

**Economics 360: Health Economics**  
**Hamilton College, Spring 2025**

**Instructor:** Stephen Wu

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**Office Hours:** Tue 1:30-3pm, Thu 9:30-11am

**Text:** Charles E. Phelps, Health Economics, 6<sup>th</sup> edition

**Course Description and Goals:**

This course will analyze the economics of health and medical care, with particular emphasis on the provision of health care in the United States. Topics include the structure of public and private health insurance programs, financing the rising costs of medical care, medical malpractice, and the causes and consequences of health behaviors. This course will specifically address several of Hamilton College's education goals: (1) intellectual curiosity and flexibility: we will explore different ways to measure health and understand health care policy; (2) disciplinary practice and (3) analytical discernment: we will study new economic theories and statistical methods that economists use to provide systematic evidence in empirical analyses; (4) communication and expression: you will complete a variety assignments to develop your written and oral communication skills; and (5) ethical, informed, and engaged citizenship: we will examine why and how the allocation of health care impacts the well-being of individuals and societies.

**Requirements:**

I expect students to come to all class meetings and to be on time. The readings will consist of a mix of textbook chapters and academic journal articles. I will occasionally circulate newspaper and magazine articles. I encourage you to forward me articles of interest that you read in various outlets. Please have the assigned reading finished prior to the class period that we will be discussing it (with the exception of the first day of class). This will make discussion more beneficial to you and the class. You will have one midterm exam, one final exam, a health policy paper (written in two parts) and occasional homework assignments. For your paper, I will require you to schedule at least one Writing Center appointment. There will also be one group presentation on a health care system of a foreign country

**Students with Disabilities:**

Hamilton College will make reasonable accommodations for students with properly documented disabilities. If you are eligible to receive an accommodation(s) and would like to make a formal request for this course, please discuss it with me during the first two weeks of class. You will need to provide Allen Harrison ([aharriso@hamilton.edu](mailto:aharriso@hamilton.edu)), Assistant Dean for Accessibility Resources, with appropriate documentation of your disability. All discussions will remain confidential.

**Student Wellbeing**

Many of us may feel overwhelmed, anxious, or depressed for various reasons. If at any point you feel unable to complete work for this class, please reach out and discuss with me. I also encourage you to make use of the resources available on campus to help and support you, such as Student Support Care Team (315-859-4463; [studentsupport@hamilton.edu](mailto:studentsupport@hamilton.edu)), the Counseling Center (315-859-4340), or an RA or Area Director in your residence hall. For academic matters, please contact the Associate Dean of Students for Academics, Adam Van Wynsberghe ([avanwyns@hamilton.edu](mailto:avanwyns@hamilton.edu)).

**Grading:**

Policy Paper	40% (20% for each part)
Midterm Exam	22.5%
Final Exam	22.5%
Group Presentation	10%
Homework, Participation	5%

**Important Dates:**

Midterm Exam: Monday 3/3 in class

Policy Paper: part 1 due Wednesday 3/12, part 2 due Monday 5/5

Final Exam: Sunday May 18 at 7pm

**Final Exam**

Please note that the Final Exam is scheduled for Sunday May 18 at 7pm. For the final exam, please schedule your travel plans around this date. If you anticipate having a conflict with the exam time, please let me know during the first two weeks of class.

**Tentative Schedule:**

- 1/22 Motivation for Studying Health Economics (Chapter 1)
- 1/27 Utility and Health (Chapter 2)
- 1/29 Production of Health (Chapter 3)
- 2/3 The Demand for Medical Care: Conceptual Framework (Chapter 4)
- 2/5 The Demand for Medical Care: Empirical Studies (Chapter 5): "*The Demand for Medical Care: What People Pay Does Matter*", Eichner (1998)
- 2/10 The Rand Health Insurance Study: "*Health Insurance and the Demand for Medical Care: Evidence from a Randomized Experiment*", Willard Manning et al. (1987)
- 2/12 Externalities in Health Care (Chapter 14)
- 2/17 COVID-19  
"Mental Health Costs of Lockdowns" Altindag et al. (2022)
- 2/19 Alcohol, Drugs, Addictive Substances: "*Rising Mortality among White non-Hispanic Americans*" Case and Deaton (2015); "*Crime and Legalization of Marijuana*" Dragone et al. (2019)
- 2/24 Reproductive Policies: "*50 years of Cause and Effect of U.S. State Abortion Regulations*" Myers (2024)
- 2/26 Obesity: "*Why Have Americans Become So Obese?*" Cutler et al. (2003); "*The Economics of Childhood Obesity*," Cawley (2010); "*Who Pays for Obesity?*" Bhattacharya and Sood (2011)
- 3/3 **Midterm Exam**
- 3/5 Physicians (Chapter 6)
- 3/10 Hospitals (Chapter 8)
- 3/12 AI, Advanced Technology, and Contemporary Health Care Delivery: "*Artificial Intelligence: The Ambiguous Labor Market Impact of Automating Prediction*" Agrawal et al. (2019)
- 3/31 Demand for Health Insurance (Chapter 10)
- 4/2 Health Insurance and Managed Care (Chapter 11)
- 4/7 Medicare and Medicaid (Chapter 12)
- 4/9 Medical Malpractice (Chapter 13)
- 4/14 Regulation in the U.S. Health Care System (Chapter 15)
- 4/16 Health Reform and Universal Health Coverage (Chapter 16)
- 4/21 Group Presentations
- 4/23 Group Presentations
- 4/28 Cost Control: "*The Cost Conundrum*," Gawande (2009), "Overkill," (Gawande 2015); "*Reforming Payments to Healthcare Providers*," McClellan (2011)
- 4/30 The Market for Organs: "*Introducing Incentives in the Market for Live and Cadaveric Organ Donations*," Becker and Elias (2008); "*Repugnance as a Constraint on Markets*," Roth (2008)
- 5/5 Behavioral Issues in Health: "*Behavioral Economics and Health Economics*," Frank (2004) "*Improving Public Health Prevention with a Nudge*," Ouillier et al. (2010)
- 5/7 Health, Happiness and Subjective Well Being: "*Explaining Happiness*," Easterlin (2003); "*Happiness and Health*," Graham (2008); "*The Happiness-Suicide Paradox*," Daly, Oswald, Wilson and Wu (2011)
- 5/12 Review