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| **PROFESSOR:** | **PHONE NUMBER:** |
| **OFFICE LOCATION:** | **E-MAIL:** |
| **OFFICE HOURS:** | **SEMESTER:** |

1. **COURSE NUMBER AND TITLE, CATALOG DESCRIPTION, CREDITS:**

**HSA 3430 HEALTH CARE ECONOMICS (3 CREDITS)**

This course provides an application of economic principles to analyze how various economic systems and incentives affect patient, providers, and policy maker behavior in the delivery of modern healthcare.

1. **PREREQUISITES FOR THIS COURSE:**

**Admission into the BAS Cardiopulmonary Sciences Program; Prior to enrolling in any upper level course (course number beginning with a 3 or 4), students must complete the following courses with a grade of “C” or better: ENC 1101 English Composition I, ENC 1102 English Composition II, and three semester hours of college level mathematics; or permission from the appropriate academic dean.**

**CO-REQUISITES FOR THIS COURSE:**

None

1. **GENERAL COURSE INFORMATION:** Topic Outline.

* Organization and financing of healthcare services and their public health impact
* Alternative forms of financing and organizing healthcare services
* Socioeconomic determinants of healthcare economics
* Governmental agencies and their impact upon healthcare economics
* Basic economics concepts: supply, demand, marginal analysis, the theory of capital, and cost-benefit analysis
* Economic institutions unique to the United States health care system
* Development of health insurance and the government's role in providing, financing, and regulating health services
* Physical, biological, and social / behavioral factors affecting the health of communities
* Statistical analysis for healthcare economics

1. **All courses at Florida SouthWestern State College contribute to the general education program by meeting one or more of the following general education competencies:**

**C**ommunicate clearly in a variety of modes and media.

**R**esearch and examine academic and non-academic information, resources, and evidence.

**E**valuate and utilize mathematical principles, technology, scientific and quantitative data.

**A**nalyze and create individual and collaborative works of art, literature, and performance.

**T**hink critically about questions to yield meaning and value.

**I**nvestigate and engage in the transdisciplinary applications of research, learning, and knowledge.

**V**isualize and engage the world from different historical, social, religious, and cultural approaches.

**E**ngage meanings of active citizenship in one’s community, nation, and the world.

**A.**  **General Education Competencies and Course Outcomes**

1. Listed here are the course outcomes/objectives assessed in this course which play an integral part in contributing to the student’s general education along with the general education competency it supports.

General Education Competency: **Communicate**

Course Outcomes or Objectives Supporting the General Education Competency Selected:

* Explain the theoretical relationship between health and medical care, and demonstrate the meaning of the term flat-of-the-curve medicine.
* Explain the concepts of *total cost, average cost,* and *marginal cost*, and the relationships among them.
* Demonstrate how the monopoly model can be used to predict resource allocation in markets with preferred provider organizations.

**2.  Listed here are the course outcomes/objectives assessed in this course which play a *supplemental* role in contributing to the student’s general education along with the general education competency it supports.**

General Education Competency: **Evaluate**

Course Outcomes or Objectives Supporting the General Education Competency Selected:

* Define the concept of elasticity of demand and explain how to measure the concept using data on prices and utilization.
* Explain the concepts of *total cost, average cost,* and *marginal cost*, and the relationships among them.
* Define the concept of supplier-induced demand and describe the influence of supply on price in a market in which supplier-induced demand exists.

1. **DISTRICT-WIDE POLICIES:**

**Programs for Students with Disabilities**

Florida SouthWestern State College, in accordance with the Americans with Disabilities Act and the College’s guiding principles, offers students with documented disabilities programs to equalize access to the educational process. Students needing to request an accommodation in this class due to a disability, or who suspect that their academic performance is affected by a disability should contact the Office of Adaptive Services at the nearest campus. The office locations and telephone numbers for the Office of Adaptive Services at each campus can be found at <http://www.fsw.edu/adaptiveservices>.

**REPORTING TITLE IX VIOLATIONS**

Florida SouthWestern State College, in accordance with Title IX and the Violence Against Women Act, has established a set of procedures for reporting and investigating Title IX violations including sexual misconduct.  Students who need to report an incident or need to receive support regarding an incident should contact the Equity Officer at [equity@fsw.edu](mailto:equity@fsw.edu).  Incoming students are encouraged to participate in the Sexual Violence Prevention training offered online.  Additional information and resources can be found on the College’s website at <http://www.fsw.edu/sexualassault>.

