

MACQUARIE
UNIVERSITY



FACULTY OF
BUSINESS AND ECONOMICS

ECON312
Health Economics

Semester 2, 2010

Department of Economics

**MACQUARIE UNIVERSITY
FACULTY OF BUSINESS AND ECONOMICS
UNIT OUTLINE**

Year and Semester: 2010, Semester 2

Unit convenor: Glenn Jones

Prerequisites: ECON203 or ECON200

Credit points:3

Students in this unit should read this unit outline carefully at the start of semester. It contains important information about the unit. If anything in it is unclear, please consult the unit co-ordinator.

ABOUT THIS UNIT

This is a course in applied public economics. It uses microeconomics to analyse the behaviour of agents in the health system. It will use this analysis to examine current health policy, as well as proposed directions for reform. A feature of the course will be an emphasis on data and empirical research.

Topics covered include: the institutions of the Australian system of health care; health statistics and evaluation techniques, the analysis of health insurance and moral hazard and adverse selection in health insurance markets; health labour markets, agency problems in physician-patient interactions; health system reform options: managed care, regulation and payment systems for providers; comparative analysis of international health systems.

The course places strong emphasis on developing analytical and theoretical skills as a means of encouraging rigorous and logical thinking about the analysis and design of health systems. It does not however require high level econometrics or mathematics.

TEACHING STAFF

Convenor: Glenn Jones, Room: E4A429

Phone: 98508500, fax: 98508586, email: glenn.jones@mq.edu.au

Consultation hours: Tuesday 11.00 – 15.00 or by appointment

CONSULTATION TIMES

Students experiencing significant difficulties with any topic in the unit should seek assistance immediately.

You are encouraged to seek help from the unit co-ordinator at a time that is convenient to you during his regular consultation hours. An appointment may be made outside regular consultation hours. The unit co-ordinator will not conduct extended consultations by email but short points of clarification on content or administrative matters for which an email response is appropriate will be answered promptly. You may make phone enquiries but email is likely to receive a faster and documented response. The Blackboard discussion page will be monitored by the unit co-ordinator but a direct email is the preferred method of contact for this unit.

At times it may be necessary for the unit co-ordinator to contact you. This contact will be through your student email account. You are assumed to be monitoring this email or to have redirected email from this account to the account you prefer to use. Non receipt of notification through this email address will not be accepted as justification for failure to comply with reasonable requests nor receipt of relevant information.

CLASSES

- This unit provides 3 hours face-to-face teaching per week consisting of; 1 x 2 hour lecture and 1 x 1 hour tutorial. There is no tutorial in the first week of the semester.
- The timetable for classes can be confirmed on the University web site at: <http://www.timetables.mq.edu.au/>

Lectures

Tuesday	15.00 - 17.00	X5B132
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Tutorial

Tuesday	17.00 - 18.00	X5B132
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Lectures will be recorded using iLecture and will be available on the unit website. Copies of the lecture overheads will be available on the unit web page before the lecture.

Please consult the Course Diary below for precise details of the currently scheduled lecture and tutorial dates for the whole unit. During the semester, unforeseen circumstances may require the cancellation of some lectures and/or tutorials. Any changes will be announced as far as possible in advance both in lectures and on the unit website and if urgent, by email.

REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

Folland, S., A. Goodman and M. Stano, (2007) *The Economics of Health and Health Care*, (6th Ed) Upper Saddle, Prentice Hall

The text is available for purchase at Co-op Bookshop. A small number are available on reserve in the library. Earlier editions are similar but page references may change.

For an extended reference list and bibliography please see the Appendix 1.

TECHNOLOGY USED AND REQUIRED

- Use of Blackboard
- Use of standard Microsoft Office applications: Word, Powerpoint

UNIT WEB PAGE

- Course material is available on the learning management system (BlackBoard)
- The web page for this unit can be found at: <http://www.learn.mq.edu.au>

LEARNING OUTCOMES

- 1) be able to apply the approach and methods of theoretical and applied microeconomic analysis in health economics
- 2) be familiar with the range of health policy interventions used in Australia and internationally and be able to critique them.
- 3) be familiar with the empirical magnitudes of important issues in the health literature and know where to access appropriate data
- 4) be able to assess the efficiency impacts of health policy in Australia and internationally.
- 5) be able to assess the equity impacts of health policy in Australia and internationally.

