ECON 880: Selected Topics in Economic Theory: Health Economics
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Office hours: T 9-11, R 2:20-4:20 in Snow 415C
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Student Goals
- Master the mathematical and graphical representations used in health economics
- Build a broad and deep fluency with the classic and current health economics literatures
- Develop a research proposal that can lead to a dissertation chapter

Prerequisite: Econ 870: Applied Microeconomics or permission of instructor

Optional Textbooks:

Plan

Classes in **bold** have assigned readings. Classes in **underline** have other assignments due. Some classes have both.

1 Introduction (8/27)
2 Overview and Fundamental Theory (8/29)
3 Measurement of Health (Height, Infant Mortality, Life Expectancy) (9/3)
4 Health Insurance (Optimal) (9/5)
5 Go over analytical exercise (9/10)
6 Selection (9/12)
7 Medicare & Medicaid (9/17)
8 Geographic Variation (9/19)
9 Health Insurance (Applied) (9/24)
10 Household Finances (9/26)
11 The Affordable Care Act (10/1 - need to reschedule)
12 Productivity of Spending & International Comparisons (10/3)
13 Health over the business cycle (10/8)
14 Hospitals & Competition (10/10)
Fall Break (10/15)
15 Physicians & Nurses (10/17)
16 Health Behaviors (Alcohol & Smoking) (10/22 – guest lecturer)
17 Health Behaviors (Obesity & Wellness) (10/27)
18 HIV/AIDS (10/29)
19 Pollution (10/31)
20 Go over theoretical problem set (11/5)
21 Malpractice (11/7 - need to reschedule)
22 Reproductive & Child Health (11/9)
23 Pharma (11/14)
24 Opioids (11/19)
25 Go over referee assignment (11/21)
26 Machine Learning (11/26)
   Thanksgiving (11/28)
27: Practice final exam (12/3)
28-30: Research proposal presentations (12/5, 12/10, 12/12)

Grading: The course is graded on a standard A-F +/- scale (e.g., A=93%+), though I reserve the right to curve the grade distribution in your favor (e.g., A=91%+). For credit/no credit, any grade less than a C is considered as no credit.

Grade percentages:

Attendance:  20%
Homework:   30%
Presentation: 20%
Final exam:  30%

Attendance: Class attendance is required. If you cannot attend a class (for any reason), you can receive credit by emailing a 1000 word summary (in your own words) of the papers covered in that class by 24 hours after the class time of the class.

Assignments (in addition to readings), due at class:

Class 5: Analytical replication exercise: Please send me a single Stata .do file and as many dictionary (.dct) files as you’d like (but no separate data (.dta) files) that downloads and processes the data, defines the variables, and then reproduces the coefficient 0.0135* (0.0075) from Table 3 in Evans and Garthwaite (AEJ: Economic Policy 2014). You may use any resource availability on the internet, including the code on the AEA website provided by the authors. Please get as close as you can to the coefficient and use as few lines of code as possible.

Class 9: Written list of five original research questions that would like to study.

Class 13: Annotated bibliography for your chosen question. Must contain at least 10 papers, which can include those from the reading list. For each paper, please write a short paragraph (~100 words) about why the paper is relevant to your topic and research plan.

Class 17: Written draft of research proposal, in the style of an academic paper. At least 3000 words.

Class 20: Theoretical problem set, building especially on classes 2 (fundamental theory), 3 (measurement), 4 (optimal health insurance), 6 (selection), 15 (physicians & nurses), and 16 (health behaviors)

Class 25: Referee Report. I will provide you with a manuscript draft. Please write an 800 word referee report, which includes a 100 word original summary of the paper, and then at least 5
major and 5 minor suggestions for the paper, in each in descending order of importance. I will provide examples. I will go through in class my process for writing these. Here is another perspective: https://blog.academicsequitur.com/2019/06/30/how-to-write-a-good-referee-report/

**Classes 28-30** A presentation, with slides, of your research proposal. Time limit TBD, based on class size. (E.g., with 12 students, each one gets 14 minutes to present and 3 minutes for questions/suggestions.)

**Final Exam:** Exam will be in-person during the prescheduled time in finals week (Friday, December 20, 1:30-4 PM), closed book, no electronic devices (including calculators). If you believe I have made an error in grading your exam send me a detailed email within 48 hours of me returning the exam and then come to my office hours to discuss. I will re-grade your entire exam -- your score may increase or decrease. It will consist of mathematical questions and literature review questions--given an abstract, 1) cite 5 papers from the class that are relevant 2) put this one in context, 3) make 3 suggestions for next steps. We will practice this in class 27.

