

## Health Economics and Finances

### Instructor Information

Dr. Fidel Gonzalez  
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Office Hours: TTR 11.00am – 12.30 pm or by appointment. Send me an email if you cannot make it to my office hours to set an appointment. Walk-ins are welcome.

### Course Information

Meeting Place: SHB133 TTR 2.00 -3.20 pm

Course Number: ECON 4350-01

Semester: Spring 2018

Credit Hours: 3

### Tutoring

There is free tutoring available in room SHB-108 Monday to Friday from 11.00am to 4.30 pm. Tutoring is done on a first-come first-serve basis.

### Learning Objectives

- 1) Identify the economic issues that distinguish the health care sector from the perfect competition theoretical model.
- 2) Understand selected types of governmental and non-governmental insurance plans and the financing of health care.
- 3) Analyze how information asymmetries can create market failures in health care and how government policies can address the asymmetries.
- 4) Compare certain aspects of health care systems in other countries.

### Textbook

Thomas E. Getzen “Health Economics and Financing” 5<sup>th</sup> Edition, 2012, ISBN: 978-1-118-18490-5

## Assignments and Grading

- 1) Grading will consist of four partial exams and one final exam.
- 2) Your lowest partial exam grade will be dropped and will not count towards your final grade.
- 3) Each of the three partial exams that count toward your final grade will have a weight of 25%, for a total of 75%.
- 4) The final exam is comprehensive, mandatory and it represents 25% of your final grade.
- 5) If your final exam grade is higher than your third highest exam then the final exam grade will substitute that grade. This is to help you out. Remember that your lowest partial exam will be dropped. For example, imagine that your grades in the partial exams are: 95, 75, 85 and 65. Then you take the final and obtain a grade of 90. In this case, the grade of 65 is dropped because it is the lowest partial exam grade. Because your final exam grade of 90 is higher than your third highest exam grade of 75, then the final exam grade will then replace the third highest partial exam grade. Therefore, the final exam grade will have a weight of 50%, the partial exam grade of 95 will have a weight of 25% and the other partial exam grade of 85 will have a weight of 25%.

### SUMMARY OF GRADING ITEMS AND WEIGHTS

Highest Partial Exam .....	25%
Second Highest Partial Exam.....	25%
Third Highest Partial Exam.....	25%
Lowest Partial Exam.....	0%
Final Exam.....	25%
Total.....	100%

### Late Assignment and Make-up Policy

I understand that life happens during the semester but I also want to be fair to everyone else. So, I am trying to balance things out. If you cannot take an exam on time because of a medical or family emergency, some kind of University athletic activity or other justifiable reason then let me know and I will allow you to take it earlier or later without any penalty (within a reasonable timeframe). However, be prepared to show me some documentation to substantiate your claim. This for when things get real. In any case, talk to me and we can figure something out.

### Extra Credit Quizzes

- 1) There will be a total of four in-class quizzes in the semester.
- 2) The main purpose of the quizzes is to make sure that you are following the material so they are extra credit.
- 3) Each quiz consists of two or three questions about the most important topics of the previous topics covered (see the class calendar). That is, the quiz covers the topics covered the previous two classes. Do not stress about the quizzes too much, if you study the material you should be able to get a good quiz grade.
- 4) Quizzes will take place in the first five to ten minutes of some classes. See the class calendar for the specific days the quizzes will take place. Make sure you come to class early those days. If you come late you may miss the quiz and get a zero on that quiz.

- 5) Quizzes will be graded from 0 to 5. If you do not take the quiz you get zero.
- 6) The grade in your quiz will be added to their corresponding exam. For example, the grade in Quiz 1 will be added to your Exam 1, the grade in Quiz 2 will be added to your Exam 2 and so on.

## Attendance

I will take attendance starting on the first day of class by university regulations. However, attendance for extra points will start on the third class. In order for your presence to count as attendance you have to stay for the whole class time.

Attendance is important but not required. I believe that you will learn more if you come to class:

**If you do not miss any classes, you will receive a bonus of 2 points out 100 of in your final grade. If you only miss one or two classes you will receive one bonus point.**

## Final Numerical and Letter Grade.

The final numerical grade is calculated as follows:

$$\begin{array}{r}
 \text{(Highest Partial Exam Grade)} \times 0.25 \\
 + \\
 \text{(Second Highest Partial Exam Grade)} \times 0.25 \\
 + \\
 \text{(Third Highest Partial Exam Grade)} \times 0.25 \\
 + \\
 \text{(Lowest Partial Exam Grade)} \times 0 \text{ (dropped partial exam)} \\
 + \\
 \text{(Final Exam)} \times 0.25 \\
 \text{[if final exam grade is higher than your third highest partial exam grade, then the third} \\
 \text{highest partial exam grade is dropped, final exam replaces that grade and it is multiplied} \\
 \text{by 0.50]} \\
 + \\
 \text{Extra Points for Attendance} \\
 \hline
 \text{Final Numerical Grade}
 \end{array}$$

Once I obtain the final numerical I will assign a letter grade using the following table. Please note that there is no curve in the final numerical grade.