GRADUATE CAPABILITIES

In addition to the discipline-based learning objectives, all academic programs at Macquarie seek to develop the capabilities the University's graduates will need to develop to address the challenges, and to be effective, engaged participants in their world.

This unit contributes to this by developing the following graduate capabilities:

- 1) Discipline Specific Knowledge and Skills
 - (a) Understand existing economic theories
 - (b) Apply economic theories to practical situations or problems
 - (c) Critically evaluate and test competing economic theories, comparing predictions to actual outcomes
 - (d) Examine real world issues from an economic perspective
- 2) Critical, Analytical and Integrative Thinking
- 3) Problem Solving and Research Capability
- 4) Creative and Innovative
- 5) Effective Communication
- 6) Engaged and Ethical Local and Global citizens
- 7) Socially and Environmentally Active and Responsible
- 8) Capable of Professional and Personal Judgement and Initiative
- 9) Commitment to Continuous Learning

TEACHING AND LEARNING STRATEGY

The unit will be taught in relatively informal interactive lectures and tutorials. Active student participation and discussion is encouraged. There will be group presentation and discussion of tutorial readings.

Students are expected, to re-familiarise themselves with microeconomic analysis (if necessary), to read in advance the lecture topics to be covered as lectures will be interactive, to pay special attention to the copious discussions of health policy in the daily press and be able to discuss issues raised, to participate in small groups on the preparation of assigned tutorial readings and to devote adequate time to private study of the subject matter.

Activity	Hours Per Teaching Week	Number of weeks	Hours Per Semester	Hours Per Week
Lectures	2	13		1.73
Tutorial	1	11		0.73
Private study			40	2.67
Test			1	0.07
Essay			35	2.33
Tutorial presentation			17.5	1.17
Examination			2	0.13
Total				8.83

For a detailed description of the lecture content see Appendix 2

RELATIONSHIP BETWEEN ASSESSMENT AND LEARNING OUTCOMES

Task	Weight	Due date	Linked Unit Outcomes	Linked Graduate Capabilities
Early semester short answer test	10%	17.00 August 24	1,2,3,4,5	1,2,3,4,5,6,7,8,9
Essay	15%	17.00 October 15	1,2,3,4,5	1,2,3,4,5,6,7,8,9
Tutorial presentation and discussion	15%	In week selected by student	1,2,3,4,5	1,2,3,4,5,6,7,8,9
Final Examination	60%	End of year exam period	1,2,3,4,5	1,2,3,4,5,6,7,8,9

For details see Appendix 3

EXAMINATIONS

A final examination is included as an assessment task for this unit to provide assurance that:

- i) the product belongs to the student and
- ii) the student has attained the knowledge and skills tested in the exam.

A 2 hour final examination for this unit will be held during the University Examination period.

The University Examination period in Second Semester 2010 is from 17/11/2010 to 03/12/2010.

You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. The timetable will be available in Draft form approximately eight weeks before the commencement of the examinations and in Final form approximately four weeks before the commencement of the examinations.

<http://www.timetables.mq.edu.au/exam>

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. The University's policy on special consideration process is available at

http://www.mq.edu.au/policy/docs/special_consideration/policy.html

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled after the conclusion of the official examination period. (Individual Faculties may wish to signal when the Faculties' Supplementary Exams are normally scheduled.)

The Macquarie university examination policy details the principles and conduct of examinations at the University. The policy is available at:

<http://www.mq.edu.au/policy/docs/examination/policy.htm>

ACADEMIC HONESTY

The nature of scholarly endeavour, dependent as it is on the work of others, binds all members of the University community to abide by the principles of academic honesty. Its fundamental principle is that all staff and students act with integrity in the creation, development, application and use of ideas and information. This means that:

- all academic work claimed as original is the work of the author making the claim
- all academic collaborations are acknowledged
- academic work is not falsified in any way
- when the ideas of others are used, these ideas are acknowledged appropriately.

Further information on the academic honesty can be found in the Macquarie University Academic Honesty Policy at http://www.mq.edu.au/policy/docs/academic_honesty/policy.html

GRADES

Please refer to relevant Bachelor Degree rule in the Handbook of Undergraduate Studies.

