



MGEC34
Economics of Health Care
Winter 2018

Instructor Contact Information:

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Office hours: Tuesday 10:00 to 10:30 and 1:30 to 2:30

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Class day/time: Tuesday 11:00-1:00

Class location: IC204

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, health and safety regulation as well as workers compensation systems

Prerequisite(s):

ECMB02

Exclusion(s):

ECMC34

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, 2013, 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.



Evaluation and Grading:

Component	Weight/Value	Date
Mid-term test	30%	February 13, 2018
Communications Assignment	10%	March 13, 2018
Final exam	60%	Check final exam schedule

The mid-term test will take place in class. Please note term tests have to be written in dark ink. This excludes PENCILS as well as RED ink (e.g., pink, red, or different shades of these colours).

Policy on Missed Assignments/Examinations:

The university has created a new standardized form for students who are requesting special academic consideration based on illness or injury. 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 professional complete this new form:

[http://www.illnessverification.utoronto.ca/document/Verification%20of%20Student%20Illness%20\(VOI\)%20-%20Oct%2027%202016.pdf](http://www.illnessverification.utoronto.ca/document/Verification%20of%20Student%20Illness%20(VOI)%20-%20Oct%2027%202016.pdf)

Other Announcements:

Under the terms of the new Freedom of Information and Privacy Act that term tests cannot be returned in anything but a personal way. This means that each student must pick up their own term test in either the classroom or during office hours.

Re-grading Policy

If, after looking over your grade for your test, you feel that you would like your work re-graded, you must observe the following procedures:

1. Place your re-grading requests within a week of receipt of the original grade. No re-grading requests will be considered after the time limit has passed.
2. Create a note containing the following: (i) your name; (ii) your student number; (iii) the question number you believe was graded incorrectly; and, (iv) an explanation of why you feel your material is correct. Re-grading will



be based only on what you submit in writing.

Attach your note to your test and give it to me during the next class.

The TA will re-grade the entire test. Re-grading means that your test will be re-evaluated and a new grade may be assigned. This means that it is **possible to lose points as well as to gain points** through re-grading.

Please do not submit your materials for re-grading unless you are highly confident that a grading error occurred. Keep in mind that the re-grade is meant for mistakes in grading. It is not a forum for arguing about the answers or the criteria used, or the points allocated to the criteria.

Addition errors only. If there is an error in totalling up your score, you may write this on the cover of your test. Indicate what you think the total should be and return it to me as soon as possible.

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.

Stephanie Perpick, Liaison Librarian
Room IC367

Office hours: by appointment

Email: stephanie.perpick@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:

All readings marked as C are compulsory; Readings marked with S are supplementary and are background readings on microeconomics from Chapter 2 in the text. 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 (C)

2. Production of Health

FGS, Chapters 5 (C)

FGS, Chapter 2, pages 35-40 (S)

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>) (C)

3. The Production and Cost of Health Care

FGS, Chapter 6 (read pages 105-113 and pages 116-118) (C)

FGS, Chapter 2, pages 36-43 (S)

4. Demand and Supply of Health Insurance

FGS, Chapter 8 (C)

FGS, Chapter 2 pages 29-48 (S)

5. Consumer Choice and Demand

FGS, Chapter 9 (C)

FGS, Chapter 2 pages 29-36 and 46-48 (S)

6. Asymmetric Information and Agency

FGS, Chapter 10 (C)



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

FGS, Chapter 15 (C)

(**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>) (C)

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>)

8. Organization of Health Insurance

FGS, Chapter 11 (**read** pages 204-215) (C)

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>) (C)

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>) (C)

9. Managed Care

FGS, Chapter 12 (**read** pages 230-248) (C)

10. An Overview of Healthcare in Canada and other Countries

FGS, Chapter 22.