**Advanced Health Economics & Policy Analysis II**

**HAD 6750**

**Winter 2023**

**Instructor**: Alex Hoagland, Ph.D.

Assistant Professor of Health Economics, IHPME

155 College Street, Suite 440

[alexander.hoagland@utoronto.ca](mailto:alexander.hoagland@utoronto.ca)

**Class time and location**: Mondays, 1pm-3pm. HS XXX.

**Office hours:** Book appointments at [calendly.com/Hoagland-office-hours/had5744-2022f](https://www.calendly.com/Hoagland-office-hours/had5744-2022f)

* In-person: Fridays, 1:00-3:00pm
* Zoom: Tuesdays and Wednesdays, 10:00am-10:30am (or by appointment) <https://utoronto.zoom.us/my/hoaglandzoomroom>

**Course Description:** This is a seminar course focusing the tools of microeconomic theory in modeling individual and provider behavior using examples drawn from the health literature. The course introduces students to problems of unconstrained and constrained optimization in a discrete time framework. Additional topics considered include non-negativity constraints, questions concerning planning over multiple periods and the issues of uncertainty and unanticipated health shocks. Students are expected to develop their own theoretical model with testable predictions, which in most cases will serve as the basis for the theoretical chapter of their dissertation. Students must have completed Advanced Health Economics and Policy Analysis (HAD5760H) and have familiarity with intermediate calculus.

**Evaluation Criteria**

* Presentation: 1 presentation, worth 30% of the final grade
* Referee Report: 1 referee report, worth 20% of the final grade
* Paper Proposal: worth 50% of the final grade.

Presentation: XXX

Referee Report: XXX

Paper Proposal: XXX

**Course website:** This course has a Github repository that contains all relevant materials; you can access the repo at <https://github.com/alex-hoagland/HAD6750_2023W>. Materials may be updated and/or added throughout the semester.

**Required texts:** Both books have a free e-book version or are relatively cheap buys on Amazon. I *highly* recommend owning print copies if you plan to pursue applied research – they are both very handy. **Course readings are expected to be completed prior to class.**

* “[The Effect](https://theeffectbook.net/),” Nick Huntington-Klein (NHK).
* [“Causal Inference: The Mixtape,”](https://mixtape.scunning.com/) Scott Cunningham (SC).

**Additional (non-required) reading:**

* “Principles of Econometrics, 5th edition”, R. Carter Hill, William E. Griffiths and Guay C. Lim (HGL).
* A useful online resource: <https://tinyurl.com/bdzxbxce>
* Example papers for each method are included in [the Github repo.](https://github.com/alex-hoagland/HAD5744_2022F)

**Course Schedule**

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| **Session #** | **Date** | **Lecture / Readings**  *Recommended readings in italics* | **Assignments Due** |
| 1 | Jan. 9 | **What is economics?**   * Calculus review * **Using theory in health economic research** |  |
| 2 | Jan. 16 | **Moral Hazard in Health Care** |  |
| 3 | Jan. 23 | **Adverse Selection in Health Care (Insurance Choice)** |  |
| 4 | Jan. 30 | **Models of Provider Payment**   * Ma and McGuire 1997 * Ellis and McGuire (1986, 1990) * Ma and Mak (2017) |  |
| 5 | Feb. 6 | **Patient-Physician Interactions**   * Dranove 1988, demand inducement * Jack (2005) * Chone and Ma (2011) ? * Liu and Ma (2013) ? |  |
| 6 | Feb. 13 | **Health Systems** |  |
| 7 | Feb. 27 | **Health Equity and Discrimination** |  |
| 8 | March 6 | **Behavior under Uncertainty**  Ostler HD paper | **Referee Report Due** |
| 9 | Mar. 13 | **Behavioral Health Econ I** |  |
| 10 | Mar. 20 | **Behavioral Health Econ II** |  |
| 11 | Mar. 27 | **Innovation in Health Markets**   * Structural models in health research |  |
| 12 | Apr. 3 | **Quality Competition in Health Care** | **Paper Proposal Due** |

Other topics:

* Experiments
* Selection and Risk Adjustment