

Syllabus for Economics 8250

Economics of Health

Fall 2025

Class Days: Tuesday and Thursday
Class Time: 2:20-3:35 pm
Class Location: MLC Room 0253
No Class: August 28, November 25, 27 (Thanksgiving)
Final Exam: Thursday, December 4: 3:30 - 6:30 pm

Professor: Eli Liebman
Email: Eli.Liebman@uga.edu
Office Hours: By appointment, feel free to email me
Office Location: Amos Hall B428 or Zoom: <https://zoom.us/my/eliliebman>

Description

This course is designed to introduce students a number of literatures in health economics covering both individual (demand) decisions and firm (supply) behavior. The goal is to cover theory, numerous reduced form identification strategies, and introduce you to structural methods.

Goals and Responsibilities

The goal of the course is to prepare students to consume and produce research in health economics. Towards that aim, we will read papers on a broad variety of topics, using a number of different methods, and a number of different models. The course will have a mix of classic papers that health economists are expected to know and cutting edge research to demonstrate successful topics for the job market. While not a formal prerequisite, understanding of microeconomic theory up to ECON 8020 will be helpful. If this is a problem, please let me know.

Students will be expected to read the assigned papers before class, submit a guided summary for each paper, and engage in discussion. I plan to cover roughly one paper per class, following the reading list at the end of this syllabus. The list of topics below is tentative: I can definitely modify the list to include related topics of interest to students.

Course Materials

There is no text book for this course. The reading list appears at the end of the syllabus.

Academic Integrity

As a University of Georgia student, you have agreed to abide by the University's academic honesty policy, "A Culture of Honesty," and the Student Honor Code. All academic work must meet the standards described in "A Culture of Honesty" found at: <https://ovpi.uga.edu/academic-honesty/academic-honesty-policy>. Lack of knowledge of the academic honesty policy is not a reasonable explanation for a violation. Questions related to course assignments and the academic honesty policy should be directed to the instructor.

Reading Summaries

For each paper we read (except the methodology papers), you should turn in a "reading summary." Answer the following questions, in 1 to 3 sentence each:

1. What is the broader motivation of the paper?
2. What is their precise research question?
3. Why would a policy maker care?
4. Why would an economist care?
5. What do we learn about economics?

If the paper we read is empirical, also answer the following:

6. How does their empirical strategy answer their research question?
7. What are the main identification threats?
8. How do they overcome that identification concern? In your opinion, how convincing is this solution? Try to explain their solution intuitively, i.e. to a smart economics undergraduate student, rather than a professor. (This can be longer than 1-3 sentences)

Presentations

Presenting papers is a valuable skill. Given the reading list below, each student will have about 2 presentations throughout the semester. The presentation should aim to cover the paper in detail and lead a class discussion on the paper. Presentations should aim to be about 60 minutes or so in length, with an understanding that often they can go longer than planned, especially with a good discussion. **Please send me the slides to your presentation before 5 pm the day before the class** so I can prepare to lead a broader discussion or make sure important topics are covered.

Grading

100 points are to be earned in this class:

- The final research paper: 10 points
- Each (of 6) assignments in our research paper: 5 points
- Coding assignments: 10 points
- Presentations: 20 points
- Reading summaries: 20 points

Outline and Readings

The course syllabus is a general plan for the course; deviations announced to the class by the instructor may be necessary. I am anticipating this will change if some topics take longer or shorter than expected. I'll announce changes beforehand.

Demand for Health and Insurance, Classic Papers

(Week 2)

Arrow, K. (1963). "Uncertainty and the Welfare Economics of Medical Care," American Economic Review. (Not Empirical)

Grossman, M. (1972), "On the Concept of Health Capital and the Demand for Health", Journal of Political Economy. (Not Empirical)

Hall RE, Jones CI. (2007) "The Value of Life and the Rise in Health Spending," Quarterly Journal of Economics. (Not Empirical)

Methodology Focus: Identification Strategies

(Week 3)

Angrist and Krueger "Empirical Strategies in Labor Economics". pages 1-20, 24-29 (skipping the difference-in-differences design material, we will come back to it)

(Week 4)

Spencer, (2020) "Safer Sex: The Effect of AIDS Risk on Birth Rates." Working paper.

Dafny, Leemore S. (2010) “Are Health Insurance Markets Competitive” American Economic Review.

