SPH 276
Critical Assessment in Health Policy and Economics
2017 Winter Quarter
(as of February 12, 2017)

CRN Number: 41316
Credit: 2 units
Grade: Letter
Time: Monday 3:50-5:40pm
Location: MS1c, Room 130

Course Director: Byung-Kwang (BK) Yoo, MD, MS, PhD,
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Office hours: By appointment

Teaching assistant/Guest lecturer: None
Prerequisite: None

Course overview
This course aims to develop critical reading skills of the health policy and health economics literature,
mainly following the microeconomic paradigm and analytical techniques. To develop these skills,
students are expected to submit a critique of a paper, using a 1-page peer-review template (attached at the
end of this proposal), as homework for six sessions. Some basic concepts of micro economic theory will
be explained in the class to help critique the literature.

The objectives of the course are:
1. To be able to systematically critique the literature in health policy, particularly that in health economics.
2. To learn the major findings of classical papers and recent papers in health policy and health economics.
3. To understand the basic concepts of micro economics in application to health policies.
   - These concepts include diminishing rate of return, marginal benefits, marginal cost, opportunity
cost and theory of supply and demand.

Each class consists of the instructor’s lecture (1 hour) followed by a discussion (1 hour) lead by the
instructor. Students are required to submit their critique of paper(s) prior to each class. In class, students
are expected to discuss (a) how valid other students’ critiques are and (b) how policy implications of each
paper impact health care system reform.

All students will be expected to read all the required readings. Additional recommended readings are also
listed.

Required textbook and recommended books
Required Textbooks:
None
**Recommended Textbooks:**

**Health Economics:**

**Cost-effectiveness/benefit analysis:**

**Public Finance:**

**Microeconomics theory:**

**Course Requirements**

(1) Homework: Brief critique of a required-reading paper (form attached at the end of this syllabus; (updated February 6, 2017: please submit as PPT format (not PDF) available in SmartSite) due 3pm on the day before Session #3 - #8 (60%)
(2) Final paper due March 20 (Mon) 5pm (20%)
(3) Participation in class discussion (20%).

(NOTE) If you miss 3 or more sessions, you are required to write additional full critique of papers covered in the missed sessions, following the format of the final paper.

(NOTE: updated on January 24, 2017) Missing 1/30 or 2/27 is equivalent to missing 2 sessions

**Detailed instruction on Homework and Final paper**

(1) Homework:
- Please email your critique sheet to the instructor due 3pm on the day before Session #3 - #8.
- Also, please bring (a hard copy of) your critique sheet for a class discussion.
- Your critique is expected to list at least one strength and one limitation, and to apply the tools covered in the “past” session(s) of this course. I.e., there is no need to learn new economic theory/econometrics by yourself outside this course’s past sessions in writing your critique.
- Please be concise – do not exceed one page WITHOUT changing the form critique formats, e.g., Arial 11 font size.

(2) Final paper due March 20 (Mon) 5pm:
- Please submit your final paper through emailing to the instructor.
- Your final paper critiques one of papers in option (a) or (b)
(b) obtain the instructor’s permission by March 13 (Mon) 4pm for a paper selected by you among original empirical studies published after 2007 in the following four journals: Health Affairs, Health Services Research, Health Economics, and Journal of Health Economics.

- Format
  - Font/Margin: 11 font Arial, 1 inch margin
  - Cover page: Name and Title of the critiqued paper
  - Critique sheet (summary): 1 page (single-spaced; bullets)
  - Main text details your critique sheet (summary) in 600-1,200 words (double-spaced) using the concepts covered in this course.
Course Structure

1/9/17 (M): Introduction of the course.
   Health System Reform 1: Do health economists know how to control total health expenditures?
   Suggested Readings:


Concepts of Economic Theory
What is the goal of economics?
What is public finance?

1/16/17 (M): Holiday (No class)

1/23/17 (M): Basic skills to critique a paper.
   Determinants of health expenditure growth 1 – what are major determinants?
   Required Readings:

   Suggested Readings:


   Basic skills to critique a paper
   Criteria to distinguish major limitations from minor ones
   Solutions for typical limitations

Methods in Economics
Assumptions of regression analysis (1)
Macro data analysis vs micro data analysis

1/30/17 (M): **[NOTE: 2 homework critiques due on January 29 (for sessions #3 and #4)]**
(#3) Determinants of health expenditure growth 2 – aging effect and prevention paradox

**Required Readings:**

**Suggested Readings:**


**Methods in Economics**
Simulation analysis
Administrative data vs survey data

1/30/17 (M): **Determinants of health expenditure growth 3 – insurance effect**
(#4)  

**Required Readings:**

**Suggested Readings:**

**Concept in Economic Theory**
Moral hazard

2/6/17 (M): **Determinants of health expenditure growth 4 – income effect**
## Required Readings:

## Suggested Readings:

### Concept in Economic Theory
Income elasticity  
Price elasticity

## Determinants of health expenditure growth 5 – Is “physician-induced demand” serious enough?

## Required Readings:

## Suggested Readings:


*Vaccine* 24(40-41): 6374-75.

**Methods in Economics**
Assumptions of regression analysis (2)

2/20/17 (M): Holiday (No class)

2/27/17 (M): **NOTE: 2 homework critiques due on February 26 (for sessions #7 and #8)**

### (#7)
Determinants of health expenditure growth 6 – Does “long-term care” differ from “acute care”?  
**Required Readings:**

**Suggested Readings:**


**Concept in Economic Theory**
How to assign monetary values for non-market goods/services

2/27/17 (M): **Determinants of health expenditure growth 7 – How to measure the impact of the technology advancement on the medical expenditure?**

### (#8)
**Required Readings:**
David M. Cutler and Mark McClellan  
“Is Technological Change In Medicine Worth It?”  
*Health Affairs* 20, no.5 (2001):11-29

**Suggested Readings:**
*Journal of Health Economics*, vol. 26(6), pages 1081-1100

**Concepts in Economics**
Cost-benefit analysis  
Benefit to-cost-ratio (BCR) = Return on investment (ROI)  
Discount rate 1
3/6/17 (M): Introduction of cost effectiveness/benefit analysis (Spring course SPH 274: Economic Evaluation in Health Care)

Required Readings:

**Concepts in Economics**
Cost-benefit analysis vs cost-effectiveness analysis
Cost-effectiveness analysis
Incremental cost-effectiveness ratio
Discount rate

3/13/17 (M): Health System Reform 2: What kind of public policy do you recommend for the US health system reform based on what you learned in this course?
Course evaluation (20+ min)

Required Readings:

Suggested Readings:

Hsiao WC. (1994) “'Marketization'--the illusory magic pill.” *Health Econ* 3(6): 351-7. (also listed in Session #1)


3/20/17 (M): Due: Paper submission 5pm
Form of a critique  
SPH 276: Critical Assessment in Health Policy and Economics

Session #:  
Name:  

Your critique is expected to list at least one strength and one limitation, and to apply the tools covered in the “past” session(s) of this course.

SECTION 1. Overall decision as a peer-reviewer (please select one):

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<th>REJECT</th>
<th>MAJOR REVISION</th>
<th>MINOR REVISION</th>
<th>ACCEPT</th>
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SECTION 2. Major strength

1)  

2)  

SECTION 3. Major limitation(s) and their solution(s)

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<th>Major limitations</th>
<th>Solution(s) for limitations</th>
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