GRADING APPEALS AND FINAL EXAMINATION SCRIPT VIEWING

If, at the conclusion of the unit, you have performed below expectations, and are considering lodging an appeal of grade and/or viewing your final exam script please refer to the following website which provides information about these processes and the cut off dates in the first instance. Please read the instructions provided concerning what constitutes a valid grounds for appeal before appealing your grade.

http://www.businessandconomics.mq.edu.au/for/new_and_current_students/undergraduate/admin_central/grade_appeals.

SPECIAL CONSIDERATION

The University is committed to equity and fairness in all aspects of its learning and teaching. In stating this commitment, the University recognises that there may be circumstances where a student is prevented by unavoidable disruption from performing in accordance with their ability. A special consideration policy exists to support students who experience serious and unavoidable disruption such that they do not reach their usual demonstrated performance level. The policy is available at:

http://www.mq.edu.au/policy/docs/special_consideration/procedure.html

STUDENT SUPPORT SERVICES

Macquarie University provides a range of Academic Student Support Services. Details of these services can be accessed at <http://www.student.mq.edu.au>.

IT CONDITIONS OF USE

- Access to all student computing facilities within the Faculty of Business and Economics is restricted to authorised coursework for approved units. Student ID cards must be displayed in the locations provided at all times.
- Students are expected to act responsibly when utilising University IT facilities. The following regulations apply to the use of computing facilities and online services:
- Accessing inappropriate web sites or downloading inappropriate material is not permitted. Material that is not related to coursework for approved unit is deemed inappropriate.
- Downloading copyright material without permission from the copyright owner is illegal, and strictly prohibited. Students detected undertaking such activities will face disciplinary action, which may result in criminal proceedings.
- Non-compliance with these conditions may result in disciplinary action without further notice.
- Students must use their Macquarie University email addresses to communicate with staff as it is University policy that the University issued email account is used for official University communication.

APPENDIX 1: REFERENCES AND READING LIST

Recommended Text:

Folland, S., A. Goodman and M. Stano, (2007) *The Economics of Health and Health Care*, (6th Ed) Upper Saddle, Prentice Hall

The text is available for purchase at Co-op Bookshop. A small number are available on reserve in the library. Earlier editions are similar but page references may change.

Alternative Texts and selected reading

You may find it useful to see how the same material is treated in other health economics texts. The following is a list of supplementary textbooks that are relevant for this unit.

Intermediate:

Culyer, A. (1991) *The Economics of Health: Readings, vols 1 and 2*

Donaldson, C and K. Gerard, (2004) *Economics of Health Care Financing*, 2nd ed, Edward Elgar.

Getzen, T. (2007) *Health Care Economics*, John Wiley.

Getzen, T. (2007) *Health Economics and Financing*, John Wiley.

Gravelle, H and R. Rees (2004) *Microeconomics 3rd ed* Prentice Hall, Chapters 17 and 19

Jones, A., Rice, N., Bago d'Uva, T and S. Balia (2007) *Applied Health Economics*. Routledge
McPake, B., L. Kumaranayake and C. Normand, (2002) *Health Economics: An International Perspective*, Routledge.

Morris, S., Devlin, N. and D. Parkin (2007), *Economic Analysis in Health Care*, Wiley

Phelps, C. (2003) *Health Economics (3rd ed)*. Boston, Addison Wesley.

Zweifel, P. and F. Breyer (1997) *Health Economics*, New York, Oxford University Press.

Major Reference Work:

Culyer, A. and J. Newhouse (eds) (2000), *Handbook of Health Economics, vols 1 and 2*, Amsterdam, North Holland, Elsevier Science.

References on the Australian Health System:

Australian Institute of Health and Welfare (2007). Australia's Health 2006 Canberra, AIHW.

Bloom A (ed) (2001) *Health Reform in Australia and New Zealand*, Melbourne, Oxford University Press.

Butler, J. and D. Doessel (eds) (1989) *Health Economics :Australian readings Sydney*, Australian Professional Publications.

Crichton, A. (1990) *Slowly Taking Control: Australian governments and health care provision 1788-1988*, Sydney, Allen and Unwin.