Reduced form methods coding assignment due

Angrist and Krueger “Empirical Strategies in Labor Economics”. pages 20-24 (difference-in-differences), 29-33 (regression discontinuity)
(Week 5)

Baicker and Chandra, (2006) “The Labor Market Effects of Rising Health Insurance Premiums” Journal of Labor Economics

(Week 6)

Card, Dobkin, and Maestas. (2008), “The Impact of Nearly Universal Insurance Coverage: Evidence from Medicare.” American Economic Review

Adverse Selection and Moral Hazard

Cutler and Reber (1998), “Paying for Health Insurance: The Trade-Off between Competition and Adverse Selection.” Quarterly Journal of Economics

(Week 7)

Chiappori and Salanie, (2000) “Testing for Asymmetric Information in Insurance Markets.” Journal of Political Economy. (Not Empirical)

Finkelstein and Poterba, (2014) “Testing for Asymmetric Information Using ‘Unused Observables’ in Insurance Markets: Evidence from the U.K. Annuity Market.” The Journal of Risk and Insurance. (Not Empirical)

(Week 8)

Einav, L. Finkelstien, A. and Cullen, M. (2010) “Estimating Welfare in Insurance Markets Using Variation in Prices” Quarterly Journal of Economics (Not Empirical)

Manning WG, Newhouse JP, Duan N, Keeler EB, Leibowitz, A, Marquis MS (1987). Health insurance and the demand for medical care: evidence from a randomized experiment. American Economic Review

(Week 9)

Taubman et al, (2012) “The Oregon Health Insurance Experiment: Evidence from the First Year.” Quarterly Journal of Economics.

Introduction to Structural Methods

(Week 10)

Train Discrete Choice Methods with Simulation - Chapters 2-3

(Week 11)

Starc, (2010) “Insurer Pricing and Consumer Welfare: Evidence from Medigap.” RAND Journal of Economics.

Shepard, (2017) “Hospital Network Competition and Adverse Selection: Evidence from the Massachusetts Health Insurance Exchange.” Working Paper.

(Week 12)

Handel, Kolstad, (2013) “Adverse Selection and Inertia in Health Insurance Markets: When Nudging Hurts” American Economic Review.

Raval, Rosenbaum, and Wilson, (2020) “Using Disaster Induced Closures to Evaluate Discrete Choice Models of Hospital Demand” RAND

(Week 13)

Handel, Kolstad, (2015) “Health Insurance for Humans” American Economic Review.

Grieco and McDevitt, (2016) “Productivity and Quality in Health Care: Evidence from the Dialysis Industry” Review of Economic Studies.

(Week 14)

Dobkin, Finkelstein, Kluender, and Notowidigdo. (2016) “The Economic Consequences of Hospital Admissions.” American Economic Review

Prager and Schmitt, (2020), “Employer Consolidation and Wages: Evidence from Hospitals”

(Week 15)

Student Project Presentations

UGA Well-being Resources:

UGA Well-being Resources promote student success by cultivating a culture that supports a more active, healthy, and engaged student community.

Anyone needing assistance is encouraged to contact Student Care & Outreach (SCO) in the Division of Student Affairs at 706-542-8479 or visit <https://sco.uga.edu>. Student Care & Outreach helps students navigate difficult circumstances by connecting them with the most appropriate resources or services. They also administer the Embark@UGA program which supports students experiencing, or who have experienced, homelessness, foster care, or housing insecurity.

UGA provides both clinical and non-clinical options to support student well-being and mental health, any time, any place. Whether on campus, or studying from home or abroad, UGA Well-being Resources are here to help.

- Well-being Resources: well-being.uga.edu
- Student Care and Outreach: sco.uga.edu
- University Health Center: healthcenter.uga.edu
- Counseling and Psychiatric Services: caps.uga.edu or CAPS 24/7 crisis support at 706-542-2273
- Health Promotion/ Fontaine Center: healthpromotion.uga.edu
- Accessibility & Testing: <https://accessibility.uga.edu/>

Additional information, including free digital well-being resources, can be accessed through the UGA app or by visiting <https://well-being.uga.edu>.

Inclusive Excellence:

The Terry College of Business is committed to promoting an inclusive learning and working environment among its students, faculty, and staff. This class welcomes the open exchange of ideas and values freedom of thought and expression and provides a professional environment that recognizes the inherent worth of every person. It aims to foster dignity, understanding, and mutual respect among all individuals in the class.