

Health Law, Economics, and Policy -- LAW905-001-11A  
R 4:30-6:30  
Tanenbaum 320

Jon Klick  
Office: Silverman 315  
Phone: 215-746-3455  
Email: [jklick@law.upenn.edu](mailto:jklick@law.upenn.edu)  
Office Hours: TR: 10:30-12:00

**Purpose:** This class will briefly discuss the basics of health economics and the use of empirical methods to isolate the causal effects of laws on individual behavior and health outcomes. We will then analyze a host of current issues in health policy, including the effect of insurance coverage on health, the determinants and the effects of the rise in obesity in the developed world, and what drives the explosion of healthcare costs in the U.S. No prior training in economics or statistics is required.

**Evaluation:** Grades will be based entirely on two components: 1) a written paper submitted by midnight on May 6, 2011 will count for 90 percent of the grade; 2) the remaining 10 percent will be based on 4 short (2 pages each maximum) papers as described below.

**Short Papers:** For each week in the schedule (beginning with February 3), we will be discussing a set of papers. For 4 out of 10 of the weeks, write a brief response to one of the papers for that week which includes the following: 1) a statement of the research question; 2) a short discussion of why the question is important; 3) a brief discussion of the research design; 4) a statement of the findings; and 5) a description of the major limitations of the study. Upload this paper to the document dropbox in the course portal BEFORE class begins on the day we will be discussing the paper. If you complete 1-5, you get full credit. If you miss one of the points, you get no credit.

January 13 Introduction  
January 20 Economics of Health  
January 27 Basics of Empirical Analysis

February 3 Determinants of Healthcare Costs in the U.S.

Robert Fogel, Forecasting the Cost of U.S. Health Care in 2040, *Journal of Policy Modeling*, 31(4): 482-488 (2009).

AHGM Spithoven, Why U.S. Health Care Expenditure and Ranking on Health Care Indicators Are So Different from Canada's, *International Journal of Health Care Finance and Economics*, 9(1): 1-24 (2009).

Alan Garber and Jonathan Skinner, Is American Health Care Uniquely Inefficient?, *Journal of Economic Perspectives*, 22(4): 27-50 (2008).

February 10	No class (to be made up)
February 17	<p>Is Health Worse in the US?</p> <p>Samuel Preston and Jessica Ho, Low Life Expectancy in the United States: Is the Health Care System at Fault?, NBER Working Paper No. 15213 (2009).</p> <p>William Comanor, H.E. French, and Richard Miller, Is the United States an outlier in health care and health outcomes? A preliminary analysis, International Journal of Health Care Finance and Economics, 6(1): 3-23 (2006).</p> <p>Ellen Nolte and Martin McKee, Measuring the health of nations: analysis of mortality amenable to health care, BMJ, 327(7424): 1129-1133 (2003).</p> <p>Ellen Nolte and Martin McKee, Measuring The Health Of Nations: Updating An Earlier Analysis, Health Affairs, 27(1): 58-71 (2008).</p>
February 24	<p>The Value of Insurance Coverage</p> <p>David Card, Carlos Dobkin, Nicole Maestas, Does Medicare Save Lives, Quarterly Journal of Economics, 124(2): 597-636 (2009).</p> <p>Helen Levy and David Meltzer, The Impact of Health Insurance on Health, Annual Review of Public Health, 29: 399-409 (2008).</p> <p>Leemore Dafny and Jonathan Gruber, Public Insurance and Child Hospitalizations: Access and Efficiency Effects, Journal of Public Economics, 89: 109-129 (2004).</p>
March 3	<p>The ACA/MA Experience</p> <p>Scott Harrington, U.S. HEALTH-CARE REFORM: THE PATIENT PROTECTION AND AFFORDABLE CARE ACT, Journal of Risk and Insurance, 77(3): 703-708 (2010).</p> <p>Jonathan Kolstad and Amanda Kowalski, THE IMPACT OF HEALTH CARE REFORM ON HOSPITAL AND PREVENTIVE CARE: EVIDENCE FROM MASSACHUSETTS, NBER Working Paper No. 16012 (2010).</p> <p>John Cogan, R. Glenn Hubbard, and Daniel Kessler, The Effect of Massachusetts' Health Reform on Employer-Sponsored Insurance Premiums, Forum for Health Economics and Policy, 13(2): Article 5 (2010).</p>
March 10	No class (Spring Break)
March 17	Is Insurance Unaffordable?

M. Kate Bundorf and Mark Pauly (2006), "Is Health Insurance Affordable for the Uninsured?" *Journal of Health Economics*, 25(4): 650-673.

Helen Levy and Thomas DeLeire (2008), "What Do People Buy When They Don't Buy Health Insurance and What Does That Say About Why They Are Uninsured?" *Inquiry*, 45(4): 365-379.

John Cawley and Kosali Simon (2005), "Health insurance coverage and the macroeconomy," *Journal of Health Economics*, 24(2): 299-315.

March 24

Poverty and Health

Jonathan Leonard and Alexandre Mas (2008), "Welfare reform, time limits, and infant health," *Journal of Health Economics*, 27(6): 1551-1566.

Janet Currie (2009), "Healthy, Wealthy, and Wise: Socioeconomic Status, Poor Health in Childhood, and Human Capital Development," *Journal of Economic Literature*, 47:1, 87-122.

Gabriella Conti, James Heckman, and Sergio Urzua (2010), "The Education-Health Gradient," *American Economic Review*, 100: 234-238

March 31

Bankruptcy and Health

David U. Himmelstein, Elizabeth Warren, Deborah Thorne and Steffie Woolhandler (2005), "MarketWatch: Illness And Injury As Contributors To Bankruptcy," *Health Affairs*

David Dranove and Michael L. Millenson (2006a), "Medical Bankruptcy: Myth Versus Fact," *Health Affairs*, 25(2): w74-w83.

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

David Dranove and Michael L. Millenson (2006b), "Medical Bankruptcy: Dranove And Millenson Respond," *Health Affairs*, 25(2): w93.

April 7

Obesity

John Cawley and Chad Meyerhoefer (2010), "The Medical Care Costs of Obesity: An Instrumental Variables Approach," NBER Working Paper 16467.

Charles L. Baum II, Christopher J. Ruhm (2009), "Age, socioeconomic status and obesity growth ," *Journal of Health Economics*, 28(3): 635-648.

Inas Rashad and Sara Markowitz (2007), "Incentives in Obesity and Health Insurance," NBER Working Paper 13113.

April 14

Pharmaceuticals

Frank Lichtenberg (2005), "The Impact of New Drug Launches on Longevity: Evidence from Longitudinal, Disease-Level Data from 52 Countries, 1982-2001," *International Journal of Health Care Finance and Economics*, 5(1): 47-73.

Frank Lichtenberg (2007), "The Impact of New Drugs on US Longevity and Medical Expenditure, 1990-2003: Evidence from Longitudinal, Disease-Level Data," *American Economic Review*, 97(2): 438-443.

Frank Lichtenberg (2006), "Importation and Innovation," NBER Working Paper 12539.

April 21