Economics of Healthcare (PPHA 48050 / ECON 37710)

Syllabus

Prof. Joshua Gottlieb
Autumn 2023

This version: September 7, 2023 (updates likely)

Overview: This course provides graduate-level discussion of topics and methods in the economics of healthcare.

Objectives: This course has two objectives. The first is to teach current topics and methods in the economics of healthcare. The second is to advance students’ development as economists by providing training in the production of high-quality research. This training may help students read, contribute to, and draw from recent progress in this literature.

The course covers a wide variety of applied econometric and theoretical approaches. It also discusses applications of a wide variety of datasets and methods that are useful in many settings for relevant research.

Requirements:

1. Required reading: Papers marked with two stars (**) are required reading for all students.
2. 6-slide summaries: Each week, you will be required to prepare two 6-slide summaries (not including the title slide). Submit these slides on Canvas by 10 pm the night before class. I will randomly call on students to present their slides to class. You may choose among any of the papers for that week with one star (*) for these 6-slide summaries.
3. Referee Report: You will be required to write a 3-to-5-page referee report on a recent public finance paper. A list of suitable papers will be distributed in class.

Recommendation:

The Health Economics Workshop meets on Thursday afternoons at Harris (approximately biweekly). There are great speakers this quarter, presenting on topics closely related to this class. I encourage you to attend.

Topics and Reading List by Week

1. Week 1: September 27
   Health Insurance as Insurance: Adverse Selection, Moral Hazard

Background

1 Adapted from Neale Mahoney, David Meltzer, Jeffrey Clemens


**Adverse Selection**


2. Week 2: October 4: Moral Hazard, Incidence on Patients and Insurers

Moral Hazard


Choice Frictions


Lui, C and Justin Sydnor. “Dominated Options in Health-Insurance Plans” NBER WP 24392

Incidence of Insurance


3. Week 3: October 11: Insurance and Providers
Provider Negotiations


Physician 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]


Hospitals


**Long-Term Care**

*Einav, Liran, Amy Finkelstein, and Neale Mahoney, “Provider Incentives and Health Care Costs: Evidence from Long-Term Care Hospitals.” Econometrica, 86.6 (2018): 2161-2219.*


** 4. Week 4: October 18: Administering Health Insurance  
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*Guest Lecture: Maggie Shi*

Administration and Billing


Pre-authorization

"Rationing Medicine Through Bureaucracy: Authorization Restrictions in Medicare"  
Zarek Brot-Goldberg, Samantha Burn, Timothy Layton and Boris Vabson, R&R at AER

**Fraud**
* Monitoring for Waste: Evidence from Medicare Audits, Maggie Shi, R&R at QJE


Risk Adjustment


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*5. Week 5: October 25: Healthcare Labor Markets*


**David C. Grabowski, Jonathan Gruber & Brian McGarry, "Immigration, The Long-Term Care Workforce, and Elder Outcomes in the U.S." NBER Working Paper No. 30960. [Link](#)
6. Week 6: November 1: Geography of Healthcare

**Dingel, Jonathan, Josh Gottlieb, Maya Lozinski, Pauline Mourot, "Market Size and Trade in Medical Services." NBER Working Paper, March 2023.**


7. Week 7: November 8: Health Insurance Market Structure

Insurer Competition


*Stuart V. Craig, Keith Ericson, and Amanda Starc, "How Important Is Price Variation Between Health Insurers?" Journal of Health Economics, May 2021, vol 77.
Medicare Advantage (formerly Part C)


8. **Week 8: November 15: Insurance and Health Outcomes**


* Jacob Goldin, Ithai Lurie and Janet McCubbin, Health Insurance and Mortality: Experimental Evidence from Taxpayer Outreach, Quarterly Journal of Economics (2021)


Further Reading

Value of Care


Medicare Part D


Medicaid


Innovation

Pharmaceuticals


Vaccines & Public Health
