Health Care Markets and Regulation  
Syllabus – Fall 2020

PPHA 37820 – Tu/Th 11:20-12:40pm (primarily master’s)  
Harris Public Policy  
PBPL 28335 – Tu/Th 9:30-10:50am (primarily undergrad)  
University of Chicago

NOTE: syllabus is tentative and subject to change as the situation evolves.
This version: August 31, 2020

Professor: Joshua Gottlieb  
Email: jgottlieb@uchicago.edu, use subject line: PPHA 37820 or PBPL 28335 as applicable

Teaching assistants: Scott Loring and Sheng-Hao Lo  
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TA Office Hours:  
Scott – Monday, 10-11am https://uchicago.zoom.us/j/268374519, password: 729154  
Sheng-Hao – Friday

Description

This course analyzes the economics of health care markets and the way regulations impact those markets. We will study the unique institutional arrangements found in the health care sector (primarily, though not exclusively, in the United States) and examine how market forces manifest themselves in this setting. We will consider the behavior of health care providers, insurers’ roles as both intermediaries and risk managers, patients’ health care demand, and geographic differences in medicine. The study of government regulations, including their theoretical and empirical impacts on health care markets, will be integrated throughout these topics.

Notes

1. This course may only be taken for a letter grade. It may NOT be taken pass/fail.
2. All emails to the instructor must include in the subject line PPHA 37820 or PBPL 28335 as applicable

Assignments

Weekly article summaries (40%)

- Beginning in the second week of class, students will prepare an eight-minute presentation of an article to be determined. This is an individual assignment. Your slides should cover:
  - Background
  - The economic forces
  - Relation to the readings/literature
What the article gets right or wrong

- Note: you may skip one week’s assignment without penalty.

Class presentation (20%)  
Referee report (20%) due October 29  
Take-home exam (25%) distributed on November 2 and due on December 3

Deadlines

Due dates are taken seriously and late assignments will be penalized. No work submitted after the last regular course meeting will be graded under any circumstances.

Reading List

1. Health insurance: risk mitigation & consumer demand


2. Basics of the U.S. health care system


3. Health insurance: intermediation & difference-in-differences


4. Health insurance: public and private provision


5. **Health insurance: adverse selection**


6. **Health Care Reform in the Past Decade: The Affordable Care Act**

Fiedler, Matthew. “The ACA’s Individual Mandate In Retrospect: What Did It Do, And Where Do We Go From Here?” *Health Affairs*, March 2020. [available here]


Obama, Barack, “United States Health Care Reform: Progress to Date and Next Steps,” *JAMA*, August 2016. [available here]

7. **Health insurance: health protection**


8. **Health insurance: incidence**

**Cabral, Marika, Michael Geruso, and Neale Mahoney, “Do Larger Health Insurance Subsidies Benefit Patients or Producers? Evidence from Medicare Advantage,”* American Economic Review, August 2018, 108 (8), 2048–2087. [available here]**

9. Gaming


10. Administrative costs


11. Organizational efficiency


12. Guest lectures on administrative costs:
   - Drew Gutschmidt, Policy Reporter
   - Fisayo Ositelu, Gentem

13. Virus and Vaccines


14. Drugs: Innovation and Pricing


15. Physician labor markets and behavior:

**Clemens, Jeffrey, and Joshua D. Gottlieb, “Do Physicians’ Financial Incentives Affect Medical Treatment and Patient Health?,” American Economic Review, April 2014, 104 (4), 1320–49. [available here]**


Gottlieb, Joshua D., David Hémous, Jeffrey Hicks, and Morten Olsen, “The Spillover Effects of Top Income Inequality,” February 2018. University of Chicago, mimeo. [available here]

16. Nurse labor markets


17. Hospital markets and investments


**Optional additional material**

18. Geographic variation


19. Health insurance: Competition


20. Hospital payment models

21. Hospital production functions

