TO ACCOMPANY PROPOSAL FOR ADDITION OF COURSE
TO AN EXISTING CLUSTER

Name of proposing faculty member: RAJIV SHARMA
Title of proposed course: INTRODUCTION TO HEALTH CARE ECONOMICS
From which department(s): ECONOMICS
For which cluster: HEALTHY PEOPLE / HEALTHY PLACES AND PROFESSIONS
Name of cluster coordinator: JUDY SOBEL

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COURSE APPROVED FOR CLUSTER INCLUSION BY

DEPARTMENT CHAIR(S): ____________________ DATE: 1/31/01
_________________________ DATE: __________

CLUSTER COORDINATOR: ____________________ DATE: 1/29/01
_________________________ DATE: __________

CHAIR, CLUSTER COORDINATORS: ____________________ DATE: 1/30/01
_________________________ DATE: __________

CHAIR, UNST COMMITTEE: ____________________ DATE: 1/30/01
_________________________ DATE: __________

Copies of completed document are to be filed with appropriate cluster coordinator(s) as well as sent to appropriate department chair(s), UNST Scheduling, and Chair, Cluster Coordinators.

University Studies: November 2000
Proposal for Addition of Course to University Studies Cluster

Department of Economics
Portland State University
Cluster: Healthy People/ Healthy Places
Cluster Coordinator: Judy Sobel
Introduction to Health Care Economics (EC 316U)
Instructor: Rajiv Sharma

A. Course Description.

The class provides an introduction to basic economic concepts that are most relevant to the study of the health care system. It will examine the efficiency and equity implications of the recent move towards managed care. We will examine the evolution of both privately and publicly funded health care. The class will compare the American health care system to the systems employed in other developed countries. We will pay special attention to the delivery of health care in Oregon.

B. Course Development.

The course was developed specifically with the University Studies cluster Healthy People/ Healthy Places in mind.

C. General Education Goals.

The main purpose of this course will be to familiarize students with the key economic relationships that are likely to affect and be affected by the changes currently occurring in the American health care system. The class will provide students with an introduction to the basic economic concepts that are most relevant to the study of the health care industry. I hope to meet University Studies pedagogical goals as described below.

_Inquiry and Critical Thinking._
Students will learn to apply key economic concepts used in the analysis of health care. These include risk-aversion, present value, moral hazard, adverse selection, economic evaluation of health care interventions, etc. Many of these concepts will be illustrated using conceptual as well as data-based diagrams and graphs.

_Communication._

Students will enhance written communication skills through essays and a substantial research paper. Students will be required to make an effective oral presentation of their findings to the class. They will be required to make effective use of visual aids as necessary to communicate lucidly with the class.
Human Experience.
We will explore the institutional structure of key relationships in the health care system: patient-physician, patient-hospital, patient-insurer, patient-employer, physician-insurer, physician-hospital, hospital-insurer, etc. We will also examine how these relationships vary across region and time.

Ethical issues and social responsibility.
We will examine the efficiency and equity implications of providing health care under the traditional fee-for-service system versus providing health care under the relatively new systems of health care delivery such as HMOs, PPOs, etc. We will also compare the American system of health care delivery to systems employed in other developed countries. We will examine how health care systems in countries like Canada and the United Kingdom perform on efficiency and equity criteria in comparison to the current American system.

D. Course Outline.

I propose Health Economics and Policy by James Henderson as the principal textbook for the class. This would be supplemented with additional topical reading assignments that would be drawn largely from material publicly available on the Internet.

The following is a brief topical outline of the course:

1. Social structure, economic development and medical technology.
2. Determinants of health.
   a. Socio-demographic factors.
   b. Medical care.
3. Development of the institutions of American health care system.
   a. Hospitals.
   b. The patient-physician relationship.
   c. Public and private insurance.
   d. HMOs, PPOs, etc.
4. Probability and medical decision-making
5. Economics and health care.
   a. Resource allocation.
   b. Special characteristics of health care.
      i. Decision-making under uncertainty.
      ii. Asymmetric information.
6. Health care in other developed countries.
7. Health care in Oregon.
8. Emerging issues in health care.