Drummond, M., M. Sculpher, G. Torrance, B. O'Brien and G. Stoddart, (2005) *Methods for the Economic Evaluation of Health Care Programmes, 3rd ed*, Oxford University Press.

Duckett, Stephen. 2004. *The Australian health care system. (2nd ed)*, Melbourne, Oxford University Press.

Hall. J. (2003) Health in I. McAllister, S. Dowrick, and R. Hassan (eds), *Cambridge Handbook of Social Sciences in Australia*, Cambridge, Cambridge University Press.

Hall, J and E. Savage (2005) Role of the Private Sector in the Australian Health Care System in A. Maynard (ed) *The Private-Public Mix for Health*, Oxford, Radcliffe Press.

Mooney, G and R. Scotton, (1999) *Economics and Australian Health Policy*, Allen and Unwin.

Other References:

- Lu, M, and E Jonsson, (2008) *Financing Health Care* Wiley-VCH, Weinheim.
- Maguire, A, P. Fenn, and K. Mayhew (1995) *Providing Health Care: The economics of Alternative Systems of Finance Delivery*, New York, Oxford University Press.
- Maynard, A, (ed) (2005) *The Private-Public Mix for Health*, Oxford, Radcliffe Press.
- Zweifel, P and H. Frech (1991) *Health Economics Worldwide: Developments in Health economics and Public Policy*, Kluwer Academic Press.

Online Resources:

Access to OECD data providing comparisons of an enormous amount of data on OECD member comparisons of health and health care. The entire data base and retrieval system can be downloaded if connected through the University library.

http://www.oecd.org/document/16/0,3343,en_2649_34631_2085200_1_1_1_1,00.html

Access to the World health organizations health database Contains some data series on OECD and non OECD countries

<http://apps.who.int/whosis/data/Search.jsp?countries=%5bLocation%5d.Members>

Access to the Australian Institute of Health and Welfare data base. In particular Australia's Health 2008 can be downloaded in pdf format.

<http://www.aihw.gov.au/dataonline.cfm>

Access to online delivery of Australian Bureau of Statistics health data

<http://www.abs.gov.au>

APPENDIX 2: COURSE CONTENT

COURSE DIARY

WEEK	DATE	LECTURE TOPIC	TUTORIAL
1	August 3	Introduction	Tutorial 0
2	August 10	Production of health	Tutorial 1
3	August 17	Health care production and demand	Tutorial 2
4	August 24	Insurance	Tutorial 3 (Test)
5	August 31	Asymmetric information and agency	Tutorial 4
6	September 7	Australian health insurance system	Tutorial 5
7	September 14	Managed Care	Tutorial 6
MID-SEMESTER BREAK			
8	October 5	Hospitals	Tutorial 7
9	October 12	Labour markets, supplier induced demand	Tutorial 8
10	October 19	The pharmaceutical industry	Tutorial 9
11	October 26	Health policy and regulation 1	Tutorial 10
12	November 2	Health policy and regulation 2	Tutorial 11
13	November 9	Comparative health care systems	Tutorial 12

LECTURE OUTLINE

Lecture 1. Introduction

Relevance and scope of health economics
Economic analysis applied to health care
Special features of health economics
Assumed microeconomics
Assumed econometrics

Folland, Goodman and Stano: Chapters 1, 2 and 3

Lecture 2. Production of health

Health production function
Issues in measurement
Medicine and health care
Factors affecting population health
Empirical magnitudes
Factors affecting individual health:
Grossman model of health production

Folland, Goodman and Stano: Chapters 5 and 7

Lecture 3. Health care production and demand

Substitution
Health cost functions
Technical efficiency
Technological change
Determinants of demand for health care
Empirical magnitudes

Folland, Goodman and Stano: Chapters 6 and 9

Lecture 4. Insurance

Risk and insurance
Demand for insurance
Supply of insurance
Moral hazard
Coinsurance and efficiency

Folland, Goodman and Stano: Chapter 8

Lecture 5. Asymmetric information and agency

Asymmetric information
Adverse selection
Experience rating
Agency
Consumer information quality and prices

Folland, Goodman and Stano: Chapters 8 and 10

Lecture 6. Australian Health insurance system: private and public

Evolution of Australian health policy
Hospitals
General Practitioners
Pharmaceuticals
Public coverage
Private health insurance
PBS

Folland, Goodman and Stano: Chapter 11

Lecture 7. Managed care

Managed care plans
Modelling managed care
Does managed care matter?
Growth in spending
Comparative effects.

