

Department of Health Management & Policy
Faculty of Health Sciences
American University
HMPD 251
Health Economics
Fall 2017

Instructor

- Professor Vito L Tanzi, PhD, JD
- Course Time: Section 1: W 3:00 to 5:30 & Section 2: 5:30 – 8:30 pm
- Course Location: 101
- Contact Email: vtanzi@aub.edu.lb
- Office Location and Hours: Before and After Class in Room 101

Reading

Textbook: O'Sullivan and Sheffin (2003). *Microeconomics: Principles and Tools*, 4th or 3rd. The book can be purchased in the University bookstore.

W. Ammar (2009). "Health Beyond Politics". WHO, MPH, I S B N 978-9953-515-489, Beirut. January 2009. Available in the HMPD Library

W. Ammar (2003). "Health System and Reform in Lebanon". WHO, MPH, ISBN 9953-427-57-7, Beirut. January 2003. Available in the HMPD Library

Public Health Challenges in the Middle East

http://web.worldbank.org/archive/website01055/WEB/0_CO-24.HTM

In Middle East and North Africa, Health Challenges are Becoming Similar to Those in Western Countries <http://www.worldbank.org/en/news/press-release/2013/09/04/middle-east-north-Africa-health-challenges-similar-western-countries>

Course Description

This course will explore the health care sector and health policy issues from an economic perspective. The goal of the course is to teach you to use basic economic principles to develop a better understanding of the health care sector, ethics and of health policy issues, so that you may become a more informed citizen, patient, or doctor. Issues to be studied include the value of health, the demand/supply for health care, elasticity, utility, costing, monopoly, perfect competition, monopolistic competition, and oligopoly. The course will focus on the Lebanese and U.S. health care sector but will also feature discussion of the health systems of other developed and developing countries.

What is this course about?

Economics is a social science: a discipline focused on the explanation of human behavior. This course introduces the fundamental processes and implications of economic reasoning. Economics is essentially the analysis of choice under (ever-present) scarcity: Why do people make the choices they make? From a business or government point of view, how can we consistently make better choices? Ideally, you will leave this course understanding how and why economics is important, useful and relevant to everyday decisions in a wide variety of situations.

How do I teach?

Education is about learning to think critically for the purpose of solving problems. To that end, my teaching revolves around problem identification and the logical application of economic thought to achieve a solution. Also, I emphasize a multi-faceted approach that will require both your quantitative skills and your powers of written expression.

This course will emphasize depth of understanding over breadth. Rather than introduce you to a dizzying array of concepts, we will instead focus on a solid understanding of the elements of economic analysis.

Participation matters! Your opinions and ideas count, so please share them. And my door is always open: Please don't hesitate to visit during office hours.

What should I do to succeed in this course?

- *Come to Class:* Attendance is expected. Lecture will be your best source of information for this course. Missing class means missing valuable discussion, quizzes and information regarding assignments.
- *Read the Book:* Students are notoriously reluctant to read textbooks, but the truth is that the text can be an extremely valuable source of information and clarification.
- *Do the Work:* Economics is a way of thinking, but to understand it takes practice... and "practice" means homework. Working your way through problems is an excellent learning tool, especially for those who lack confidence in their mathematical skills.

Course Learning Objectives

Students who successfully complete this course will be able to:

1. Explain the economic behavior of households and individual firms within the context of health care especially in Lebanon
2. Examine the special features of medical care as a commodity.
3. Describe and apply the scientific method to economic behavior
4. Apply the principles of supply and demand to determine prices and identify the factors that affect supply and demand

5. Describe and distinguish between various forms of market structures and understand the basics of production of costs.
6. Evaluate the costs and benefits of alternative forms of public policy
7. Determine the role *ethics* plays a role in economic decision making

Student Evaluations

Students will be evaluated on the following:

- Class attendance and participation: active discussion in class is important. Completing assigned readings prior to each class is important for effective class participation. You are part of a learning group, and the productive participation of each member is essential... and participation requires your attendance. More than three unexcused absences or an exhibited pattern of unproductive participation in class will result in the loss of all attendance and participation points. **Attendance & participation 10%**
- Midterm Exams/Quizzes: Students will have a 2 Quizzes in lieu of a Mid-term Exam drawn from the lectures and reading **Percentage of total 45%. September Quiz 1 on Chapters 1-2/October Quiz 2 Chapters 3-5 TBD (Meets objectives 1,2,3)**
- A final exam which will require students to submit a final exam. **45%. No, the final *is not cumulative!* The final covers Chapters 6-12. Percentage of total 45%. (Meets objectives 1,3, 4,5)**

The final course grade is based on the percentage of total points earned throughout the semester calculated as the ratio of the weighted sum of all points earned to the weighted sum of all points possible. While the distribution of grades varies each semester in each class, it is reasonable to expect the average score to earn a grade of C.

- Final Exam: As Scheduled by the University

What are the exams like?

The exams and quizzes in this course are designed to challenge your ability to use the tools of economics to analyze real world problems. Fifty percent (50%) of each exam will consist of objective questions -- multiple choice -- primarily to test your mastery of the basic skills introduced in the course. The answers to these questions will typically require analytical skill and some amount of mathematics. Strive for synthesis of concepts over memorization. Homework assignments will be designed to help you practice for the objective section of the exam. Note that homework is for your own edification: it will be assigned weekly and discussed in class, but neither collected nor graded.

The remaining fifty percent (50%) will be in the form of essay questions. To answer the questions you will utilize your written, graphical and mathematical economic toolkit to derive and describe a (hypothetical) situation and the recommended solution.

Academic Honesty

All work that students submit, as their own work must, in fact, be their own work. Verbatim language taken from other sources -- books, papers, web sites, people, etc. -- must be placed in quotation marks and the source identified. Similarly, work on tests and exams must be the student's own work, not copied or taken from other students' work.

In accordance with the AUB policy on academic dishonesty, students in this course who submit the work of others as their own (plagiarize), cheat on tests or examinations, help other students cheat or plagiarize, or commit other acts of academic dishonesty will receive appropriate academic penalties, up to and including failing the course.

Assignments or papers with plagiarized language or ideas will receive a failing grade. Plagiarism or cheating on quizzes or exams will also result in a failing grade. In cases where the cheating or plagiarism was premeditated or planned, students may receive an F for the course.

Students are encouraged to consult with the instructor on when and how to document sources if they have questions about what might constitute an act of plagiarism or cheating. *The AUB student code of conduct is available on the following web page*
<http://pnp.aub.edu.lb/general/conductcode/index.html>

Students with Disabilities

'AUB strives to make learning experiences as accessible as possible. If you anticipate or experience academic barriers due to a disability (including mental health, chronic or temporary medical conditions), please inform me immediately so that we can privately & confidentially discuss options. In order to help establish reasonable accommodations and facilitate a smooth accommodations process, you are encouraged to contact the Accessible Education Office: : accessibility@aub.edu.lb; +961-1-350000, x3246; West Hall, 314'.

Course Outline

This is a general list of topics to be discussed in the course, and the general order in which they will be presented.

Date	Topic	Reading
August 30, 2017	Intro to the Course & Overview	Enjoy your holiday
September 6, 2017	Introduction: What is Economics?	Chapter 1
September 13, 2017	Key Principles of Economics	Chapter 2
September 20, 2017	Exchange and Markets	Chapter 3

September 27, 2017	Supply, Demand and Market	Chapter 4
October 4, 2017	QUIZ 1 (Chapters 1-2)	
October 11, 2017	Elasticity & Market Efficiency	Chapter 5, 6
October 18, 2017	Quiz 2 (Chapters 3-5)	
October 25, 2017	Consumer Choice & Production Costs	Chapter 7, 8
November 1, 2017	Perfect Competition	Chapter 9
November 8, 2017	Costing Healthcare	
November 15, 2017	Monopoly and Discrimination	Chapter 10
November 22, 2017	INDEPENDENCE DAY HOLIDAY	
November 29, 2017	Monopolistic Competition & Oligopoly	Chapter 11-12
December 6, 2017	Final Lecture: Special Topic	

* Bonus Material—Lebanese Healthcare System Overview

Special Lecture on Motivation & Economics in Healthcare