

# Introduction to Healthcare Economics

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MBA 680-64

Spring 2023

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## Instructor Information

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Professor Beth Munnich

Office: College of Business, Room 155

Virtual office hours: By appointment

E-mail (preferred contact method): [beth.munnich@louisville.edu](mailto:beth.munnich@louisville.edu). I will respond to emails within 24 hours on weekdays, and within 48 hours on weekends. If I do not respond to your email within this time frame, please don't hesitate to follow up with me (my UofL email has a pretty aggressive junk mail filter).

# Course Information

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This is a distance education course that will take place entirely online. There are no scheduled class times. You may work at your own pace though we will follow a weekly schedule to facilitate interaction among students.

## Course Description

This course is designed to introduce students to the ways economists analyze topics related to the production of health and the delivery of health care. Throughout the course, we will consider the role that incentives play in the health care sector by applying economic theory and methods to current issues in health policy, with a particular focus on the U.S. health care system.

**Credit Hours: 1.5**

## Student Learning Objectives

Upon successful completion of this course, students will be able to:

1. Utilize economic tools and methods to evaluate health care programs and policies.
2. Describe the central actors and existing institutions that influence health and the provision of health care in the U.S.
3. Analyze and evaluate costs and benefits of health care policies based on evidence from economic research.
4. Apply economic analysis to predict behavior in health care markets.
5. Interpret and communicate quantitative information about health care topics to a variety of stakeholders.

## Materials

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### Required Reading

There is no required textbook for this course. However, the course will include a number of mandatory readings of academic and popular articles that illuminate important topics in health economics. These readings are available on Blackboard. **Students are expected to have read the required papers prior to the class for which they are assigned.**

This course will include a number of mandatory readings of academic and news articles that illuminate important topics in health economics. HBS case studies and articles are available for purchase at [Harvard Publishing](#) for \$21.25 + \$4.25 for optional items. All other materials are listed in the syllabus and available on Blackboard. Students are expected to have read the required readings prior to the class for which they are assigned.

## Course Format

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Class communication is asynchronous, which means that not everyone is participating in the class at the same time. You can access the course any time, day or night, from anywhere that you have an internet connection—except during system maintenance times (see Technology Expectations, below).

The role of the professor is to be a facilitator, guide, coach, or resource, in order to create an effective learning environment. Your job as the student is to use that environment to learn—interact with the materials, construct and share information, manage your time effectively, and use that time for critical thinking, reflection, and application. You are in control and responsible for your own learning. I am here to support and help you, but it is up to you to ask for help when you need it.

## Technology Expectations

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Because lectures and assignments in this this course will occur online, you will need to have access to a computer and reliable high-speed internet. If you do not have access at home, you may be able to use a public library or come to campus to use computers in the library or one of the IT student computer labs. Make sure that you bring headphones if you plan to access materials in a public setting!

You must be able to use internet search tools, access Blackboard, use email, and know how to download and upload documents. You must also be able to play and record videos, and have headphones or speakers.

For your privacy and security, only your official UofL email account will be used for email communication. No information will be sent to personal email accounts. Please check your UofL email daily.

*Enterprise systems for the University may be down for planned maintenance between Fridays at 10PM and Saturdays at 2AM. This may impact your ability to access material and submit assignments during these times. Please plan accordingly.*

## Communication Expectations

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### Instructor Responsibilities

The instructor will facilitate course objectives by:

- Communicating weekly with students about expectations for the week through Blackboard announcements.
- Providing feedback on assignments through Blackboard within one week of submission.
- When requested by a student, providing feedback and guidance via email, Teams meetings, or in-person meetings.

### Student Responsibilities

Each student is responsible for reaching out to the instructor, via email, for:

- Questions about course content and assignments.
- Additional feedback and guidance about course material and related topics.
- Recommendations for additional resources to support learning.

## Course Organization

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The following is a general outline of the timing of topics we will be covering this semester, and exact timing is subject to change! See Blackboard for a detailed, up-to-date schedule and deadlines.