**Make-up exam:** Make-up exam for religious holidays will be provided with documentation from a religious official. Please speak to me by class 9. Last minute make-up exam will only be provided in extreme situations, such as incapacitating illness or a death in the family. Please come speak to me and bring official documentation.

**Disability Requirements:** If you have a disability and require accommodations, please contact the Disabilities Resources Office at the University of Kansas (http://disability.ku.edu)

**Academic Integrity:** The rules of academic integrity will be strictly enforced (please refer to the University of Kansas’s guidelines). Breaches will not be tolerated under any circumstances. Please see https://studentaffairs.ku.edu/academic-integrity for more information.

**Concealed carry:** Individuals who choose to carry concealed handguns are solely responsible to do so in a safe and secure manner in strict conformity with state and federal laws and KU weapons policy. Safety measures outlined in the KU weapons policy specify that a concealed handgun:

- Must be under the constant control of the carrier.
- Must be out of view, concealed either on the body of the carrier, or backpack, purse, or bag that remains under the carrier’s custody and control.
- Must be in a holster that covers the trigger area and secures any external hammer in an un-cocked position
- Must have the safety on, and have no round in the chamber

**Children in the classroom:**

- All babies (bottle-feeding, nursing, …) are welcome in class as often as is necessary;
- For older children, I understand that unforeseen disruptions in childcare often place parents in the positions of having to miss class to stay home. You are welcome to bring
your child to class in order to cover gaps in care. This is not meant to be a long-term solution.

• I ask that all students work with me to create a welcoming environment that is respectful of all forms of diversity, including diversity in parenting status;

• In all cases when your children come to class, please sit in the front, close to the door. This will allow you to step outside in case your child needs special attention.

• I maintain the same standards and expectations for all students. However, please contact me if you are having difficulty with school-parenting balance.

Disclaimer: I reserve the right to modify this syllabus in the event of an unforeseen situation.

Papers to read BEFORE each class.

Note that papers in italics are optional and will not be cover them directly in class.

Relevant sections of optional textbooks which can be read for background material are below each class title.

Class 2. Overview and Fundamental Theory
BHT Chapters 2, 3, 13, 14
SH Chapter 2


Class 3. Measurement of Health (Height, Infant Mortality, Life Expectancy, BMI)
BHT Chapter 19
SH Chapter 16


The trend of mean BMI values of US adults, birth cohorts 1882–1986 indicates that the obesity epidemic began earlier than hitherto thought John Komlos Marek Brabec American Journal of Human Biology Volume22, Issue5 September/October 2010 Pages 631-638 (also NBER WP #15862)


Demography February 2005, Volume 42, Issue 1, pp 1–22 The role of public health improvements in health advances: The twentieth-century United States David Cutler Grant Miller


Class 4. Health Insurance (Optimal)
BHT Chapters 7, 11, 15, 16, 17, 18
SH Chapters 3, 10


The RAND Health Insurance Experiment, Three Decades Later Aviva Aron-Dine Liran Einav Amy Finkelstein Journal of Economic Perspectives Vol. 27, No. 1, Winter 2013 (pp. 197-222)


Class 6. Selection
BHT Chapters 8, 9
SH Chapter 4


**Class 7. Medicare & Medicaid**  
**SH Chapter 12**


Does Managed Care Widen Infant Health Disparities? Evidence from Texas Medicaid Ilyana Kuziemko Katherine Meckel Maya Rossin-Slater American Economic Journal: Economic Policy (Forthcoming)


Christopher Ody, Lucy Msall, Leemore S. Dafny, David C.Grabowski, and David M. Cutler Decreases In Readmissions Credited To Medicare’s Program To Reduce Hospital Readmissions Have Been Overstated. Health Affairs January 2019 38(1): 36-43


Class 8. Geographic Variation


Sources of Geographic Variation in Health Care: Evidence From Patient Migration Amy Finkelstein Matthew Gentzkow Heidi Williams Quarterly Journal of Economics, Volume 131, Issue 4, 1 2016, Pages 1681–1726


A Test of Supply-side Explanations of Geographic Variation in Health Care Use Kevin Callison, Robert Kaestner, Jason Ward NBER Working Paper No. 25037 2018
Class 9. Health Insurance (Applied)


