



Economics of Health Care Systems

COURSE DESCRIPTION

Economics concerns the allocation of resources so as to obtain the maximum benefit at the minimum cost. Students will learn how the price system functions to allocate resources within the health care industry; how to frame allocation questions for decision making; how to measure benefits resulting from survival and from higher life quality; how to account for risk as a probability event in insurance; and how to account for long-term financing. The course will also familiarize students with the regulatory structure in health care and the role of government financing. The Latin America experiences in health care will often be discussed in class.

The first half of the course covers the basic workings of a market economy and a price system and the economist's approach to cost-benefit decisions. The second half of the course covers valuation methods used with medical research and with financial planning in the health care industry. Costa Rican and Latin American experiences will be discussed and they could be subject of evaluation (some specific readings will be handled to students along the course)

COURSE OBJECTIVES

By the end of the course students should be able to describe how the price system works in our market economy, frame an allocation question so that benefits can be maximized and costs minimized, use probabilities to measure costs and benefits under uncertainty, account for long-term costs and benefits involving interest rates, and be aware of the major cost issues and regulatory structure in hospital care, long term care, pharmaceutical development, and public financing of health care. You should be able to discussed the Latin American experience as well

COURSE REQUIREMENTS:

- View the Narrated Lectures – two or three narrated lectures each week, 10-15 minutes long
- Study the Terms and Concepts (T&C) Documents that accompany the lectures and be able to answer the questions and/or perform the calculations at the end of each document to prepare for the quizzes. Feel free to add your own notes to these documents.
- Complete Assigned Questions, Quizzes or Problems on class material
- Engage in one (1) problem-solving exercises resulting in a short (2-3 page) written document
- One (1) research project on nursing economics
- Tests must be taken during the scheduled time, or notify instructor in advance that this is impossible. If you miss two tests you will fail the course. Download “Tips” in your Course info menu for more information.

Access to Course Content:

Course content is available on a CD provided by the instructor

Access to Teacher:

Instructor can meet with students in the classroom at a time convenient for both of us (most likely after regular class). Professor is also available via e-mail. Students may use the FAQ forum. All students benefit from the questions and answers there.



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COURSE SCHEDULE:

The course schedule is set accordingly to ICDS+U Latina arrangements. **Please review your schedule every week. This is not a self-study course.**

GRADING POINTS (see rubrics on pp.3-5 for details). Adjustment may be needed

<i>Item</i>	<i>Points Per Item</i>	<i>Total</i>	<i>Extra Credit Possible</i>
• Weekly assignments	50%		
• Extended Quiz	20%		
• LAC nursing economics issues			
Research proposal	10%		
Written paper	20%		

GRADING SCALE:

97-100	A+	77-79	C+
93-96	A	73-76	C
90-92	A-	70-72	C-
87-89	B+	66-69	D+
83-86	B	60-64	D
80-82	B-	Below 60	F

TEXTBOOK(s)

Text A: (Recommended) Henderson, JW, Health Economics & Policy, 3th ed. (South-Western, 2005) ISBN: 0-324-22475-3 (HEP)

Text B: (Recommended) Getzen, Thomas, Health Economics and Financing, 4th ed. (Hoboken, NJ: John Wiley & Sons, 2007) ISBN: 978-0-470-46901-9

Text C: (Recommended) Morris, S., Health Economics for Nurses, 4th ed. (Hertfordshire, Prentice Hall, 1998) ISBN: 0-13-255993-5 (HEN)

THE ROLE OF YOUR RECOMMENDED TEXTBOOK:

The textbook by Thomas Getzen is not a required text for this course so there are no quiz questions drawn exclusively from the text. The text assumes that the student already had a course in Microeconomics, whereas your curriculum assumes that this course is your Microeconomics course. Chapters 1 - 3 of the text summarize the material that we will cover in detail during the first five weeks of the course. Where later textbook chapters correspond to material in the T&C, those chapters are shown in the course schedule.



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The value of the book lies in its excellent coverage of the markets for different professions and industries within health care, so if you choose to buy the book you may find it useful for the discussion forums and possibly for later life decisions. Personally, I have tried to retain one classic textbook in my permanent library from each subject that I studied in college, representing the things I learned (or was supposed to learn!), and providing a familiar reference if I ever needed one. That practice has paid off on many occasions. I selected the Getzen text because I believe it to be the most valuable as a permanent addition to a student's library.

Unfortunately there is no such thing as a cheap textbook. If you like to hold a textbook in your hand while studying, the text is available for rent (Google Rent Textbooks). Used copies are available on Amazon.

EVALUATION CRITERIA for TEAM PROBLEM-SOLVING EXERCISES:

A document will be provided giving you a cost-benefit scenario for a hospital with questions designed to help you apply economic theory to realistic decision-making. Given language and others specific issues, this will be adjusted accordingly. The questions will follow the lecture topics of weeks two through five. The team is expected to work on the questions together as we go along, assembling their written answers for submission as a single team document at the end of the fifth week. Answering all the questions will require at least two pages of writing; most answers will probably need part of a third page. No document should be longer than four pages.