- Week 1: Value in Health Care
- Week 2: Provider Behavior and Incentives
- Week 3: Insurance Economics I
- Week 4: Insurance Economics II
- Week 5: Competition in Healthcare Markets

## Course Requirements

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### Criteria for Determination of Grades

Final grades for the course will be based on the following:

Category	Percentage Weight of Final Grade
Discussion Board	40%
Course Project Proposal Memo	15%
Course Project Memo Draft	10%
Course Project Memo	30%
Class Participation and Contribution	5%
<b>Total</b>	100%

### Assignments

#### *Discussion Board*

Our class sessions benefit greatly from active discussion about topics covered in readings and lectures. Formulating responses to discussion questions—and your classmates’ responses—is also an important tool for digesting academic readings and thinking critically about the material. To generate more lively discussion and draw on class members’ experience and expertise, you will do the following each week:

## Original Response

Submit an **original response (300-500 words)** to each week's discussion prompt. A link to the discussion board and due date will be available on Blackboard in each week's module. To receive full credit, your post should incorporate some or all of the assigned academic readings for that week and/or specific health economics concepts we are covering in class, as well as additional evidence as necessary to support your statements. Incorporating news articles (and other media) is a great addition to the discussion board; however, in order to receive full credit, you must include assigned course content and studies that have been discussed or read in class (including those referred to in assigned news articles) as well as supporting evidence as necessary. Your post should avoid bullet points, and include in-text citations and a reference list so readers can easily reference the evidence you are citing. You should only include references for work that you have directly cited in your post. *Cummings Graduate Institute has a [great guide for citing references in Discussion Board posts](#).*

At the end of your discussion board post, **pose a question to your classmates** to augment your discussion board post. For example, your question might ask classmates to:

- Highlight blind spots your post may have—e.g., which viewpoints or groups have you left out of your discussion?
- Take the view of a particular stakeholder and describe their response to your post or a particular question from that perspective.
- Draw on their professional and personal experiences to highlight questions and ideas from their perspective.
- Provide suggestions about how to present your ideas in a variety of contexts or to diverse populations.

Discussion board posts and questions are due on **Fridays at 11:59PM**. You will not be able to view your classmates' initial posts/questions until you have posted your own.

## Responses

Respond to at least **two** of your classmates' questions (included in their discussion board posts) in a minimum of 100 words. You may (and should!) draw on your own personal experiences that are relevant to the reading topics, and incorporate evidence from the assigned readings from this class as well as other sources as appropriate. Discussion board responses are meant to generate discussion and are therefore more informal in nature than your initial discussion board posts. However, these responses should still be professional and respectful! **Discussion board responses are due on Sundays at 11:59PM.**

**See the "Netiquette" section below for guidelines about communicating online.**

## Course Project

The cumulative project in the class will consist of advocating one strategy for adding value in health care via a **brief memo**. You may choose any type of innovation that you anticipate will have a substantial impact on health care value. The innovation may apply to an entire region or country, or a small group (e.g., employees in a firm or patients undergoing treatment). Your idea does not have to be a new one, and it does not have to be the solution to all of our health care cost problems.

Deliverables (all written items should be submitted via Blackboard in **Microsoft Word**—no PDFs, please!):

1. Proposal: This should be written as an executive memo, and is due via Blackboard on **Sunday, February 26<sup>th</sup> by 11:59PM**. In this memo, propose an idea to increase value in health care (i.e., your final project for this course, ideally building on your Week 1 discussion board post) to a real or fictitious leader in the health care industry who would be impacted by your innovation (think of this as requesting permission or funding so you can further explore this idea). Your memo should be no more than 500 words, and include the following:
  - Provide a brief overview of the service/product/industry.
  - State of the problem, i.e., describe why you believe this service or product is low value.
  - Explain how you will identify value for this particular product or service. Specifically focus on:
    - What types of costs will be associated with production, distribution, and/or implementation of your service or product? You do not need to calculate a number here—the goal is to identify all the numbers you need to track down in order to calculate them.
    - What types of savings will your product or service generate? For example, if the goal of your service is to reduce hospital admissions for a particular condition, think about how many hospital admissions you expect to avoid, and what the costs (to patients, insurance companies, and the health care system) would have been of those admissions.
  - Describe the data would you need to gather measure costs and savings.

Tips for writing memos are available in the proposal assignment on Blackboard.

2. Draft Memo: This is a draft of the final memo (see details below), due via Blackboard on **Sunday, March 12<sup>th</sup> by 11:59PM**. You will receive full credit on your draft for completion, and will receive feedback on a rubric. This feedback should be used to update your Course Project Memo.
3. Memo: Maximum of 1,500 words, excluding tables, figures, and sources. You will post your memo (or a draft of your memo) in your discussion board post due on **Friday, March 17<sup>th</sup>**. Your final memo is due via Blackboard no later than **Sunday, March 19<sup>th</sup> at 11:59PM**. Memos should be written in complete sentences—not bullet points—and should use proper grammar. The memo should not be overly technical but should accurately describe and include proper citations for any material you reference. Memos should be submitted in Microsoft Word—no PDFs, please!
  - a. Your memo should include the following sections:
    - i. **Background:** Clearly state the problem your innovation addresses and provide convincing evidence about how this problem contributes to rising health care costs.
    - ii. **Innovation:** Describe the major components of the innovation and the expected timeline for implementation and anticipated savings.
    - iii. **Value:** Estimate the added value of your innovation by identifying where savings will come from (i.e., benefits), and what costs you expect to incur. Back up these estimates using literature citations. You will likely need to make estimates and projections based on incomplete information, and you should feel free to do so, but clearly explain how you generated these estimates.
    - iv. **Stakeholder Analysis:** Describe the stakeholders in your innovation, including who would be directly and indirectly impacted by your proposal as well as who might object to it and how you would address their concerns (e.g., patients, insurers, providers, governments, etc.).