Folland, Goodman and Stano: Chapter 12

Lecture 8. Hospitals

Overview
Hospital utilisation and costs
Nursing homes
Hospices and home care.

Folland, Goodman and Stano: Chapters 13 and 14

Lecture 9. Labour markets and supplier induced demand

Demand for health care labour
Supply of health care labour
Productivity and substitution
Medical education and control
Licensing
Supplier induced demand
Small area variations.

Folland, Goodman and Stano: Chapters 15 and 16

Lecture 10. The pharmaceutical industry

Structure and regulation
Substitutability
Drug pricing and profits
Research and development
Cost containment and copayments

Folland, Goodman and Stano: Chapter 17

Lecture 11. Health policy and regulation 1

Principal regulatory mechanisms
Prospective payment
DRGs and competition
Regulation of physician payment
Social insurance

Folland, Goodman and Stano: Chapters 4, 20 and 21

Lecture 12. Health policy and regulation 2

Competition in health care
Externalities
Horizontal equity and need
Social justice
Rationales for government intervention
Forms of intervention
Government failure

Folland, Goodman and Stano: Chapter 18 and 19

Lecture 13. Comparative health care systems

International Health Systems

Spending

Insurance

Access

Costs

Folland, Goodman and Stano: Chapter 22

APPENDIX 3: ASSESSMENT DETAILS

TASK 1. Early semester test. 10%

A short answer early-semester test will be held on **Tuesday August 24**. The test will be held during the tutorial hour that week. The material covered in the test will be derived from lectures 1 to 3. Linked unit outcomes are 1 through 5.

The timing of the early test will provide students with feedback on their performance so that they may assess their progress in order to improve their performance in the total assessment. It is scheduled in time to allow students to make an informed decision concerning withdrawal without penalty due by 31 August.

Should unforeseen circumstances require the submission of requests for special consideration (see below) for the optional test and that request is accepted the aggregate mark for the remainder of the assessment tasks will be scaled up by the 10%. A supplementary semester test will not be available.

TASK 2. Essay. 15%

The essay offers students a choice of three topics. Two of these are topics selected by the convenor for their relevance to the reform of the current Australian health system. Topics and suggested starting references are provided below. **In addition students may formulate their own topic for the essay which will need to be negotiated with the unit convenor.** A starting point for negotiation is that students can demonstrate the importance of the topic through existing literature.

Submission requirements:

The essay length is a **maximum of 2,000 words** and is due on **Friday October 15 at 17.00**.

The submitted essay **MUST** clearly indicate **SID, name and topic**. It **MUST** begin with a **300 word abstract** (not included in the word limit) that sets out the issues and main conclusions of the essay. The submitted essay **MUST** be in WORD format in **12pt font with page margins of at least 3 cms** to allow space for feedback on the submitted paper. Any footnotes and appendices are not included in the word limit. **Referencing style must conform to that required by the Journal of Health Economics**, which students are expected to consult in the library or online. Submission is by email to the unit co-ordinator by the due date and time. Feedback on student performance will be provided in the final tutorial of the semester (.i.e by Friday November 12). Feedback will take the form of written comments on the essay and the completion of the attached marking scheme.

If granted, special consideration (see below) may result in a student being granted an extension of time but in no circumstances will a student be excused from submission of an essay.

Late submission of the essay without granted special consideration will attract a penalty of 1/20 marks per day (including for each day of a weekend).

Essay topic 1 Public hospital waiting times

In tax-financed health care systems, where the price is essentially zero and budgets are capped, explicit waiting lists are the most common means of rationing demand. Waiting lists for elective surgery serve as a health care allocation mechanism which equilibrates supply and demand for health care in the absence of prices.

Discuss the theory relating to waiting times and review the empirical evidence of the magnitude of the effects both internationally and in Australia.

Suggested starting references:

Cullis G, Jones PR, Propper C. (2000). Waiting lists and medical treatment: Analysis and policies. In Culyer AJ, Newhouse JP (eds), *Handbook of Health Economics: Vol 1B*. Elsevier Science BV, 1201-1249.