Final Numerical Grade	Final Letter Grade
90 to 100	A
80 to 89	B
70 to 79	C
60 to 69	D
Less than 60	F

## **Important Dates**

Exam 1      February 13<sup>th</sup>  
Exam 2      March 8<sup>th</sup>  
Exam 3      April 10<sup>th</sup>  
Exam 4      May 3<sup>rd</sup>  
Final Exam May 8<sup>th</sup> (3.30 to 5.00 pm)

## **Email and Phone**

During the semester I will be sending emails to the students in the class. These emails go from reminders about assignments to clarifications to the lecture notes or if I add additional material. The emails are sent to your SHSU account, make sure that you have a working SHSU email.

## **Academic dishonesty, students with disabilities, visitors to the classroom and religious holiday policies.**

I will follow the University's policies for academic dishonesty, students with disabilities, visitors to classroom and religious holidays posted in the following link: <http://www.shsu.edu/syllabus>

## **Classroom Policies.**

During lectures the only rule is that you do not behave in a manner that disrupts or distracts the learning process. You can use your cell phone, tablet or laptop in a discreet and non-disruptive manner to me and to the other students. Use common sense. The penalties for not following this simple rule are up to my discretion.

During exams cell phones, tablets, smart watches or any communication device are NOT allowed. We must follow Academic Policy Statement 100728 that states the *use of these devices during a test is considered de facto evidence of cheating and could result in a charge of academic dishonesty*. Moreover, this policy also states that even the visible presence of such devices during exams can be considered as cheating. I have no choice in this matter, so if you phone or communication device is visible or you use it during a test then it is considered as cheating. The penalties for cheating are up to my discretion but they usually result in an "F" in the class.

The link to Academic Policy Statement 100728 is below:

<https://www.shsu.edu/dotAsset/6d35c9c9-e3e9-4695-a1a1-11951b88bc63.pdf>

## **Economics Department's Webpage**

Whenever you have some free time go to the Department of Economics website where you can find updated information about our department, resources for students, information about scholarships, study abroad programs and much more.

Economics Department webpage: <http://www.shsu.edu/academics/economics-and-international-business/>

## CLASS CALENDAR

<b>Thursday</b> <b>January 18th</b> <hr/> <b>First Day of Class</b>	<b>Tuesday</b> <b>January 23rd</b> <hr/>	<b>Thursday</b> <b>January 25st</b> <hr/>	<b>Tuesday</b> <b>January 30th</b> <hr/>	<b>Thursday</b> <b>February 1st</b> <hr/> <b>Extra Credit In-class</b> <b>Quiz 1</b>	<b>Tuesday</b> <b>February 6th</b> <hr/>
<b>Thursday</b> <b>February 8th</b> <hr/>	<b>Tuesday</b> <b>February 13th</b> <hr/> <b>EXAM 1</b>	<b>Thursday</b> <b>February 15th</b> <hr/>	<b>Tuesday</b> <b>February 20th</b> <hr/>	<b>Thursday</b> <b>February 22nd</b> <hr/> <b>Extra Credit In-class</b> <b>Quiz 2</b>	<b>Tuesday</b> <b>February 27th</b> <hr/>
<b>Thursday</b> <b>March 1st</b> <hr/>	<b>Tuesday</b> <b>March 6th</b> <hr/>	<b>Thursday</b> <b>March 8th</b> <hr/> <b>EXAM 2</b>	<b>Tuesday</b> <b>March 20th</b> <hr/>	<b>Thursday</b> <b>March 22nd</b> <hr/>	<b>Tuesday</b> <b>March 27th</b> <hr/>
<b>Thursday</b> <b>March 29th</b> <hr/> <b>Extra Credit In-class</b> <b>Quiz 3</b>	<b>Tuesday</b> <b>April 3rd</b> <hr/>	<b>Thursday</b> <b>April 5th</b> <hr/>	<b>Tuesday</b> <b>April 10th</b> <hr/> <b>EXAM 3</b>	<b>Thursday</b> <b>April 12th</b> <hr/>	<b>Tuesday</b> <b>April 17th</b> <hr/>
<b>Thursday</b> <b>April 19th</b> <hr/>	<b>Tuesday</b> <b>April 24th</b> <hr/> <b>Extra Credit In-class</b> <b>Quiz 4</b>	<b>Thursday</b> <b>April 26th</b> <hr/>	<b>Tuesday</b> <b>May 1st</b> <hr/>	<b>Thursday</b> <b>May 3rd</b> <hr/> <b>EXAM 3</b>	<b>FINAL EXAM</b> <b>Tuesday May 8<sup>th</sup>:</b> <b>3.30– 5.00 PM</b>

## (Tentative) Course Outline

Topic 1. Choices: Money, Medicine and Health.	Textbook Chapter: 1
Topic 2. Demand and Supply	Textbook Chapter: 2
Topic 3. Cost-Benefit & Cost Effectiveness Analysis	Textbook Chapter: 3
Topic 4. Health Insurance: Financing Medical Care	Textbook Chapter: 4
Topic 5. Insurance Contracts and Managed Care	Textbook Chapter: 5
Topic 6. Physicians	Textbook Chapter: 6
Topic 7. Hospitals	Textbook Chapter: 8
Topic 8. Pharmaceuticals	Textbook Chapter: 11
Topic 9. International Comparison of Health and Health Expenditures	Textbook Chapter: 16