

- Faculté des sciences économiques
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Health Economics and Policy (5ER2051)

Filières concernées	Nombre d'heures	Validation	Crédits ECTS
Master en économie appliquée	Cours: 2 ph	Voir ci-dessous	3

ph=période hebdomadaire, pg=période globale, j=jour, dj=demi-jour, h=heure, min=minute

Période d'enseignement:

- Semestre Automne

Equipe enseignante

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Contenu

Health systems worldwide face considerable challenges with growing demand and increasing pressures on health budgets. Health economists investigate where waste occurs in the health care system, how health insurance companies act, what drives individual health behaviors, inequality in healthcare outcomes and utilization, and how governments should regulate healthcare markets to set the right incentives. The toolkit employed by health economists consists of formal theoretical models used to understand healthcare provider, health insurer, patient, and government behavior as well as rigorous empirical methods honed to identify causal effects in observational data and measure the value of health interventions and policies.

The course will familiarize students with economic models of healthcare provider, health insurer, government, and patient behavior, methods of health technology assessment and cost-effectiveness analysis, and key empirical methods used. Across these topics, there will be an emphasis on practically relevant applications. The course will detail concrete research applications and offer students insights into recent developments in behavioral health economics and health technology assessment.

Learning objectives

By the end of the course, the course participants should be able to:

- Understand the theories and methods of health economics and economic evaluation and how they relate to policy-making;
- Get a good understanding of basic economic theory relevant to health and health care (demand for health and health care, health insurance, market failures, provider incentives, etc.);
- Get an in-depth understanding of the methods used in empirical health economics as well as in economic evaluation (cost-effectiveness analysis, etc.);
- Understand the basic principles of behavioral economics and how they can be applied to decision-making in health and health care.

Forme de l'évaluation

Exam

Students will be evaluated with a combination of group-based and individual assignments. A bonus (0.5) will be granted to students submitting a report on the Event in Lausanne.

Assignments - Details - % of grade

Commentary on research paper - Critical summary of health economics empirical paper to pick from a list (group work) - 25%

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Short report on empirical work - Short report on analyses conducted at, and following the empirical session (group work) - 25%

Essay - Short essay (individual work, choice of one topic among two) - 50%

Brief report Lausanne Event - Summary of main take-home messages (individual work) - +0.5 bonus if "pass"

Retake: 2-hour written exam during the exam session

Documentation

Course readings

Variation and value of health care

- Cutler, David, Allison B. Rosen, and Sandeep Vijan, "Value of Medical Innovation in the United States: 1960-2000," *New England Journal of Medicine*, 2006; 355(9), 920-927.
- Cutler, David, Jon Skinner, Ariel Stern, and David Wennberg, "Physician Beliefs and Patient Preferences: A New Look at Regional Variation in Health Care Spending," forthcoming, *American Economic Journal: Economic Policy*, 2019.
- Finkelstein, Amy, Matthew Gentzkow, and Heidi Williams, "Sources of Geographic Variation in Health Care: Evidence from Patient Migration," *Quarterly Journal of Economics*, 2016, 131(4), 1681-1726.

Supply of healthcare

- Agha, Leila et al. Fragmented division of labor and healthcare costs: Evidence from moves across regions. *Journal of Public Economics*, 2019, <https://doi.org/10.1016/j.jpubeco.2018.11.001>
- Gaynor, Martin, Carol Propper, and Stephan Seiler, "Free to Choose? Reform, Choice, and Consideration Sets in the English National Health Service," *American Economic Review*, 2016, 106 (11): 3521-57.
- Horwitz, Jill, "Making Profits and Providing Care: Comparing Nonprofit, For-Profit, and Government Hospitals," *Health Affairs*, 2005, 23(3), 790-801.

Health insurance and demand for care

- Abaluck, Jason T., and Jonathan Gruber, "Choice Inconsistencies among the Elderly: Evidence from Plan Choice in the Medicare Part D Program," *American Economic Review*, 101(4): 1180-1210.
- Baicker, Katherine, Sendhil Mullainathan, and Joshua Schwartzstein, "Behavioral Hazard in Health Insurance," *Quarterly Journal of Economics*, 2015, 130(4), 1623-1667.
- Baicker, Katherine, et al., "The Oregon Experiment – Effects of Medicaid on Clinical Outcomes," *New England Journal of Medicine*, 2013, 368(18), 1713-1722.
- Brot-Goldberg, Zarak C., Amitabh Chandra, Benjamin Handel, and Jonathan Kolstad, "What Does a Deductible Do? The Impact of Cost Sharing on Health Care Prices, Quantities, and Spending Dynamics" *Quarterly Journal of Economics*, 2017, 132(3), 1261-1318.
- Card, David, Carlos Dobkin, Nicole Maestas, "Does Medicare Save Lives?" *Quarterly Journal of Economics*, 2009, 124(2), 597–636.
- Chandra, Amitabh, Gruber, Jonathan and McKnight, Robin, "The Importance of the Individual Mandate – Evidence from Massachusetts." *New England Journal of Medicine*, 2011, 364: 293- 295.
- Chandra, Amitabh, Jonathan Gruber, and Robin McKnight, "Patient Cost-Sharing and Hospitalization Offsets in the Elderly," *American Economic Review*, 2010, 100(1), 1-24

Incentives

- Asch, David A., et al., "Effect of Financial Incentives to Physicians, Patients, or Both on Lipid Levels: A Randomized Clinical Trial," *JAMA*, 2015; 314(18):1926-1935.
- Campos-Mercade, Pol, Armando N. Meier, Florian H. Schneider, Stephan Meier, Devin Pope, and Erik Wengström. "Monetary incentives increase COVID-19 vaccinations," *Science*, 2021, 374, 879–882.
- Jacobson, Mireille, Craig C. Earle, Mary Price, and Joe Newhouse, "How Medicare's Payment Cuts for Cancer Chemotherapy Drugs Changed Patterns of Treatment," *Health Affairs*, 2010, 29(7): 1391-1399.
- Song, Zirui, et al., "The 'Alternative Quality Contract,' based on a global budget, lowered medical spending and improved quality," *Health Affairs*, 2012, 31(8), 1885-9

Behavioral economics

- Luoto, Chill, and Katherine G. Carman. "Behavioral Economics Guidelines with Applications for Health Interventions". Inter-American Development Bank Technical Note 2014.
- Rice, Thomas. "The Behavioral Economics of Health and Health Care," *Annual Review of Public Health*, 2013, 34:431–47.

Economic evaluation

- Sanders et al. (2019). Overview of cost-effectiveness analysis. *JAMA* 321;14: 1400-1401*

*companion, applied paper: Moss et al. (2018). Estimating Cost-effectiveness of a Multimodal Ovarian Cancer Screening Program in the United States. *JAMA Oncol.* 2018;4(2):190-195.