Choose to Lose: Health Plan Choices from a Menu with Dominated Option Saurabh Bhargava George Loewenstein Justin Sydnor The Quarterly Journal of Economics, Volume 132, Issue 3, 1 August 2017, Pages 1319–1372,


Behavioral Hazard in Health Insurance. Baicker, Katherine; Mullainathan, Sendhil; Schwartzstein, Joshua Quarterly Journal of Economics, November 2015, v. 130, iss. 4, pp. 1623-67

Medicare Part D and Portfolio Choice Padmaja Ayyagari Daifeng He American Economic Review. 106, NO. 5, MAY 2016 (pp. 339-42)


Health Affairs. 36, NO. 1: One In Five Inpatient Emergency Department Cases May Lead To Surprise Bills Christopher Garmon and Benjamin Chartock 2017 : 177–181

Do Larger Health Insurance Subsidies Benefit Patients or Producers? Evidence from Medicare Advantage Marika Cabral Michael Geruso Neale Mahoney American Economic Review (Forthcoming)
The Consequences of Health Care Privatization: Evidence from Medicare Advantage Exits
Mark Duggan Jonathan Gruber Boris Vabson AMERICAN ECONOMIC JOURNAL: ECONOMIC POLICY VOL. 10, NO. 1, FEBRUARY 2018

Class 10. Household Finances
SH Chapter 11

Health Aff 2005 W5-63-W5-73. Illness and injury as contributors to bankruptcy. Himmelstein DU, Warren E, Thorne D, Woolhandler S.

Medical Bankruptcy: Myth Versus Fact Health Affairs 25(2) (2006): w74–w83 by David Dranove and Michael L. Millenson

Bankruptcy as Implicit Health Insurance Neale Mahoney American Economic Review Vol. 105, No. 2, February 2015 (pp. 710-46)


Health and (Other) Asset Holdings Hugonnier, Julien; Pelgrin, Florian; St-Amour, Pascal Review of Economic Studies, April 2013, v. 80, iss. 2, pp. 663-710

Discounting The Debtors Will Not Make Medical Bankruptcy Disappear, by David U. Himmelstein, Elizabeth Warren, Deborah Thorne, and Steffie Woolhandler, [Health Affairs 25(2) (2006): w84-w88


Class 11. The Affordable Care

Yaa Akosa Antwi & Asako S. Moriya & Kosali Simon, 2013. "Effects of Federal Policy to Insure Young Adults: Evidence from the 2010 Affordable Care Act's Dependent-Coverage


Does the individual mandate affect insurance coverage? Evidence from the population of tax returns Bradley Heim & Ithai Z. Lurie & Daniel W. Sacks
http://papers.nber.org/conf_papers/f120008.pdf

The effect of health insurance on home payment delinquency: Evidence from ACA Marketplace subsidies Emily A. Gallagher, Radhakrishnan Gopalan, Michal Grinstein-Weiss


The ACA Medicaid Expansion in Michigan and Financial Health Sarah Miller, Luojia Hu, Robert Kaestner, Bhashkar Mazumder, Ashley Wong NBER Working Paper No. 25053 2018

The effect of the affordable care act Medicaid expansions on financial wellbeing. Authors Luojia Hu, Robert Kaestner, Bhashkar Mazumder, Sarah Miller, Ashley Wong Publication date 2018/5/7 Journal of Public Economics


The Impact of the Affordable Care Act: Evidence from California's Hospital Sector Mark Duggan, Atul Gupta, and Emilie Jackson NBER Working Paper No. 25488 January 2019

The Effect of Health Insurance on Mortality: Power Analysis and What We Can Learn from the Affordable Care Act Coverage Expansions Bernard Black, Alex Hollingsworth, Leticia Nunes, Kosali Simon NBER Working Paper No. 25568 2019


Appointment Availability after Increases in Medicaid Payments for Primary Care Daniel Polsky, Ph.D., Michael Richards, M.D., Ph.D., Simon Basseyin, B.A., Douglas Wissoker, Ph.D., Genevieve M. Kenney, Ph.D., Stephen Zuckerman, Ph.D., and Karin V. Rhodes, M.D. February 5, 2015 N Engl J Med 2015; 372:537-545