Besley T, Hall J, Preston I. (1999). The Demand for Private Health Insurance: do waiting lists matter? *Journal of Public Economics* 72: 155-181.

Marchand M, Shroyen F. (2004). Can a mixed care system be desirable on equity grounds? *Scandinavian Journal of Economics* 107(1): 1-23.

Martin S, Smith PC. (1999). Rationing by waiting lists: an empirical investigation. *Journal of Public Economics* 71: 141-164.

Essay topic 2 Risk adjustment

Many countries use risk-based predictive modelling (RBPM) to design a system of subsidies for the delivery of health care. The goal of risk-based modelling is to estimate individual risk as accurately as possible in order to provide payments that reflect predicted patient need.

Discuss the potential improvements to the funding of medical services that risk based payment systems offer in terms of equity and efficiency. Contrast RBPM methods with alternative funding methods in use both internationally and in Australia.

Suggested starting references:

Ellis, R. P., (2008) Risk adjustment in health care markets: concepts and applications. In: Lu, M, and E Jonsson, (2008) *Financing Health Care*, Wiley-VCH, Weinheim. 177-222

van de Ven, W., van Vliet, R, Lamers, L (2004) Health-adjusted premium subsidies in the Netherlands, *Health Affairs* 23(3), 45-55.

Glazer, J., McGuire, T.G., (2002) Setting health plan premiums to ensure efficient quality in health care: minimum variance optimal risk adjustment. *Journal of Public Economics* 84, 153–175.

Scotton, RB, (1995). Managed competition: issues for Australia, *Australian Health Review* 18(1), 82-104

Essay marking scheme to be applied

	Content Knowledge 60%	Ability to Communicate 20%	Academic Discourse Skills 10%	Basic Language Skills 10%
5	The writer shows outstanding understanding and content knowledge beyond the scope required by the assignment task.	The reader understands the essay completely; if there are any mistakes they do not interfere with the meaning.	There is a clear logical argument, with the points well ordered and fully supported. It responds appropriately to the question asked.	Pleasingly broad range of sentence structure and vocabulary is used. Mathematical vocabulary is used correctly.
4	The writer demonstrates sound basic knowledge and understanding of the relevant area.	The reader understands the essay, although some sections need to be read more than once.	The answer responds more or less to the question asked. The use of supporting evidence, illustration and argument is relevant but not necessarily sufficient.	There is a good range of sentence structure and vocabulary with a number of minor errors in word formation or spelling.
3	The writer exhibits adequate basic knowledge of the topic area.	The reader mostly understands the essay, despite occasional difficulty.	A point of view is presented, but it is not always clear. Attempts to include supporting evidence, illustration or argument are made.	While there are noticeable language errors, these do not significantly interfere with the reader understanding the essay.
2	The writer's apparent knowledge and understanding of relevant content is limited.	The reader has difficulty understanding the essay, although there are signs of meaning breaking through.	The argument does not progress smoothly. Main points and supporting material are not clearly distinguished from each other.	The range of sentences expressed correctly is limited. Errors in grammar, word choice, word formation and spelling cause difficulty for the reader.
1	The writer shows little evidence of knowing the relevant content.	The reader can hardly understand the essay at all.	The ideas or facts presented have little apparent relation to each other or to the question asked.	Errors in sentence structure, word choice, word forms and spelling predominate and prevent communication.
0	1. The answer is copied or substantially copied from materials or other sources. 2. Non-attempt			

TASK 3. Tutorial presentations. 15%

Each student is required to work (jointly) in a concentrated way on one tutorial as a presenter and as an active participant in tutorials. These two levels of participation together carry 15% of the total unit assessment.

In all, there are three levels of tutorial involvement expected of all students.

1. Whole class

All students are expected to maintain an active participation in the whole tutorial program. A roll will be taken at tutorials and will be used to inform tutorial participation marks. Students who participate with minimal preparation in only their assigned discussion will be considered marginal participants and receive 1/5 for that component. Students who attend at least 9 of the 11 tutorials and participate by way of active discussion will be considered as fully participating and receive 5/5 for that component. This number of tutorials has been selected as full participation to avoid the need for special consideration applications. Students are encouraged to attend all tutorials.

