

- 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 Printemps

Equipe enseignante

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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

Mixed assessment:

Critical summary of health economics empirical paper (group work, 25%)

Report on analyses conducted at, and following the empirical sessions (group work, 25%)

2-hour written exam during the exam session (50%)

No documents or connected devices are allowed during the exam, except a formula sheet provided on the exam, a non-programmable calculator and a non-electronic dictionary (translation of words from your language to English and vice versa). In case of violation of these rules, students are in situation of fraud and the unauthorized items will be removed. The exam could be deemed as failed.

Modalités de rattrapage

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Retake: 2-hour written exam during the exam session

Non-programmable calculator and non-electronic dictionary are allowed. Neither documents, nor connected objects are allowed during the exams. In case of violation of these rules, the students are in situation of fraud and the unauthorized items will be removed. The exam could be deemed as failed.

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.

Forme de l'enseignement

The course combines lectures, group exercises and hands-on empirical sessions.

More specifically, in the empirical sessions, students will learn how to build a simple cost-effectiveness model. They will also analyse data from a choice experiment and estimate utility functions and project choice shares using data from a health-related topic.

Students are also encouraged to attend our health economics seminar remotely as we invite regularly guest speakers in the field (no obligations though, but encouraged).

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Compétences transférables

- Communicate complex scientific results
- Develop capacity to work in group
- Synthesise cutting-edge scientific evidence
- Transfer research findings to policy