Declining Medicaid Fees and Primary Care Appointment Availability for New Medicaid Patients Molly Candon, PhD; Stephen Zuckerman, PhD; Douglas Wissoker, PhD; Brendan Saloner, PhD; Genevieve M. Kenney, PhD; Karin Rhodes, MD; Daniel Polsky, PhD JAMA Intern Med. 2018;178(1):145-14

Journal of Health Economics Volume 56, December 2017, Pages 71-86 Do individuals respond to cost-sharing subsidies in their selections of marketplace health insurance plans? Thomas DeLeire Andre Chappel Kenneth Finegold EmilyGee


Class 12. Productivity of Spending & International Comparisons
SH Chapters 13, 14, 15

Health AffairsVOL. 22, NO. 3 It’s The Prices, Stupid: Why The United States Is So Different From Other Countries Gerard F. Anderson, Uwe E. Reinhardt, Peter S. Hussey, and Varduhi Petrosyan 89-105 2003


Where are the Health Care Entrepreneurs? The Failure of Organizational Innovation in Health Care, David M. Cutler. in Innovation Policy and the Economy, Volume 11, Lerner and Stern. 2010


Gerard F. Anderson, Peter Hussey, and Varduhi Petrosyan. It’s Still The Prices, Stupid: Why The US Spends So Much On Health Care, And A Tribute To Uwe Reinhardt HEALTH AFFAIRS 38, NO. 1 (2019): 87–95


Class 13. Health Over the Business Cycle


Class 14. Hospitals & Competition
BHT Chapter 6
SH Chapters 6, 8, 17


The Price Ain’t Right? Hospital Prices and Health Spending on the Privately Insured* Zack Cooper Stuart V Craig Martin Gaynor John Van Reenen. The Quarterly Journal of Economics, Volume 134, Issue 1, 1 February 2019, Pages 51–107


The Impact of Competition on Management Quality: Evidence from Public Hospitals Bloom, Nicholas; Propper, Carol; Seiler, Stephan; Van Reenen, John Review of Economic Studies, April 2015, v. 82, iss. 2, pp. 457-89


Class 15. Physicians & Nurses
BHT Chapter 5
SH Chapter 5


Mortality and Treatment Patterns Among Patients Hospitalized With Acute Cardiovascular Conditions During Dates of National Cardiology Meetings Anupam B. Jena, MD, PhD1,2,3; Vinay Prasad, MD4; Dana P. Goldman, PhD3,5,6; et al John Romley, PhD5,6 JAMA Intern Med. 2015;175(2):237-244.


Handbook of Health Economics. Volume 1, Part A, 2000, Pages 461-536
Chapter 9 - Physician Agency Thomas G. McGuire Sections 3-5.


Class 16. Health Behaviors (Theory, Alcohol & Smoking)
BHT Chapters 20, 21, 23, 24


Smoking, Expectations, and Health: A Dynamic Stochastic Model of Lifetime Smoking Behavior Darden, Michael Journal of Political Economy, October 2017, v. 125, iss. 5, pp. 1465-1522


The Effect of E-Cigarette Taxes on Pre-Pregnancy and Prenatal Smoking, and Birth Outcomes Rahi Abouk, Scott Adams, Bo Feng, Johanna Catherine Maclean, Michael F. Pesko NBER Working Paper No. 26126. 2019

Class 17. Health Behaviors (Obesity & Wellness)
BHT Chapter 22

The Impact of Obesity on Wages John Cawley The Journal of Human Resources Vol. 39, No. 2 (Spring, 2004), pp. 451-474


The Impact of the Philadelphia Beverage Tax on Purchases and Consumption by Adults and Children John Cawley, David Frisvold, Anna Hill, David Jones NBER Working Paper No. 25052 2018


The Effects of Physical Education on Student Fitness, Achievement, and Behavior Analisa Packham Brittany Street 2018 https://drive.google.com/file/d/17ficAXW-C8PoHRLlpbRy50ptm04gOV4/view

Class 18: HIV/AIDS


Neeraj Sood, Yanyu Wu 2013 The Impact of Insurance and HIV Treatment Technology on HIV Testing  NBER Working Paper No. 19397


**Class 19. Pollution**


Every Breath You Take--Every Dollar You'll Make: The Long-Term Consequences of the Clean Air Act of 1970 Isen, Adam; Rossin-Slater, Maya; Walker, W. Reed Journal of Political Economy, June 2017, v. 125, iss. 3, pp. 848-902


