

UNIVERSITY OF VICTORIA
DEPARTMENT OF ECONOMICS

ECONOMICS 318
HEALTH ECONOMICS
(CRN 21073)

SPRING 2023

Instructor	Chris Auld auld@uvic.ca 250.721.8537 BEC 348
Office hours	Wednesdays 1:30-3:00 (Zoom possible), or by appointment
Course page	Available on Brightspace.
Course location	DSB C118
Meeting time	MR 1:00-2:20
Prerequisites	Required: Economics 103 or equivalent. Recommended: Economics 203 and 345, or similar.

DESCRIPTION.

The course covers elementary concepts and selected topics in modern health economics, focusing on the health-affecting behaviors rather than the financing and function of the health care system. Topics include: the tradeoff between health and other goals, modeling demand for health and for health care, the relationship between material standard of living and health, education and health, income and inequality and health, and the economics of COVID and other communicable diseases.

Some examples of questions we will ponder:

- How much healthier would we be if we spent more on health care?
- How does risk of communicable disease affect behavior?
- Why do highly educated people tend to be healthier people?
- Does income inequality reduce our health?
- Is it useful to think of smokers and other addicts as rational?

MATERIALS.

- The highly recommended text is, Bhattacharya, J., T. Hyde, and P. Tu (2014) *Health Economics*, 1st ed, Palgrave. Visit <http://www.palgrave.com/economics/bht> to find related online resources.
- Slides and other current course material will be made available on CourseSpaces. Archived slides, old exams, and other materials from versions of the course prior to 2015 (using different textbooks and covering somewhat different material) can be accessed here: <http://web.uvic.ca/~auld/e318.html>.
Note that not all old exams — which are provided as practice problems — include answer keys. If there is no answer key posted, no answer key for that exam exists— I will provide answers to specific questions you have attempted on these exams, but I am unable to provide exhaustive lists of answers by email or in office hours.
- Additional readings will be posted on Coursespaces.

TENTATIVE SCHEDULE.

Topic	Bhattacharya et al. chapter
1 Introduction	1
2 Does price affect demand for health care?	2
3 How effective is health care at the margin?	2
4 Grossman model: Tradeoffs between health and other goals	3
First midterm exam	
5 Income and health	4
6 Education and health	4
7 Valuing health and life for public policy	14
Second midterm exam	
8 Rational addiction	slides/readings
9 Economic epidemiology	21

Additional readings may be assigned during the course, topics may be added or deleted as the course progresses, and we may spend more or less time on a topic than indicated above.

NOTE ON TECHNICAL CONTENT.

The only required economics prerequisite for this course is introductory microeconomics (103 or equivalent). However, you are expected to be familiar with the core concepts taught in that course, including but not limited to: supply and demand, production functions, indifference curves, and elasticities. If you are not thoroughly comfortable with microeconomics at this level it would be a good idea to obtain a microeconomics textbook you can use as a reference, as this course does not include a review of the relevant microeconomic theory. You are also expected to have mastered high school level mathematics, including basic calculus.

We will often consider how and what we can learn from empirical evidence. No formal statistical training will be assumed, but you may nonetheless get more out of this course if you have taken some courses in probability theory and econometrics.

EXAMS AND ASSIGNMENTS.

There will be one midterm examination. The exam will be scheduled during the first two weeks of the course.

There will be a cumulative final examination scheduled by the Registrar.

The final exam is worth 60% of the course final grade. **A passing grade on the final exam must be obtained in order to pass the course.**

The midterm is worth 40% of the course final grade. If you have a reason recognized by Department of Economics policy to miss the midterm, you may write a make-up exam. You must receive permission from me to write the makeup-exam. If you do not write a make-up exam, you will receive an incomplete in the course.

The instructor may adjust the distribution of grades at his discretion to more accurately reflect class performance.

There are no assignments for this course. Ample practice materials are available in the form of many previous exams and extensive questions at the end of each chapter of the course textbook.

ATTENDANCE.

Attendance will not be taken. However, students are responsible for all material covered in lectures whether or not they attend any given lecture. Lecture slides posted online do not contain all of the material discussed in class and are not an adequate substitute for attending lectures.

CONTACTING THE INSTRUCTOR.

Questions regarding class material should usually be posed during class or in person during office hours. It is not usually feasible to provide lengthy explanations of class material over email. Should you send email for whatever reason, please put “Econ 318:” in the subject line. If you do not receive a response from me within 48 hours, please resend your email.

TRAVEL PLANS.

Students are advised not to make work or travel plans until after the examination timetable has been finalized. Students who wish to finalize their travel plans at an earlier date should book flights that depart after the end of the examination period. There will be no special accommodation if travel plans conflict with the examination.

ELECTRONIC DEVICES.

Only basic calculators (with no alpha-numeric capabilities) are permitted during exams. Please note you may not use your cell phone or similar device as a calculator during exams.

During lectures, I ask you to respect both me your fellow students and refrain from using laptops or other devices to access material which may be distracting. Further, I strongly suggest that you choose not to use a laptop or other device during lectures, as evidence from randomized controlled experiments suggests that you will learn more and earn a higher grade in the course if you take notes in longhand rather than using a laptop, see for example:

Mueller, P. and D. Oppenheimer (2014) “[The pen is mightier than the keyboard: Advantages of longhand over laptop note taking](#),” *Psychological Science*, 25(6):1159–1168.

POLICY ON INCLUSIVITY AND DIVERSITY.

The University of Victoria is committed to providing an environment that affirms and promotes the dignity of human beings of diverse backgrounds and needs.

OTHER POLICIES.

Standard University of Victoria and Department of Economics policies apply.

http://web.uvic.ca/econ/undergraduate/course_policies.php

<http://library.uvic.ca/site/lib/instruction/cite/plagiarism.html>