2. Students presenting a topic.

For each tutorial a group of rostered students will be responsible for presenting a Powerpoint aided presentation of the assigned paper(s).

The presentation should address:

- What is the issue the paper is addressing?
- How does this paper fit with previous literature?
- What is the paper's contribution?
- What empirical techniques and data are used?

As well, presenting students should provide their considered assessment and present any criticisms of the paper. Criticisms should aim to be constructive suggesting improvements as well as shortcomings. Where criticisms relate to data deficiencies, a discussion of the type of data required to help the argument of the paper is desirable.

The presentation should be cooperatively prepared. The group may decide on the assignment of the various tasks required for the presentation. For assessment purposes the lecturer will assume that each assigned presenter makes an equal contribution. Where this is not the case, in the view of some members of the group, a proportional assessment will need to be provided by the group and signed by each member.

The group Powerpoint presentation is to be emailed as an attachment to the unit co-ordinator for loading onto the unit website. **This must be received by 15.00 on the day of the tutorial presentation.** It will be available for the use of the whole class.

3. Students leading discussion.

Students assigned to lead class discussion of a tutorial paper will need to co-operate so that different aspects of the paper are addressed. A discussant's contribution is either to raise points of clarification or to provide comments of a general nature on the presentation or paper. The comments are in the first instance to be directed to the presenters of the tutorial but this should not be taken as an adversarial role rather it is to be viewed as a co-operative learning task.

The 15% of the total grade allocated to the tutorials will be made up of 10% for the group presentation and 5% for participation in tutorial discussions.

Tutorial allocation

In the time allocated to the tutorial in the first week August 3, students will be allocated to presenting and discussing groups. It is anticipated that 2 students will be assigned to each tutorial presentation and discussion group but this may change depending on enrolment in the unit, usually finalised by the end of week 1. Students will be given time to consider their preferred topics and group partners for allocation in the tutorial. The order of allocation will be random. However students are free to organise trades. These trades must be completed by the end of the second week of lectures, August 13 and notified to the lecturer in charge, by an email from each partner to the trade. To reduce the amount of negotiation presentation of a topic will be linked to discussion of the topic in the previous week. Students choosing to present Topic 2 will be required to lead discussion on Topic 1 etc. Students choosing Topic 1 will be required to lead discussion on the final topic.

Because missing an assigned presentation or discussion is inconvenient to your fellow presenters and discussants, students must submit documentation of misadventure or other valid reason for inability to attend. Without acceptable documentation students failing to attend their assigned tutorial presentation will receive 0/10.

If granted special consideration, students will be required to discuss the group presentation with the lecturer at the earliest convenient time but not later than a week after the period covered by the request for special consideration. Students granted special consideration for an assigned discussion will be required to discuss the next feasible presentation.

Papers available for group tutorial presentations Tutorial 1, August 10, or in later Tutorials

- Arrow, K. (1963) Uncertainty and the Welfare Economics of Medical Care, *American Economic Review*, 53(5) 941-973.
- Pauly, M.V., (1988), Is Medical Care Different? Old Questions, New Answers, *Journal of Health Politics, Policy, and Law*, 13, Summer, 227-237.
- Contoyannis, P., and A.M. Jones, (2004), Socio-economics Status, Health and Lifestyle, *Journal of Health Economics*, 23, 965-995.
- Balia, S, and A.M. Jones, (2008), Mortality, Lifestyle and Socio-economic Status, *Journal of Health Economics*, 27, 1-26
- Hall, R.E., and C.I, Jones, (2007), The Value of Life and the Rise in Health Spending, *Quarterly Journal of Economics*, 122, 39-72
- Gerdtham, U and M. Johannesson, (1999) New Estimates of the Demand for Health: Results Based on a Categorical Health Measure and Swedish Micro Data, *Social Science and Medicine*, 49, 1325-1132.
- Lakdawalla, D and T Philipson (2002) The growth of obesity and technological change: a theoretical and empirical examination. *NBER Working Paper 8946*, Nation Bureau of Economic Research.
- Cutler, D.M, Glaeser, E.L., and J.M. Shapiro, (2003), Why Have Americans Become More Obese? *Journal of Economic Perspectives*, 17, 93-118
- Case,A., Lubotsky, D., and C. Paxson, (2002), Economic Status and Health in Childhood: The Origins of the Gradient, *American Economic Review*, 92, 1308-1334
- Currie, J., and M. Stabile, (2003), Socioeconomic Status and Child Health: Why is the relationship Stronger for Older Children?, *American Economic Review*, 93, 1813-1823.