1. **REQUIREMENTS FOR THE STUDENTS:**

* Describe the product medical care and its components.
* Define the concepts of risk and risk shifting, and show why they are relevant to medical care.
* Describe health care and its components.
* Describe the concept of health outcome.
* Explain the theoretical relationship between health and medical care, and demonstrate the meaning of the term flat-of-the-curve medicine.
* Identify the key economic units in the healthcare market.
* Describe the flows of money and services in an uninsured and an insured health care market.
* Describe the flows of money in the Medicare and Medicaid programs.
* Describe the flows of money and services in a health maintenance organization and a preferred provider organization.
* Identify two hypotheses used to predict the behavior of quantity demanded for a health care service.
* Explain the demand hypothesis and distinguish between the concepts of demand and quantity demanded.
* Know the individual factors that influence demand and explain how each affects the demand curve.
* Explain how we can derive an individual’s demand curve for medical services from basic assumptions about the economic behavior of consumers.
* Explain how to derive a market demand curve from data on individual demand curves.
* Define the concept of elasticity of demand and explain how to measure the concept using data on prices and utilization.
* Know the various types of health insurance arrangements and explain how each affects the out-of-pocket or direct price and the demand curve for medical services.
* Identify the wider implications of changes in the demand for health services.
* Identify the private, external, and social demand for health services.
* Explain how changes in the quality of care will influence the demand for health care.
* Explain how time costs influence the demand for health services.
* Explain the factors that influence the demand for health.
* Explain the roles of the principal and the agent in determining the demand for medical care when the consumer has imperfect information about his or her health status and the productivity of medical care.
* Explain the model of the demand for preventive health services when the consumer is uncertain about his or her health status.
* Explain the concept of discounting by which the consumer places lower valuations on future health benefits than on present benefits.
* Define fixed and variable inputs and distinguish between a short-run and a long-run time horizon in identifying whether inputs are fixed or variable.
* Explain the concept of a production function for medical services in terms of inputs and outputs, and show how it can be used to understand the substitution among inputs and the effect of changes in the volume of inputs.
* Explain the concepts of *total cost, average cost,* and *marginal cost*, and the relationships among them.
* Explain the concept of a *short-run cost curve*, and show how to derive the total, average, and marginal cost curves from basic assumptions.
* Identify the factors that cause the cost curves to shift, and show how they shift.
* Explain the concept of *economies of scope.*
* Explain the concept of a *long-run cost curve*, and indicate a likely shape for this curve.
* Identify the likely actual shapes of cost curves for nursing homes, hospitals, physician services, and health insurers.
* Define a supply curve in terms of the quantity of health care services supplied.
* For a single investor-owned provider, describe a model that can be used to predict the quantity of health care services supplied.
* Define a market and describe and use a market model of health care supply.
* For a single tax-exempt provider, describe an output-maximizing model to predict supplier behavior.
* Describe the joint “quantity-quality” output-maximizing model to predict supplier behavior.
* Describe the “administrator-as-agent” model to predict the effect of owner­ship status (investor-owned versus tax-exempt) on operating efficiency.
* Explain the principal-agent framework as it relates to provider payment in health care.
* Identify the major types of physician payment and compare their incentives using the principal-agent framework.
* Explain the Resource-Based Relative Value Scale as a fee-for-service funding instrument.
* Identify the alternative bases for the payment of hospitals.
* Using the principal-agent framework, explain the incentives associated with each of the major types of hospital payment
* Explain the diagnosis-related group payment system for Medicare.
* Identify the major methods for reimbursing long-term care facilities.
* Explain the method by which capitation rates are set for health mainte­nance organizations in Medicare.
* Explain the impact of alternative provider payment methods on HMO performance.
* Identify the different methods that can be used by payers to monitor and regulate provider behavior.
* Specify the assumptions of a competitive market model.
* Use the competitive model to predict movements in price and utilization due to changes in factors that influence supply and demand for health services.
* Use the supply-demand framework to predict the factors that influence shortages and surpluses.
* Identify the evidence for and against the competitive model.
* Describe the factors that influence how the competitive bidder sets the price for a contract.
* Define the concept of supplier-induced demand and describe the influence of supply on price in a market in which supplier-induced demand exists.
* Use the monopoly model to predict the price charged or quantity of services utilized.
* Use the monopoly model to explain how providers are able to charge different groups of patients different prices.
* Describe the functioning of a market where the buyers have market power.
* Describe a measure of market power and demonstrate how it can be applied in a market situation.
* Describe the determinants of market power.
* Explain the concept of non-price competition and describe a model with market power and non-price competition.
* Demonstrate how the monopoly model can be used to predict resource allocation in markets with preferred provider organizations.
* Explain the basic model of insurance.
* Explain the utility-maximizing model of an individual’s demand for health insurance.
