

Prof. Dr. C. Keser

Health Economics Seminar Spring / Summer 2009**Course Description:**

The course will focus on key concepts of health economics. We will analyze the following topics: health care as an economic commodity, the demand for health and medical care, physician behavior, labor markets in the health care sector, nonprofits in the health care sector, the role of hospitals, and the pharmaceutical sector. The course is open to students enrolled in a Masters program and is organized as a “seminar”. Each participant is required to write a short research paper and to present it at the final session.

Participants:

16 students max.

Course Requirements:

15 page seminar paper, presentation (PowerPoint) and discussion.

Schedule:

Sign up:	until Jan. 26, 2009, noon.
Introductory session:	Jan. 26, 2009; 1 pm, room OEC 1.134
Deadline for FLEXNOW Enrollment:	Jan. 30, 2009.
Deadline for Paper Submission:	April 21, 2009; 1 pm. (two hard copies, one PDF file)
Deadline for PowerPoint Presentation Submission:	May 8, 2009
Tentative Presentation Date:	May 15, 2009.

Sign up:

You can sign up for the course from Jan. 13 until Jan. 26, 2009, noon, at our secretary`s office (Ms. Niemann, room OEC 2.171) during office hours. Please read the list of topics below and indicate your three preferred choices on the enrollment sheet when you sign up. The final assignment of topics will take place at the end of the introductory session.

Please note:

Papers have to adhere to the guidelines for writing academic papers set forth by the Economics Department of the University. Once enrolled via FLEXNOW, you cannot drop the course. Deadlines are binding. Attendance to all listed sessions is mandatory.

Topics:

I. Health Care as an Economic Commodity

ARROW, K. J. (1963). *Uncertainty and the Welfare Economics of Medical Care*. AER, Vol. 53(5), pp. 941-973

DULLECK, U. & R. KERSCHBAMER (2006). *On Doctors, Mechanics, and Computer Specialists: The Economics of Credence Goods*. Journal of Economic Literature, Vol. 44(1), pp. 5-42.

MOONEY, G. & M. RYAN (1993). *Agency in Health Care: Getting beyond First Principles*. J. Health Econ. Vol. 12, pp. 125-135.

II. Demand for Health and Medical Care

KENKEL, D. (1991). *Health Behavior, Health Knowledge, and Schooling*. Journal of Political Economy Vol. 99(2), pp. 287-305.

MANNING, W.G. ET AL. (1987). *Health Insurance and the Demand for Medical Care: Evidence from a Randomized Experiment*. AER Vol. 77(3), pp. 251-277.

PAULY, M.V. (1968). *The Economics of Moral Hazard: Comment*. AER, Vol. 58(3), pp. 531-537.

III. Market For Physician Services - Supplier Induced Demand

FUCHS, V.R. (1986). *Physician-induced demand: a parable*. J. Health Econ. 5, p. 367.

GRUBER, J. & M. OWINGS (1996). *Physician Financial Incentives and Cesarean Section Delivery*. Rand Journal of Economics Vol. 23, pp. 99-123.

JÜRGES, H. (2007). *Health Insurance Status and Physician Induced Demand for Medical Services in Germany: New Evidence from Combined District and Individual Level Data*. German Institute for Economic Research Discussion Papers No. 689.

YIP, W.C. (1998). *Physician response to Medicare fee reductions: changes in the volume of coronary artery bypass graft (CABG) surgeries in the Medicare and private sectors*. J. Health Econ. Vol. 17(6), pp. 675-699.

IV. Physicians, Medical Malpractice and Defensive Medicine

DRANOVE, D. ET AL. (2006). *Has the Malpractice Crisis in Florida Affected Access to Care for Maternity Patients?* Kellogg School of Management, Northwestern University.

DUBAY, L. ET AL. (1999). *The Impact of malpractice fears on cesarean section rates*. Journal of Health Economics Vol, 18, pp. 491 – 522.

EPOSTO, A.G. (2008). *Tort Reform, Defensive Medicine, and the Diffusion of Diagnostic Technologies*. Eastern Economic Journal, Vol. 34, pp. 141–157.

KESSLER, D. & MCCLELLAN, M. (1996). *Do doctors practice defensive medicine?* Quarterly Journal of Economics Vol. 111, pp. 353–390.

V. Financial Incentives and Physician Behavior

HENNIG-SCHMIDT ET AL. (2008). *Physicians' Provision Behavior under Different Payment Systems - An Experimental Investigation*. Department of Economics, University of Bonn Working Paper.

PAULY, M. ET AL. (2006). *Who Pays? The Incidence of High Malpractice Premiums*. Forum for Health Economics & Policy, Volume 9(1), Article 2.

VI. Physician Labor Market

MCKINNEY, C.N. ET AL. (2005). *The collapse of a medical labor clearinghouse (and why such failures are rare)*. American Economic Review Vol. 95(3), pp. 878-889.

NIEDERLE, M. & ROTH, A.E. (2003). *Unraveling reduces mobility in a labor market: Gastroenterology with and without a centralized match*. Journal of Political Economy Vol. 111(6), pp. 1342-1352.

ROTH, A.E. (2007). *Market Failure and Market Design*. Google Tech Talks.

ROTH, A.E. (2008). *What have we learned from market design?* Hahn Lecture, Economic Journal Vol. 118, pp. 285-310.

VII. Nonprofits in the Medical Care Market

GLAESER, E. L. & SHLEIFER, A. (2001). *Not-for-Profit Entrepreneurs*. Journal of Public Economics Vol. 81, pp. 99-115.

HORWITZ, J.R. (2005). *Making Profits and Providing Care: Comparing Nonprofit, For-Profit, and Government Hospitals*. Health Affairs Vol. 24 (3), pp. 790-801.

NEWHOUSE, J.P. (1970). *Toward a Theory of Nonprofit Institutions: An Economic Model of a Hospital*. AER Vol. 60 (1), pp. 64-74.

PAULY, M.V. (1987). *Nonprofit Firms in Medical Markets*. AER Vol. 77 (2), pp. 257-262.

VIII. The Market for Hospital Services

ABRAHAM, J.M. ET AL. (2007). *Entry and Competition in Local Hospital Markets*. The Journal of Industrial Economics, Vol. LV (2), pp. 265 - 288.

ROBINSON, J.C. & CASALINO, L. P. (1996). *Vertical and Organizational Networks in Health Care*. Health Affairs Vol. 15(1), pp. 7 – 22.

SLOAN, F.A. (1982). *Government and the Regulation of Hospital Care*. AER Vol. 72 (2), pp196 – 201.

IX. Pharmaceutical Industry and Regulation

SCHERER, F.M. (2004). *The Pharmaceutical Industry — Prices and Progress*. The New England Journal of Medicine, Vol. 351 (9), pp. 927-932.

DIMASI, J.A. ET AL. (2003). *The Price of Innovation: New Estimates of Drug Development Costs*. Journal of Health Economics Vol. 22, pp. 151 - 185.

CARPENTER, D.P. (2004). *The Political Economy of FDA Drug Review: Processing, Politics, and Lessons for Policy*. Health Affairs Vol. 23 (1), pp. 52 - 63.