- v. **Discussion:** Evaluate potential adverse consequences of your plan and discuss how you would address these. Discuss anticipated (or realized, if it is a plan that has been implemented) challenges to implementing your proposal.
- vi. **Conclusion:** Briefly summarize the key takeaways from your memo, and highlight additional next steps or future work, if appropriate.
- vii. **References.** Include complete reference information for any publications, news articles, or websites you cite **via in-text citations or footnotes** (choose either parenthetical references or footnotes; either is fine as long as you are consistent!). Reference information will not count toward your word limit.

Use the following resources to properly format your citations:

- If you choose to use footnotes: see Page 6 of the [Harvard Business School Citation Guide](#) (download the pdf from HBS).
- If you choose to use in-text citations (i.e., parentheses): see the [APA Style Guide for In-Text Citations](#). Don't forget to include a [reference list](#) with complete reference information for all work you have cited (and only for work you have cited) at the end of your memo!

Your final memo will be graded based on improvement from your draft, using the feedback you received.

***All written work will be evaluated using grading rubrics, available on Blackboard. Memo grades will be based on progress made (i.e., incorporation of comments and suggestions) relative to your project proposal.***

### *Class Participation and Contribution*

Although we may all participate in this course at different times, each student brings a unique perspective to this class and we will all get more out of the course with active participation. Your class participation and contribution grade will be based on your contribution to the course discussion board above and beyond the required posts. This includes completing ungraded assessments for each module, responding to additional (more than two) of your classmates' discussion board questions, addressing responses to your discussion board post, and posing additional questions and ideas that further the discussion on a particular topic.

## Netiquette

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Netiquette is a set of rules for behaving properly online. The following bullet points cover some basics to communicating online:

1. Be sensitive to the fact that students in this course come from different cultural and linguistic backgrounds, and may have different political and religious beliefs from your own.
2. Use good taste when composing your responses in Discussion Forums. Swearing and profanity is also part of being sensitive to your classmates and should be avoided. Also consider that slang can be misunderstood or misinterpreted.



3. Don't use all capital letters when composing your responses as this is considered "shouting" on the Internet and is regarded as impolite or aggressive. It can also be stressful on the eye when trying to read your message.
4. Be respectful of others' views and opinions. Avoid "flaming" (publicly attacking or insulting) others as this can cause hurt feelings and decrease the chances of incorporating different points of view into our class discussions.
5. If you use an acronym, spell out its meaning first, then put the acronym in parentheses afterward, for example: Frequently Asked Questions (FAQs). After that, you can use the acronym freely throughout your message.
6. Use correct grammar and spelling and avoid using text messaging shortcuts.

## Late Assignments

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Meeting deadlines is very important. Therefore, **late assignments will be downgraded 20% for each day they are late** if you do not provide a valid excuse and appropriate documentation, except in the case of an emergency that prevents you from communicating with me. **If you are not able to submit an assignment on time, email me and provide proper documentation at least 24 hours before the deadline.** I do not accept technology problems as an excuse for late assignments. Therefore, plan accordingly when submitting work in case of last-minute issues that may inhibit your ability to complete the assignment on time.

**Communication is critical during this class.** Please keep in touch with me and let me know if you have questions or concerns throughout the course, or if you anticipate having difficulty completing assignments on time or participating in the course discussion board.

## Grading Scale

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Grade	Percent Range
<b>A+</b>	97 to 100%
<b>A</b>	93 to <97%
<b>A-</b>	90 to <93%
<b>B+</b>	87 to <90%
<b>B</b>	83 to <87%
<b>B-</b>	80 to <83%
<b>C+</b>	77 to <80%
<b>C</b>	73 to <77%
<b>C-</b>	70 to <73%
<b>F</b>	Less than 70%

## Respecting Intellectual Property

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The instructional materials presented in class or posted to Blackboard (e.g., course lectures, assignments, exercises, etc.) are the intellectual property of the instructor.