* Explain how the insurer’s loading fee and the government’s allowance of health insurance as a tax-free benefit will influence the demand for insur­ance.
* Explain the influence of moral hazard on the demand for medical care and health insurance.
* Explain why an individual may prefer insurance with a copayment rather than insurance without any copayment.
* Calculate the elasticity of demand for health. Use the monopoly model to predict the price charged or quantity of services utilized.
* Explain the concept of adverse selection.
* Explain the role of the insurer in shifting risks.
* Describe the supply function for insurers.
* Explain the meaning of *community rating* and *experience rating.*
* Explain the implications of adverse selection in insurance markets with information asymmetry and community rating.
* Explain what tools insurers have at their disposal to avoid information asymmetry.
* Explain the working of the insurance market with experience rating.
* Define the role of the market for labor and explain how this market is linked to health and health care.
* Describe a model of the demand for labor.
* Describe a model of labor supply.
* Explain how health insurance benefits are related to the supply of labor.
* Explain the factors that affect the determination of wages and total com­pensation.
* Explain how a model of the labor market can be used to explain wage and employment figures for health care workers.
* Describe how health status affects workers’ compensation.
* Explain how market power can affect labor market outcomes in the health care sector.
* Identify the main research questions in an economic evaluation analysis.
* Identify the types of analyses that can be used to address each research question.
* Identify the guidelines that are used to conduct an economic evaluation analysis.
* Identify the major types of health outcomes that can be used in economic evaluation analysis
* Explain how an economic evaluation analysis can be conducted using basic information.
* Interpret cost-effectiveness ratios and the conclusions that can be drawn from them.
* Explain how a willingness-to-pay measure can be derived.
* Explain how to estimate a benefit-cost ratio and how to interpret the findings.
* Describe the type of question that evaluative economics is intended to answer.
* Describe what a value judgment is and how it can be used in evaluative economics.
* Using assumed valuations by individuals for services and costs, identify an efficient level of output in any market.
* Compare alternative delivery arrangements in terms of their efficiency.
* Describe how a market for health insurance can be efficient when there is less than complete insurance coverage.
* Describe the extra-welfarist approach to identifying optimal economic arrangements.
* Define the concept of equity.
* Identify several alternative measures of equity and explain how these can be applied to evaluate alternative modes of finance and care delivery.
* Describe basic insurance terminology and discuss its impacts.
* Identify the alternative sources of health care funding in the United States.
* Describe the effect on resource owners of the following means of financing health care: insurance premiums, tax subsidies, and mandated benefits.
* Define economic incidence and compare the burden of two types of taxes: payroll taxes and sales taxes.
* Compare the incidence of the following means of financing by income level: insurance premiums, payroll taxes, sales taxes, and income taxes.
* Define the administrative cost of public and private financing mechanisms.
* Identify the key policy goals of public health insurance plans.
* Describe the Medicare and Medicaid programs in terms of populations covered, services included, financing arrangements, reimbursement strate­gies, and pro-competition policies.
* Explain some of the key issues surrounding public health insurance.
* Outline the goals of the Medicare program in the United States.
* Identify the key types of policies required for the delivery of a public health insurance program and indicate their effect on the achievement of social goals.
* Define the concept of health care market reform and explain the need for reform in the context of health care and health insurance markets.
* Explain the operation of an insurance market that is efficient but not “equitable,” in the sense that insurance coverage is not universal.
* Define each of the following policies and describe their effects in terms of equity and efficiency: premium subsidies, cooperative pools, community rating, mandates, and limits on selection.
* Define managed care.
* Describe the key characteristics of a health maintenance organization, and explain why it is the prototypical managed care organization.
* Explain how consumer and provider incentives work to achieve cost reduction in a managed care environment.
* Define *selection bias* and explain how it might cause an HMO to mislead­ingly appear more efficient than fee-for-service health care provision.
* Compare the effects of HMOs with the effects of fee-for-service on resource use and quality of care.
* Explain the conceptual role of consumer sovereignty in hospital markets, and identify several reasons why early attempts to achieve it were contro­versial.
* Distinguish between employer and individual use of information on health plan performance.
* Describe market changes that have taken place in health care and explain how these might affect antitrust enforcement.
* Describe the key provisions of antitrust legislation in the United States.
* Explain how antitrust legislation regulates price fixing.
* Explain how antitrust legislation regulates mergers.
* Explain how quality issues in health care affect antitrust policy.
* Identify several of the current and future issues confronting and changing the health care system.
* Describe the implications of current and future issues for market efficiency of the health care system.
* Discuss the rationale for and implications of a value-added focus for the health care system.
* Explore the implications and potential consequences of consumer engagement in the health care system.
* Assess the implications of alternative financing mechanism for the health care industry.

