cutler, “Your Money or Your Life” Chapter 2: Pricing the Priceless.

The Grossman Model

- a. Lecture slides: The Grossman Model
- b. Readings:
 - i. *Health Economics*; Bhattacharya, Tu, and Hyde ch 3: The Grossman Model
- c. Workshop: doing Grossman problems together
- b. Homework: a grossman problem?

The Demand for Healthcare and Moral Hazard. Can We Improve Health by Increasing Access to Health Care?

- a. Slides: “Demand for Health and Healthcare”
- b. Readings:
 - i. M. Gladwell, “The Moral Hazard Myth.” *The New Yorker*, August 29, 2005.
 - ii. Einav and Finkelstein, “Moral Hazard in Health Insurance: What We Know and How We Know It”

Understanding Health Disparities, The Role of Income and Education

- a. Slides: Understanding Health Disparities
- b. Readings:
 - i. NYT Opinion: “*Why Cash is Better than Expanded Health Insurance for the Poor*”
 - ii. Reading from “Deaths of Despair”

Midterm Exam Around Now

Modeling Risky Decisions Related to Health

- a. Slides: “Risk Taking and Moral Hazard”
- b. Readings: TBA
- c. Workshop: Expected Utility

Insurance in the US

- a. Slides: “Insurance in the US System”

Healthcare Reform: The US and the World.

- a. Slides: Reform to the American System
- b. Readings:
 - i. BHT: ch. 16
 - ii. BHT: ch. 17
 - iii. BHT: 394-397
 - iv. Kowalski 2014: The Impact of the Affordable Care Act State by State
 - v. TBA Another Affordable care act paper?
- c. Workshop: Adverse Selection

Part 2: Special Topics in Health Behavior and Public Health*Economic Epidemiology: Opioid Epidemic and Covid Pandemic*

- a. Slides: The Opioid Epidemic
- b. Readings: ?
 - ii. Kolodny et al. (2015) “The Prescription Opioid and Heroin Crisis”

The Externalities of Health Behaviors: the case of Drinking and Driving.

- a. Slides: **TBA.**
- b. Readings:
 - i. TBA
 - ii. Carpenter and Dobkin: The Minimum Legal Drinking Age and Public Health.

Public Health Policy and Intimate Partner/Domestic Violence.

Content warning: domestic violence, intimate partner violence; flagging here for students who want to know in advance.

- a. Slides: TBA
- b. readings: N/A

Syllabus Reference: This class adheres to and upholds all of the standard Uconn community policies for **undergraduate** courses. Many of these are detailed in this syllabus. However, you can reference a summary of the complete university online at: <http://provost.uconn.edu/syllabi-references>.

Accommodations for Illness or Extended Absences

If life circumstances are affecting your ability to focus on courses and your UConn experience, students can email the Dean of Students at dos@uconn.edu to request support. Regional campus students should email the Student Services staff at their home campus to request support and faculty notification.

COVID-19 Specific Information: People with COVID-19 have had a wide range of symptoms reported – ranging from mild symptoms to severe illness. Additional information including what to do if you test positive or you are informed through contact tracing that you were in contact with someone who tested positive, and answers to other important questions can be found here: <https://studenthealth.uconn.edu/updates-events/coronavirus/>

Policy against Discrimination, Harassment, Interpersonal Violence: From the provost’s website:

“The University is committed to maintaining an environment free of discrimination or discriminatory harassment directed toward any person or group within its community – students, employees, or visitors. Academic and professional excellence can flourish only when each member of our community is assured an atmosphere of mutual respect. All members of the University community are responsible for the maintenance of an academic and work environment in which people are free to learn and work without fear of discrimination or discriminatory harassment. In addition, inappropriate amorous relationships can undermine the University’s mission when those in positions of authority abuse or appear to abuse their authority. To that end, and in accordance with federal and state law, the University prohibits discrimination and discriminatory harassment, as well as inappropriate amorous relationships, and such behavior will be met with appropriate disciplinary action, up to and including dismissal from the University. Additionally, to protect the campus community, all non-confidential University employees (including faculty) are required to report sexual assaults, intimate partner violence, and/or stalking involving a student that they witness or are told about to the Office of Institutional Equity. The University takes all reports with the utmost seriousness. Please be aware that while the information you provide will remain private, it will not be confidential and will be shared with University officials who can help.”

In addition to the above policy on discrimination, the universities disability policy ensures: “A person with a disability must be ensured the same access to programs, opportunities, and activities at the University as all others.” This policy is available online at: <http://policy.uconn.edu/2011/05/24/people-with-disabilities-policy-statement/>

Resources for Students Experiencing Distress

The University of Connecticut is committed to supporting students in their mental health, their psychological and social well-being, and their connection to their academic experience and overall wellness.

Students who feel they may benefit from speaking with a mental health professional can find support and resources through the [Student Health and Wellness-Mental Health](#) (SHaW-MH) office. Through SHaW-MH, students can make an appointment with a mental health professional and engage in confidential conversations or seek recommendations or referrals for any mental health or psychological concern.

Mental health services are included as part of the university’s student health insurance plan and also partially funded through university fees. If you do not have UConn’s student health insurance plan, most major insurance plans are also accepted. Students can visit the **Student Health and Wellness-Mental Health located in Storrs on the main campus in the Arjona Building, 4th Floor**, or contact the office at **(860) 486-4705**, or <https://studenthealth.uconn.edu/> for services or questions.