Permitted: You are permitted to use the course materials in any way that contributes to your personal learning. Feel free to (re)watch lectures, take notes, use materials to study with peers or work with tutors, access materials for other courses, download files, etc.

Not permitted: **I do not permit students to post any content from my course (syllabus, assignments, exercises, etc.) without my permission.** You are NOT permitted to sell or otherwise barter course materials (or personal derivatives of course materials) to other students or to any commercial concern.

## University Policies

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### Title IX/Clery Act Notification

Sexual misconduct (including sexual harassment, sexual assault, and any other nonconsensual behavior of a sexual nature) and sex discrimination violate University policies. Students experiencing such behavior may obtain confidential support from the PEACC Program (852-2663), Counseling Center (852-6585), and Campus Health Services (852-6479). To report sexual misconduct or sex discrimination, contact the Dean of Students (852-5787) or University of Louisville Police (852-6111).

Disclosure to **University faculty or instructors** of sexual misconduct, domestic violence, dating violence, or sex discrimination occurring on campus, in a University-sponsored program, or involving a campus visitor or University student or employee (whether current or former) is **not confidential** under Title IX. Faculty and instructors must forward such reports, including names and circumstances, to the University's Title IX officer.

For more information, see the [Sexual Misconduct Resource Guide](#).

### Students with Disabilities

The University of Louisville is committed to providing access to programs and services for qualified students with disabilities. If you are a student with a disability and require accommodation to participate and complete requirements for this class, notify me immediately and contact the Disability Resource Center (Stevenson Hall, 502-852-6938, <http://louisville.edu/disability>) for verification of eligibility and determination of specific accommodations.

## Student Conduct & Responsibilities

Integrity is one of the most important characteristics that employers seek in new hires and one that the College of Business strives to foster in all its students. As such, this course will abide by the [College of Business student conduct and responsibilities](#) and the [University of Louisville student conduct and responsibilities](#).

### Academic Dishonesty

Academic dishonesty is prohibited at the University of Louisville. It is a serious offense because it diminishes the quality of scholarship, makes accurate evaluation of student progress impossible, and defrauds those in society who must ultimately depend upon the knowledge and integrity of the institution and its students and faculty.

Sometimes circumstances make it tempting to cut corners or take the easy way out. You will always have a better final outcome by missing a deadline or completing less than your best work than by cheating. Plagiarized assignments will earn an automatic F, your final grade may be further adjusted by up to two full letters, and the incident will be reported to the Dean for further disciplinary action.

### Statement on Diversity

The University of Louisville strives to foster and sustain an environment of inclusiveness that empowers us all to achieve our highest potential without fear of prejudice or bias.

We commit ourselves to building an exemplary educational community that offers a nurturing and challenging intellectual climate, a respect for the spectrum of human diversity, and a genuine understanding of the many differences - including race, ethnicity, gender, gender identity/expression, sexual orientation, age, socioeconomic status, disability, religion, national origin or military status - that enrich a vibrant metropolitan research university.

We expect every member of our academic family to embrace the underlying values of this vision and to demonstrate a strong commitment to attracting, retaining and supporting students, faculty and staff who reflect the diversity of our larger society.

### Religious Holy Days and Observances

Federal law and university policy prohibit discrimination on the basis of religious belief. It is the policy of the University of Louisville to accommodate students, faculty, and staff who observe religious work-restricted holy days.

Students: Students who observe work-restricted religious holy days must be allowed to do so without jeopardizing their academic standing in any course. Faculty are obliged to accommodate students' request(s) for adjustments in course work on the grounds of religious observance, provided that the student(s) make such request(s) in writing during the first two (2) weeks of term. For more information visit [Work Restricted Holiday Calendar](#).

Deans and department chairs must investigate and resolve student complaints arising from alleged faculty failure to make reasonable accommodations under these guidelines.

## Severe Weather

In case of severe weather, *in-person* classes at UofL may be cancelled. Because severe weather closures should not impact online work, coursework will be due according to the schedule provided on Blackboard.

## Support Services

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### SafeAssign

I use Blackboard's SafeAssign tool, which checks written work for plagiarism against other student papers and Internet sources, on all written assignments. I encourage students to make use of this Blackboard tool as well before submitting assignments.

### BizComm Coaching

#### *About*

The BizComm Coaches can offer a variety of FREE assistance on writing, speaking, and team-based assignments. Specific help ranges from dealing with writers block or speech anxiety, to organizing preliminary ideas, to polishing final drafts or fine-tuning presentation graphics.