Airports, Air Pollution, and Contemporaneous Health Schlenker, Wolfram; Walker, W. Reed Review of Economic Studies, April 2016, v. 83, iss. 2, pp. 768-809

The impact of car pollution on infant and child health: Evidence from emissions cheating 2019 19-014 Diane Alexander, Hannes Schwandt

Class 21. Malpractice
SH Chapter 7


The impact of malpractice fears on cesarean section rates Lisa Dubay, Robert Kaestner, Timothy Waidmann 1999/8/1 Journal of health economics 18 4 491-522

Class 22. Reproductive and Child Health

The Impact of Women's Health Clinic Closures on Preventive Care Yao Lu David J. G. Slusky American Economic Journal: Applied Economics Vol. 8, No. 3, July 2016 (pp. 100-124)

Cristina Borra, Libertad González, Almudena Sevilla; The Impact of Scheduling Birth Early on Infant Health, Journal of the European Economic Association, forthcoming


Media Influences on Social Outcomes: The Impact of MTV’s 16 and Pregnant on Teen Childbearing Melissa S. Kearney Phillip B. Levine American Economic Review Vol. 105, No. 12, December 2015 (pp. 3597-3632)


The Promise and Pitfalls of Differences-in-Differences: Reflections on '16 and Pregnant' and Other Applications Ariella Kahn-Lang, Kevin Lang NBER Working Paper No. 24857 2018


The Impact of Legalized Abortion on Crime over the Last Two Decades, John J. Donohue, Steven D. Levitt,NBER Working Paper No. 25863. 2019


Fetal Shock or Selection? The 1918 Influenza Pandemic and Human Capital Development Brian Beach, Joseph P. Ferrie, Martin H. Saavedra NBER Working Paper No. 24725. 2018

IZA DP No. 11715 Jason M. Fletcher New Evidence on the Impacts of Early Exposure to the 1918 Influenza Pandemic on Old-Age Mortality: A Research Note JULY 2018


Journal of Political Economy Volume 125, Number 6 | December 2017 The Power of Abortion Policy: Reexamining the Effects of Young Women’s Access to Reproductive Control Caitlin Knowles Myers

Class 23. Pharma
BHT Chapter 12
SH Chapter 9


Pricing in the market for anticancer drugs DH Howard, PB Bach, ER Berndt, RM Conti Journal of Economic Perspectives 29 (1), 139-62


Do Firms Underinvest in Long-Term Research? Evidence from Cancer Clinical Trials Eric Budish Benjamin N. Roin Heidi Williams American Economic Review VOL. 105, NO. 7, JULY 2015

Class 24. Opioids


April 2018 IZA DP No. 11489: The Moral Hazard of Lifesaving Innovations: Naloxone Access, Opioid Abuse, and Crime Jennifer Doleac, Anita Mukherjee

Journal of Health Economics Volume 56, December 2017, Pages 222-233 Macroeconomic conditions and opioid abuse Alex Hollingsworth, Christopher J.Ruhm, Kosali Simon


Class 26: Machine Learning


The Mortality and Medical Costs of Air Pollution: Evidence from Changes in Wind Direction. Tatyana Deryugina Garth Heutel Nolan H. Miller David Molitor Julian Reif American Economic Review (Forthcoming)


Extra topics:

Inequality and health


Currie, Janet and Mark Stabile. “Socioeconomic Status and Health: Why is the Relationship Stronger for Older Children?” American Economic Review, v93 #5, December 2003, 1813-1823.


**Education and health**


**Mental health**


Violence


Decriminalizing Indoor Prostitution: Implications for Sexual Violence and Public Health
Scott Cunningham, Manisha Shah The Review of Economic Studies, Volume 85, Issue 3, 1 July 2018, Pages 1683–1715

Public programs and health


Happiness


The financial crisis and the well-being of Americans: 2011 OEP Hicks Class
Angus Deaton Oxford Economic Papers, Volume 64, Issue 1, 1 January 2012, Pages 1–26


**Organ donation**


*Organ Allocation Policy and the Decision to Donate Judd B. Kessler Alvin E. Roth American Economic Review. 102, NO. 5, AUGUST 2012 (Pp. 2018-47)*

**Race and health**


*Does Diversity Matter for Health? Experimental Evidence from Oakland Marcella Alsan, Owen Garrick, Grant C. Graziani NBER Working Paper No. 24787 2018*


**Labor and health**