1. **ATTENDANCE POLICY:**

This course is an on-line course. All of the work will be done on-line. There will be assignments and discussion boards' postings due for specific modules throughout the semester. Each question on the discussion boards will relate to that week's topic. The assignments and postings must be submitted or made by the due date for each module, unless prior arrangements have been made with the professors. Each assignment will consist of multiple-choice or short answer questions. These questions will come from the reading assignments for that particular module. Each module assignment is to be completed on an individual basis. You are expected to complete the module assignment on your own without the assistance of others. Evidence of collaboration with other individuals will result in a grade of zero plus further sanctions for breach of academic honesty, which may result in suspension or expulsion.

Attendance— Attendance Verification: The student must complete all of the listed activities by 4:30 on the last day of the drop/add period, in order to have your attendance verified. If your attendance is NOT verified, this will affect your financial aid. Specifically, the three activities you MUST complete are as follows:

1. View the information for the formal paper.

2. Read the Discussion board guidelines/directions

3. Pass the discussion board quiz.

4. Pass the plagiarism quiz.

5. Post to a discussion board.

Students will be responsible for completing all assignments listed in each module and submitting them by the stated deadline. Discussion will take place through the use of discussion forum postings, e-mail, and telephone (if necessary). Technology is not an excuse for late submission of assignments or postings to the discussion forum.

Vacations: Students choosing to go on vacation during the semester are responsible for submitting all assignments, discussion forum postings, projects, and examinations by the stated due dates. Lack of Internet access is not an excuse for late submission.

All work is to be completed solely and independently by the student. Inclusion of facts, ideas, quotes, or other materials from outside sources must be cited and referenced in all work. Failure to cite references may constitute plagiarism. Evidence of cheating and plagiarism are cause for disciplinary action by Florida Southwestern State College. According to Florida Southwestern State College, plagiarism and cheating refer to the use of unauthorized books, notes, using the copy and paste function, or otherwise securing help in a test; copying tests, assignments, reports, or term papers; representing the work of another person as one's own; collaborating without authority with another student during an examination or in preparing academic work, or otherwise practicing academic dishonesty.

Students agree by taking the course all required papers may be subject to submission for textual similarity review to Turnitin.com for the detection of plagiarism. All submitted papers will be included as source documents in the Turnitin.com reference database solely for the purpose of detecting plagiarism of such papers. Use of the Turnitin.com service is subject to the Terms and Conditions of Use posted on the Turnitin.com site.

**All work submitted must be original and not used in any previous classes at Florida Southwestern State College. Any work that is submitted and does not follow this policy will be considered plagiarized and as a result, there may be consequences as stated in the above paragraph. Using Wikipedia as a resource is not allowed. Any paper submitted using this source will be returned to the student to be fixed and resubmitted. If this causes the paper to be late, the student's grade will be reduced by the amount indicated in the instructions for that assignment.**

Zero-Tolerance Policy: Florida Southwestern State College maintains a zero tolerance policy for academic dishonesty. Any student found in violation of academic honesty will subject to sanctions, which may include up to receiving a grade of "F" in this course. Any School of Health Profession student that receives a grade of "F" for academic dishonesty in any course may be permanently dismissed from the program they are enrolled.

Assignments will be graded as they are submitted. The student‘s paper will be graded within 48 hours after submission. If there is going to be a delay, the instructor will notify student of the delay within the 48 hour window. Unless a student has prior permission from the professor, each assignment is to be submitted to the professor by stated due date. Any assignment submitted after the deadline will lose the amount of points stated in each assignment's directions. No assignment will be accepted that is more than 72 hours late. After that time, a zero (0) will be given for that assignment.

1. **GRADING POLICY:**

Below are the ranges for each letter grade. Students must have at least an average of 75 or better in order to continue in the cardiovascular program.

90 - 100 = A

80 - 89 = B

70 - 79 = C

60 - 69 = D

Below 60 = F

The final grade will be determined by the following categories and weights.

Discussions 10%

Essays 30%

Corrected essays 5%

Assignments 20%

Project sections 30%

Project 5%

(Note: The “incomplete” grade [“I”] should be given only when unusual circumstances warrant. An “incomplete” is not a substitute for a “D,” “F,” or “W.” Refer to the policy on “incomplete grades.)

1. **REQUIRED COURSE MATERIALS:**

Economics of Health and Medical Care, by Lanis L. Hicks, 6th Edition Jones Bartlett Publishers, 2012. ISBN 978-1-4496-6539-5

1. **RESERVED MATERIALS FOR THE COURSE:**

None

1. **CLASS SCHEDULE:**

Module 1 – Output and dimensions

Module 2 – Demand

Module 3 – Demand (continued)

Module 4 – Production and cost

Module 5 – Supply

Module 6 – Provider payments

Module 7 – Competitive markets

Module 8 – Market power

Module 9 – Insurance

Module 10 – Labor

Module 11 – Economic evaluation

Module 12 – Value judgment and Financing

Module 13 – Public health insurance and Reform

Module 14 – Regulation, Antitrust, and Evolving issues

1. **ANY OTHER INFORMATION OR CLASS PROCEDURES OR POLICIES:**

None