

Module 0: Introduction

Course Overview

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Econ 372

Quick Summary

Last class, I tried to answer two questions:

1. Why take this class?
2. What will we learn about?

Goals of this course

1. Explain the structure of the U.S. health care system, its main components, and its history
2. Model adverse selection in health insurance, examine its effects on health insurance markets, and support your arguments with existing data
3. Explain the physician agency problem, use a model of physician agency to examine financial incentives in health care, and summarize empirical evidence on the presence of physician agency
4. Describe hospital pricing, negotiation with insurers, and explain (qualitatively and quantitatively) the differences between charges and prices
5. Analyze hospital data in a real-life setting and predict effects of real-life policies

Structure

Course designed to follow someone through our health care system.

1. Choose an insurance plan (so we'll study insurance and insurance markets)
2. Select a physician (so we'll study physician agency and financial incentives)
3. Receive hospital care (so we'll study hospital behaviors, pricing, and competition)

Materials

- Check the website!
- I'll reference a couple of textbooks, but they aren't required
- All readings and supplemental materials listed on the content page of our class website

Assignments

Assessment in 4 different ways:

1. Homework (3 assignments, 1 for each module)
2. Mid-term exam (covers modules 1-2)
3. Project (relates mainly to module 3 but is semester long)
4. Participation

Grading

Component	Points	Weight
Homework (x3)	180	45%
Mid-term	60	15%
Project	140	35%
Participation	20	5%

Office hours

- **Official** office hours are Thursdays, 2:30 to 4:30
- See Canvas for Zoom office hour info
- **Unofficial** office hours anytime!
- Just book a time on my appointments page on our website
- Use the same zoom link (info will also come as part of booking confirmation)

Contact me

- Drop by during office hours
- Schedule a quick chat
- Email (usually respond within 24 hours)
- Happy to grab a coffee and meet in person

Expectations

- This is an **economics** class first
- Need some calculus to think things through formally
 - Nothing more than derivatives
 - For review, see the practice problems on the class resources page
 - If you can do those reviews, you're in good shape
- This is a challenging class, but we will do it and we'll learn a lot along the way!