May not be selected for presentation until Tutorial 5, September 7, or in later Tutorials

- Buchmueller, T. and J. DiNardo (2002) Did Community Rating Induce an Adverse Selection death Spiral? *American Economic Review*, 92(1) 280-294
- Ellis R, Savage E, 2008, Run for Cover Now or Later? The impact of premiums, threats and deadlines on supplementary private health insurance in Australia, *International Journal of Health Care Finance and Economics*, 8, 257-277
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- Nyman, John A., 1999. "The economics of moral hazard revisited," *Journal of Health Economics*, Elsevier, vol. 18(6), pages 811-824

May not be selected for presentation until Tutorial 8, October 12, or in later Tutorials

- Dranove, D., M. Shanley, and C. Simon, (1992) Is Hospital Competition Wasteful?, *Rand Journal of Economics*, 23(2). 247-262.
- Ellis, R. and T. McGuire, (1986) Provider Behavior under Prospective Payment: Cost Sharing and Supply. *Journal of Health Economics*, 5(2):129-152.
- Miller R. and H. Luft, (2002) HMO Plan Performance Update: An Analysis of the Literature: 1997-2001, *Health Affairs*, 21(4), 63-86.
- Ellis, R., and T.G. McGuire, (1993), Supply-side Cost Sharing in Health Care, *Journal of Economic Perspectives*, 7, 135-151.
- Ellis, R., (1998), Creaming, Skimming, and Dumping: Provider Competition on the Intensive and Extensive Margins, *Journal of Health Economics*, 17, 537-555
- Cutler, D.M., McClellan, M., and J.P. Newhouse, (2000), How Does Managed Care do it?, *Rand Journal of Economics*, 31, 526-548.
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May not be selected for presentation until Tutorial 9, October 19, or in later Tutorials

- Shields, M. and M. Ward (2001), Improving Nurse Retention in the National Health Service in England: The Impact of Job Satisfaction and Intentions to Quit *Journal of Health Economics* 20(5), 677-01.
- Devlin, R. A., and S. Sarma, (2008), Do Physicians remuneration schemes matter? The Case of Canadian Family Physicians, *Journal of Health Economics*, 27, 1168-1181.

May not be selected for presentation until Tutorial 10, October 26, or in later Tutorials

- Wright, D. (2004) The Drug Bargaining Game: Pharmaceutical regulation in Australia, *Journal of Health Economics*, 23(4), 785-813.
- Wright, D.J., (2003), Profitability and Leakage Under the PBS, Australian Review of Public Affairs, Digest, www.australianreview.net/digest/2003/12/wright.html
- van Doorslaer, E. and A. Wagstaff (1992) Equity in the Delivery of Health Care: Some International Comparisons, *Journal of Health Economics*, 11(4), 389-411.
- Cutler. D. (2002) Equality, Efficiency, and Market Fundamentals: The Dynamics of International Medical Care Reform, *Journal of Economic Literature*, 40, 881-906.

TASK 4. Final examination. 60%

A final examination is included as an assessment task for this unit to provide assurance that the product belongs to the student and that the student has attained the knowledge and skills tested in the exam.

A 2 hour final examination for this unit will be held during the University Examination period. The examination will comprise short answer style questions. An example of previous examinations in the unit will be provided on the unit website. The University Examination period in Second Semester 2010 is from 17/11/2010 to 03/12/2010.

Approval of requests for Special Consideration for the final exam may permit students to sit for a supplementary examination. If you are so unwell at the final examination that you need to request special consideration with documentation from a medical practitioner, you should not sit. If you sit and request special consideration, and it is granted you will most likely be required to sit a supplementary examination.

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled after the conclusion of the official examination period.

All students are expected to ensure that they are available until the end of the teaching semester, the final day of the official examination period for final examinations **and** available for any supplementary examination that may be granted after lodgment of a request for special consideration.