



MGEC34
Economics of Health Care
Fall 2020

Instructor Contact Information:

Name: Michele Campolieti

Office: IC295

Office hours: Monday 2:00 to 2:30 via BbCollaborate (not recorded)

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Class day/time: Monday 3:00-5:00

Class location: online via BbCollaborate (recorded)

Course website: <http://www.chass.utoronto.ca/~campolie/health.html>

Course Description:

This course is a survey of some of the major topics in health economics and an introduction to the ongoing debates over health care policy in both Canada and the United States. The course will address both the public and private components of health care. Some of the topics that will be covered will include the economic determinants of health, the market for medical care, the market for health insurance, and comparing healthcare systems in Canada with those in other countries, such as the United States.

Prerequisite(s):

ECMB02; MGEB02

Exclusion(s):

ECMC34

Course Delivery

The lectures for this course will be live streamed via Bbcollaborate. These lectures, including your participation, will be recorded on video and will be available to students in the course for viewing remotely and after each session.

Course videos and materials belong to your instructor, the University, and/or other sources depending on the specific facts of each situation, and are protected by copyright. Do not download, copy, or share any course or student materials or videos without the explicit permission of the instructor.

Textbook/Required Course Materials:



The textbook for the course is:

Sherman Folland, Allen C. Goodman, Miron Stano (FGS), *The Economics of Health and Health Care*, Seventh Edition, 2018, Prentice-Hall, Canada, Scarborough.

If you are looking for a used copy you might want to check www.abebooks.com. Also please check <http://www.chass.utoronto.ca/~campolie/health.html> for reading lists based on earlier editions of the text.

I have requested that the textbook to be placed on reserve for short-term loan, but it is not clear whether short-term loans will be available because of the pandemic and its effect on our library system.

I think that the readings are best viewed as suggested, which are supplement to the material in the lectures. The material in the lectures (i.e., the slides) will be the focus of the tests and exams.

Evaluation and Grading:

Component	Weight/Value	Date
Mid-term test	40%	November 2, 2020
Final exam	60%	Check final exam schedule

Mid-term will be **open book and take home format**.

The mid-term test will be made available at the start of class time on November 2, 2020. You can start when you wish, however, I will only available to answer questions during business hours (9:30 to 5:30 EST).

Mid-term test solutions must be submitted by 5:00 pm on November 3, 2020.

The final exam will be scheduled by the registrar's office. At this date, I expect that the final exam will be open book. I will pass on other details about the final exam when i have finalized it and have more details on the format as well as the material that will be tested.



Policy on Missed Assignments/Examinations:

If you miss the term test and provide a valid medical certificate from a certified healthcare professional then you will be scheduled to write the makeup.

The makeup mid-term is scheduled for Friday November 20 at 9:00 am (EST).

If you miss the makeup and provide a valid medical certificate then the weight of the term test for the course grade will be transferred to the final exam (i.e., the final exam will count for 100% of your course mark).

The university has created a new standardized form for students who are requesting special academic consideration based on illness or injury, **which is the only certificate that I accept as valid**. The form focuses upon the degree of incapacitation that the illness or injury has upon the student's academic functioning and the timeline of that incapacitation, rather than on diagnosis and /or details of the problem. All students must now have a health care professional complete this new form:

[http://www.illnessverification.utoronto.ca/document/Verification%20of%20Student%20Illness%20\(VOD\)%20-%20March%207%202018%20-%20AODA.pdf](http://www.illnessverification.utoronto.ca/document/Verification%20of%20Student%20Illness%20(VOD)%20-%20March%207%202018%20-%20AODA.pdf)

Other Announcements:

There is no teaching assistant for the course. I will grade the term tests and final exams.

Academic Support

The Department of Management, in collaboration with the UTSC library, will be providing academic research support in the IC Building. To refine your research skills or to learn more about various scholarly resources, please contact the Librarian for Management and Economics students.

Mariana Jardim, Liaison Librarian Department of Management UTSC

Office hours: by appointment

Email: mariana.jardim@utoronto.ca

Web: <http://guides.library.utoronto.ca/UTSCFinanceLab>

The English Language Development Centre (ELDC) helps students develop the critical thinking, vocabulary and academic communication skills essential for achieving academic and professional



success. Personalized support includes: RWE (for academic writing); Communication Cafés (oral); Discussion Skill-Building Cafés; Vocabulary Cafés; seminars/workshops; personal ELD consultations; drop-in sessions. <http://ctl.utsc.utoronto.ca/eld/>

The Writing Centre offers invaluable services to students to learn to become better writers. The kinds of help include drop-in sessions, longer individual consultations, clinics and writing groups, along with print and online writing handouts. <http://ctl.utsc.utoronto.ca/twc/>

Academic Misconduct

Students should note that copying, plagiarizing, or other forms of academic misconduct will not be tolerated. Any student caught engaging in such activities will be subject to academic discipline ranging from a mark of zero on the assignment, test or examination to dismissal from the university as outlined in the academic handbook. Any student abetting or otherwise assisting in such misconduct will also be subject to academic penalties.

Detailed Course Outline:

The papers in the reading list below are available on the course webpage in a zip file, here is the link <http://homes.chass.utoronto.ca/~campolie/readings.zip>

1. Introduction

FGS, Chapter 1

2. Production of Health

FGS, Chapters 5

Michael Specter, “A Deadly Misdiagnosis: Is it possible to save the millions of people who die from TB?” (see <http://homes.chass.utoronto.ca/~campolie/readings.zip>)

3. The Production and Cost of Health Care

FGS, Chapter 6 (pages 133-147)

4. Demand and Supply of Health Insurance

FGS, Chapter 8

5. Consumer Choice and Demand



FGS, Chapter 9

6. Cost Benefit Analysis

See slides.

7. Asymmetric Information and Agency

FGS, Chapter 10

8. Imperfect Information: Supplier Induced Demand and Small Area Variation

FGS, Chapter 15

(**Note:** Some material that does not appear in the text will be presented in this lecture.)

Atul Gawande, “The Cost Conundrum: What a Texas Town Can Teach Us About Health Care,” *The New Yorker*, June 1, 2009. (see

<http://homes.chass.utoronto.ca/~campolie/readings.zip>)

Michael Specter, “A Deadly Misdiagnosis: Is it possible to save the millions of people who die from TB?” (see <http://homes.chass.utoronto.ca/~campolie/readings.zip>)

9. Organization of Health Insurance

FGS, Chapter 11 (read pages 204-215)

James R. Chelius and John F. Burton, Jr., (1995), ‘Workers’ Compensation Benefits and Costs: Who Actually Pays for Workers’ Compensation?’, in *Workers’ Compensation Yearbook*, John F. Burton, Jr., (editor). (Horsham: LRP Publications). (see

<http://homes.chass.utoronto.ca/~campolie/readings.zip>)

Malcolm Gladwell, “The Risk Pool: What’s behind Ireland’s Economic Miracle – and G.M.’s financial Crisis,” *The New Yorker*, August 28, 2006: pages 30-35. (see

<http://homes.chass.utoronto.ca/~campolie/readings.zip>)

10. Managed Care

FGS, Chapter 12 (pages 293-307)