#### *Contact Information*

- Phone: (502) 792-7067
- Google Hangout: <https://hangouts.google.com/call/yuNMpld6ZIXIICH2hNRDAEEE>.
- Email: [bizcomm@louisville.edu](mailto:bizcomm@louisville.edu)
- To book an appointment, go to <http://business.louisville.edu/bizcomm/bizcomm-coach/> and click on the "Book Appointment" button.

### Library Services

Library services are available for students in distance education-online courses, including off-campus access to online databases and Electronic Course Reserves. The UofL librarians are available to assist you with library services. For more information view the [Library Services for Distance Education and Online Courses](#) page.

### Technical Support

If you need technical support with your university account, unlocking your password, accessing wireless, Blackboard or other technical issues, contact the HelpDesk at (502) 852-7997. You can chat with a support expert or submit an email by visiting the [HelpDesk Resources](#) website.

## University Writing Center

The University Writing Center is committed to supporting the writing of distance education students. If you are taking a distance education course and cannot make a face-to-face appointment at the Writing Center, you can schedule an online consultation through their Virtual Writing Center. They provide both online live chat sessions and, when that's not possible, they can respond to your draft in writing through an eTutoring session. Learn more at the [Writing Center](#) website.

## Syllabus Changes

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This syllabus is subject to change. Any changes will be posted on the Announcements page of Blackboard and emailed to students' official UofL email accounts.

## Course Calendar

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### Module 1 2/13/23-2/19/23

Assignment	Due Date	Grading
Review syllabus, and project items for course	—	—
<b>Introduction Discussion</b>	<b>Due Tuesday</b>	<b>Considered as part of discussion board grade, which is 30% of final grade</b>
Review content, read articles, watch lecture videos	—	—
W1-Ungraded Exercise: How is health care different from other markets?	—	Considered as part of participation grade, which is 5% of final grade
W1-Ungraded Exercise: Cost Effectiveness Ratio	—	Considered as part of participation grade, which is 5% of final grade
<b>Weekly Discussion Board</b>	<b>Original Post due Friday Replies to classmates due Sunday</b>	<b>Discussion boards are 40% of the final grade</b>

### Module 2 2/20/23-2/26/23

Assignment	Due Date	Grading
Review content, read articles, watch lecture videos	—	—
Complete: W2-Ungraded Exercise: Hospital Bill Review	—	Considered as part of participation grade, which is 5% of final grade
Complete: W2-Ungraded Exercise: Cost Conundrum Exercise	—	Considered as part of participation grade, which is 5% of final grade

<b>Weekly Discussion Board</b>	<b>Original Post due Friday Replies to classmates due Sunday</b>	<b>Discussion boards are 40% of the final grade</b>
<b>Course Proposal Memo</b>	<b>Due Sunday February 26<sup>th</sup> by 11:59PM.</b>	<b>Project proposal memo is 15% of the final grade</b>

### Module 3 2/27/23-3/5/23

Assignment	Due Date	Grading
Review content, read articles, watch lecture videos	—	—
Complete: W3-Ungraded Exercise: Elasticity	—	Considered as part of participation grade, which is 5% of final grade
<b>Weekly Discussion Board</b>	<b>Original Post due Friday Replies to classmates due Sunday</b>	<b>Discussion boards are 30% of the final grade</b>

### Module 4 3/6/23-3/12/23

Assignment	Due Date	Grading
Review content, read articles, watch lecture videos	—	—
W4-Ungraded Exercise: Value of Health Insurance Tax Exclusions for Workers	—	Considered as part of participation grade, which is 5% of final grade
<b>Weekly Discussion Board</b>	<b>Original Post due Friday Replies to classmates due Sunday</b>	<b>Discussion boards are 30% of the final grade</b>
<b>Course Project Memo Draft</b>	<b>Due Sunday March 12<sup>th</sup> by 11:59PM.</b>	<b>Memo draft is 10% of the final grade</b>

### Module 5 3/13/23-3/19/23

Assignment	Due Date	Grading
Review content, read articles, watch lecture videos	—	NA
W5-Ungraded Exercise	—	Considered as part of participation grade, which is 5% of final grade
<b>Weekly Discussion Board</b>	<b>Original Post due <u>Thursday</u> (note earlier due date this week—you will post your final memo as your discussion board post this week) Replies to classmates due Sunday. <i>This week, you will comment on <u>three</u> student memos.</i></b>	<b>Discussion boards are 30% of the final grade</b>

<b>Course Project Memo</b>	<b>Due Sunday March 19<sup>th</sup> at 11:59PM</b>	<b>Project memo is 30% of the final grade</b>
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