Health Law, Economics, and Policy

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Proposed Course for Fall 2007 (Penn) and Spring 2008 (Columbia)

Objective: This seminar will proceed in two parts. In the first half of the semester we will discuss the tools of microeconomics and statistical analysis as they apply to questions of health law and policy, including the general topics of insurance markets (both private and public), healthcare financing, medical malpractice and medical errors, and the labor market for healthcare professionals. During the second half of the semester, we will examine the recent empirical literature on a host of topics within health law and policy.

Text: For the first half of the semester, we will use Sherman Folland, Allen Goodman, and Miron Stano, *The Economics of Health and Healthcare* (Upper Saddle River, NJ: Prentice Hall). Note that the most recent edition (5th, 2007) is quite expensive, so feel free to use an older edition to prepare for class discussions. Papers for the second half of the class will be posted at [http://mailer.fsu.edu/~jklick/classes.html](http://mailer.fsu.edu/~jklick/classes.html).

Evaluation: 75 percent of the semester grade will be determined by your semester paper (see details below). The remaining 25 percent of the grade will come from the short article synopses (described below). Grades will be curved according to law school policy.

Semester Paper: There will be a semester paper due on the last day of class. I do not have any particular length guidelines for this paper. Schedule a meeting to discuss paper topics with me before the middle of the semester (the earlier the better, especially for those choosing the high risk model). Papers can follow one of two models:

High Risk (High Return) Model: Identify a state level legal or policy change relating to the health area and formulate a hypothesis regarding what changes in health behaviors or outcomes are likely to follow this legal/policy change. Collect data on these behaviors or outcomes (at least for the state(s) making the change but, ideally, for some comparison states not exhibiting the change as well) and compare the before and after experience of the state(s) with respect to these behaviors or outcomes. Document your results and discuss them in terms of a simple policy evaluation and in terms of what insight your analysis provides more generally, noting the shortcomings of the analysis and potential solutions for these shortcomings.

Low Risk (Low Return) Model: Find a health law or policy topic not covered in the second half of the semester and provide a critical literature review of the empirical work done by economists and public health analysts on the topic in recent years, noting the shortcomings of the existing literature and providing some suggestions for future empirical projects in this area.

Article Synopses: During the second half of the semester, as discussed below, there are both assigned articles and optional articles for each topic we will be addressing. For each week, each student must choose one of the optional articles and write a very short (2 pages maximum) review of the article addressing the following questions: 1) what is the hypothesis of the article; 2) why is this question important for law and policy discussions; 3) what method(s) does the author use to address the question; 4) what are the general results/conclusions of the article; and 5) identify at least one shortcoming of the analysis, perhaps suggesting a way to address this shortcoming. These synopses are due to me (by email) before class starts on the day we will be discussing the topic. I will include each student’s six best scores toward the class grade (i.e., a student can choose to not turn in one of the synopses without hurting his/her grade, or, alternatively, the student can choose to do an article synopsis each week and I will exclude the one that is worst for each student).

Schedule: As described above, we will cover theoretical and empirical tools of health policy analysis during the first half of the semester (denoted below as “Tools of Policy Analysis”) using the text listed above as a point of reference for each week’s discussion. For the second half of the semester (denoted below as “Topics in Health Law and Policy”), students should read the “assigned” articles before each class and as many of the “optional” articles that engage the student’s interest.

Week 1: Introduction

*Tools of Policy Analysis*

Week 2: Basic Microeconomics, Statistics, and Cost-Benefit Analysis
Background in Text: Chapters 1-4
Questions for Discussion: Are healthcare decisions different than other consumption decisions? Is efficiency a desirable criteria in making health policy decisions?

Week 3: Health as a Consumption, Capital, and Status Good and the Production of Health
Background in Text: Chapters 5-9
Questions for Discussion: Why does insurance exist? Is health insurance really insurance?

Week 4: Information Problems in Healthcare Markets: Moral Hazard and Adverse Selection
Background in Text: Chapters 10-12
Questions for Discussion: Should individuals with preexisting conditions pay more for health insurance?
Does tying health insurance to employment make things better or worse?

Week 5: Social Insurance
Background in Text: Chapters 18-22
Questions for Discussion: Should public health insurance programs favor the old or the young?
Should public health systems subsidize the first or the last dollars spent on health?

Week 6: Incentives and Organization in the Healthcare Industry
Background in Text: 13-17
Questions for Discussion: Why are HMOs unpopular even though they seem to generate good health outcomes?
What do doctors maximize?

Week 7: Equity vs. Efficiency
Questions for Discussion: How should donor organs be allocated?
Should doctors engage in racial profiling?

Topics in Health Law and Policy
Week 8: Medical Malpractice
Question for Discussion: What role does medical malpractice law play in public health?

Assigned:

Optional:

Week 9: The Effects of Abortion Access on Crime, Risky Sex, and the Condition of Women
Question for Discussion: What would a cost benefit analysis of abortion policy look like?

Assigned:

Optional:

Week 10: Obesity
Question for Discussion: Will junk food lawsuits follow the path of the tobacco lawsuits?

Assigned:


Optional:


**Week 11:** Addiction

Question for Discussion: Should law view addiction as a disease or as a rational choice and does it matter?

Assigned:


Optional:


**Week 12:** The Health Insurance Market

Question for discussion: Is health insurance “unaffordable” in the U.S.?

Assigned:


Optional:


**Week 13:** Class Choice (We will discuss what topic the class prefers in the middle of the semester)

**Week 14:** Wrap Up