The course is a survey of selected issues in modern health economics. Beginning with a discussion of integrating health into standard economic models, we will proceed to discuss selected influential papers on a variety of topics. More emphasis will be placed on the analysis of health behaviors, such as smoking, than on the health care system itself. Health economics is a heavily empirical field and many of the papers discussed will be applied econometrics, and much of the course will focus on discussion of econometric methods of particular importance in health economics.

Topics may include:

- Dynamic models of demand for health following Grossman (1971).
- Income, income inequality, and health.
- Issues in estimating causal effects using observational microdata with emphasis on the causes and consequences of health.
- Economics of tobacco, alcohol, and other drugs.
- Modeling physician behavior.
- Economic epidemiology.
- The economics of obesity.
TEXTBOOK AND READING LIST.

There is no assigned textbook for this course; we will instead focus on journal articles. Students are, however, encouraged to obtain a copy of an undergraduate health economics text. Recommended texts are:


I will also assume that students have access to (at least) an advanced undergraduate econometrics textbook and are familiar with microeconometric methods at at least that level.

Course topics will depend in part on the interests of the class. A reading list will be distributed the second week of class, following class discussion.

SOFTWARE.

*Stata* will be used extensively in classroom discussion. Assignments and exams will involve estimating models using real data; students may use whichever statistical package they wish, but *Stata* is recommended.

GRADING.

Grading weights are

\[
\text{Midterm examination} \quad 30 \\
\text{Assignments} \quad 30 \\
\text{Final examination} \quad 40.
\]

Percentage scores are mapped into letter grades according to: A+ ( > 90), A (85–89), A- (80–84), B+ (77–79), B (73–76), B- (70–72), C+ (65–69), C (60–64), D (50–59), F (< 50). Further, a passing grade on the final examination is required to obtain a passing grade in the course.

If, for some reason, the distribution of grades determined using the aforementioned conversion chart appears to be abnormal the instructor reserves the right to change the grade conversion chart if the instructor thinks it is necessary to more fairly represent student achievement.
Officially, students are reminded that they must comply with the regulations published in the University Calendar concerning “Intellectual Honesty,” “Examinations,” etc. Unofficially, be warned that cheaters will receive no quarter.

EXAMS.

A date for the midterm exams will be given during the first week of class. The only valid excuse to miss the midterm exam is an illness verified by a doctor’s note. In such cases, the weight that would otherwise be placed on the exam will be redistributed proportionately to the assignment and the final.

ATTENDANCE.

Students are expected to attend class, although no marks will be assigned for attendance. Students are responsible for all material covered in lectures whether or not they attend any lecture for any reason.

CONTACTING THE INSTRUCTOR.

Questions regarding class material should usually be posed during class or in person during office hours; please do not ask me to provide lengthy, technical explanations over e-mail. However, feel free to email me very short questions about course content, or about administrative matters. You are welcome to drop by my office outside of office hours so long as you are not offended if I am too busy to talk with you.

COURSE POLICIES.

The academic integrity and other policies of the Faculty of Graduate Studies, described here:

http://web.uvic.ca/calendar2011/GRAD/FARe/index.html

are in effect.

The University of Victoria is committed to providing an environment that affirms and promotes the dignity of human beings of diverse backgrounds and needs.
**Readings.**

This list is tentative and may be changed at any time depending on the interests of the class and the instructor. Papers are grouped by topic but we may read them in a different order.

1. **Private demand for health.**


2. **Education and health.**


3. **Income, income inequality, and health.**


4. Smoking, drinking, and other substance use.


5. Obesity.


6. Physician behavior, patient behavior, health insurance.


7. Economic epidemiology.


8. Evaluating health care programs.

Textbook treatments of cost-effectiveness analysis in health care.