Team Exercise Grading: How Points are Added (adjusted accordingly to the changes the ICDS experience requires)

- +2 Points: All questions are answered using complete sentences. Rules of spelling, grammar and syntax are observed
- +2 Points: Team selects defensible measurements for the costs and benefits and explains why these measurements are appropriate
- +2 Points: Team correctly frames the decision as an opportunity cost comparison
- +2 Points: Team correctly identifies the economic law or dynamic that applies to the situation(s)

These first eight points are your baseline grade, reflecting the fact that you have met expectation. If you do no more than meet expectation on both team exercises, you will earn 80% for this portion of your course grade. Additional points are given for well-composed answers that bring in additional considerations, consider additional consequences, and/or use outside resources.

- +2 Points: Additional antecedents and/or consequences of the decision have been taken into account
- +2 Points: Outside resource(s) used and cited appropriately
- +2 Points: Answers demonstrate a particularly thorough grasp of the economic principles involved.

When the Team Exercise is graded, a spreadsheet will be available showing how your points were determined using the rubric shown above. The grade is awarded to the team and all members receive the same grade. If you wish to submit a draft at the end of the fourth week I will happily provide comments to improve your grade.



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EVALUATION CRITERIA for DISCUSSION BOARD TOPICS:

Economic Theory offers important decision tools for social decision-making but it does not make social decisions for us. Members of a society have the right to critique notions of economic fairness, decide what social factors are relevant to a cost-benefit decision, and consider the full range of non-economic consequences. The ideal for our Discussion Board Topics will be to critique health care policy this way, harnessing cost-benefit tools to our individual preferences for social direction so as to formulate opinions that we have considered and can defend rationally. To think critically, to provide the information and reasoning used to arrive at an opinion along with the opinion itself, and to post responsively to the opinions expressed by other students - these are the subjective criteria used to evaluate your contributions.

Please select the topic you intend to participate in and make an initial post by the end of the second week to get the Discussion started. Do this by creating a new thread within that forum so that other students can respond to your ideas specifically. Subsequent to your initial post, you must offer a substantive response to at least three other students' posts, responding to their initial post or answering responses to your own initial post. I will also participate in the Discussion Boards once they are active.

Discussion Board Grading: How Points are Added

+ 4 Points: Minimum requirements are met: the opening post is coherent and relevant to topic, it presents idea(s) in a way that invite response, and three responsive posts are made to other students' opening posts or to answer their responses to you

+ 3 Points: Reasoning and Salience: opening post and responses reflect critical thought about the topic, they support opinion with reasoning, and they respond to the thoughts of others in a substantive way that encourages ongoing discussion

These first seven points are your baseline grade, reflecting the fact that you have met expectation. If you do no more than meet expectation on both discussion boards, you will earn 70% for the discussion board portion of your course grade.

Different students are good at different things, so there are several kinds of contributions that will move you into the A-range, not to exceed 10 points in total. (Any additional points earned will be recorded as extra credit on your grade page.)

+1.0 – 1.5 Points: Sustains a Discussion: participates with more than the three-post response minimum in one or more longer threads where the give-and-take of opinions develops different dimensions of the topic. Explicit reasoning is crucial

+ 0.5 – 1.5 Points: Economic Theory Referenced: develops the connection of the topic to relevant economic theory. The topics offered tend to go beyond the basic economic laws presented in lecture, but all topics are rooted in a particular perspective on economics

+0.5 – 1.0 Points: New Issue Referenced: a related issue is brought into discussion which has antecedents or consequences similar to those of the topic

+1.0 Points: Outside Resources Used: some students will be moved to investigate the topic further and bring links or citations to the sources they've read or viewed. If you read outside material be sure to post the link or citation to receive points for your work

When the Discussion Board is graded, a spreadsheet will be available showing how your points were determined for that particular assignment using the rubric shown above.



ICDS ACADEMIC POLICY

Special Needs: In case of requiring additional time for taking exams, or if experiencing any circumstance during the course of the term that would interfere with the student's ability to complete his/her work or take a test, students should let the professor know ahead of time.

Changes to Syllabus

The student acknowledges receipt of this syllabus and the information herein by continuing to attend this course. The Instructor reserves the right to make changes to this syllabus if circumstances warrant such change, with previous approval of ICDS' Academic Director. All major changes will be provided to the student in writing.

Academic Integrity

ICDS/Winter term is committed to a learning environment that embraces honesty. Faculty, students, and administrators share responsibility for maintaining this environment of academic honesty and integrity, accepting responsibility for all actions, personal and academic. Each member of the ICDS community is expected to read, understand, and uphold the values identified and described for academic integrity.

Students in this course are expected to abide by common sense, normal regulations on Academic Integrity. Violations of the Academic Integrity policy include, but are not limited to plagiarism, fabrication, cheating, and academic misconduct, including dishonest acts such as tampering with grades or taking part in obtaining or distributing any part of an administered or unadministered test/assignment. The intent to violate this policy also represents a violation of this policy.

Possible Sanctions for Violating Academic Integrity Policy

If an act of academic dishonesty is determined to have occurred, one or more of the following sanctions will be imposed, depending on the severity of a first-time offense:

- Reduction of a course grade
- An "F" for the assignment or exam
- Failure for the entire course
- Other action deemed appropriate by the faculty member
- Any of the above sanctions with the inability to withdraw.

The decision about the sanction to apply will be made jointly by the course's professor and ICDS' Academic Director, in consultation with home university on-site Director for the program, if applicable. The incident will be reported to the home university and may result in an official conduct record for the student(s).

Second violation: A second violation will result in suspension or expulsion from the program, in addition to any sanction issued from the list above.