

University of Waterloo
Department of Economics
Preliminary Course Outline
Fall 2024

Econ 256:
Introduction to Health Economics

Course Introduction: Population Population aging and slow economic growth in recent decades are straining the Canadian health care systems and reinvigorating debate over potential health care policy reforms. Health economics is the area of economics that is best positioned to help examine and evaluate these policies. This course introduces students to the topics and tools of health economics and shows how these tools can be applied to study health care systems and policies.

Course Objectives: The main objective is to introduce students to the tools of health economics and the Canadian health care system. A secondary aim is to demonstrate how health economics can be utilized to examine and evaluate health care policies.

Instructor: Mikko Packalen, Associate Professor.

Course Pre-requisites: Econ 101 or equivalent.

Office Hours: Tuesdays 1-2pm, HH205, and by appointment (please email me).

Email: packalen@uwaterloo.ca; subject line should state “ECON 256” and come from your .uwaterloo account.

Tentative List of Topics

1. Health

- Diseases and life expectancy
- Socioeconomic disparities
- Global perspective
- Population aging
- Mental health

2. Health care market

- Demand for health and health care
- Supply of health care
- Supply of prevention

3. Information economics

- Demand for health insurance
- Moral hazard
- Adverse selection
- Advantageous selection

- Health insurance experiments

4. Health care systems

- Canada
- United States
- Nordic countries
- United Kingdom
- China
- Population aging and the future of health policy

5. Medical innovation

- Competing risks and the value of innovation
- Drugs and patents
- Pharmaceutical industry
- Biomedical science
- Adoption of health technology
- Advances in medical training

6. Public health

- Information as a policy tool
- Trust versus coercion
- Health externalities
- Obesity
- Substance use
- Pollution and climate change
- Behavioral economics
- Nudges and manipulation
- Economic epidemiology
- HIV and Monkeypox
- Vaccines

7. Canadian Health Care Policy Reforms

- Health care finance reforms
- Health care Allocation reforms
- Health care competition reforms

8. Covid-19

- Objective health risks
- Excess fear of covid
- Media and social media failures and the economic value of debate
- Scientific uncertainty and the economic value of scientific freedom
- Policy variation within and across countries

9. Covid-19 policy evaluation

- The precautionary principle
- Panic as a policy
- Focused protection as a policy: laptop class versus the vulnerable

- Futility of test and trace, lockdowns and school closures
- Futility of mask and vaccine mandates
- Health and economic costs of lockdowns, school closures and mandates
- Health and economic benefits of vaccines
- Zero Covid

10. The health economist

- Empathy and humility
- Knowledge: theory and empirical
- Value of speaking up for the vulnerable
- Global perspective

More Course Information

1. Course Materials

Lectures, Problem Sets, Textbook, Policy Papers and Newspaper Articles.

2. Lectures

Tue/Thu 11:30-12:50pm, PAS 2083.

3. Recommended Textbooks (*recommended that you study one of these carefully*)

Hurley, J., 2010, *Health Economics*. McGraw-Hill Ryerson. (Electronic copy available for purchase through McMaster's online book store.)

Bhattacharya, J., Hyde, T., and P. Tu, 2013, *Health Economics*. Bloomsbury.

Gross, T., and M. J. Notowidigdo, 2024, *Better Health Economics: An Introduction for Everyone*. University of Chicago Press.

4. Course Description (from the Calendar)

Why are some people healthy and others not? Why is health different from other goods and services? How do the many stakeholders interact in health care markets? Why do countries have different health care systems? This course introduces students to how the theories and tools of economics can be used when examining health, health care, and health care policies. Concepts such as supply and demand, uncertainty, and utility will be introduced in the context of health and health care markets. While international institutions may be discussed, the course will emphasize Canadian health care markets.

5. Assessments

Final grade components and weights:

Assignments	40%
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Class participation	10%
Midterm exams	20%
Final exam	30%

6. Additional Information

1. Missing a Problem Set Deadline or Quiz Due to Illness During Term
 - If a student misses a problem set deadline or quiz due to illness and has valid documentation (approval required), the weight of the missed problem set or quiz will be shifted to other problem sets. Without valid and timely submitted documentation, the student will receive zero for the missed problem set/quiz.
2. Fee-Arranged Issues

Students are responsible for administrative matters concerning their course registration including fee arrangements. No make-up work or remedies will be given for losses of access to LEARN and academic consequences arising from administrative issues with the Registrar's Office.
3. Classroom Protocols
 - Photographic devices are not permitted in class; this is a University regulation.

7. University Statements

[Economics Department Deferred Final Exam Policy](#)

Cross-listed course

Please note that a cross-listed course will count in all respective averages no matter under which rubric it has been taken. For example, a PHIL/PSCI cross-list will count in a Philosophy major average, even if the course was taken under the Political Science rubric.

Academic Integrity

Academic Integrity: In order to maintain a culture of academic integrity, members of the University of Waterloo are expected to promote honesty, trust, fairness, respect and responsibility. See the [UWaterloo Academic Integrity](#) webpage and the [Arts Academic Integrity](#) webpage for more information.

Discipline: A student is expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (e.g., plagiarism, cheating) or about “rules” for group work/collaboration should seek guidance from the course professor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, disciplinary penalties will be imposed under Policy 71 – Student Discipline. For information on categories of offenses and types of penalties, students should refer to [Policy 71 - Student Discipline](#). For typical penalties check [Guidelines for the Assessment of Penalties](#).

Grievance: A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. [Read Policy 70 - Student Petitions and Grievances](#), Section 4. When in doubt, please be certain to contact the department's administrative assistant who will provide further assistance.

Appeals: A decision made or penalty imposed under Policy 70 - Student Petitions and Grievances (other than a petition) or Policy 71 - Student Discipline may be appealed if there is a ground. A student who believes he/she has a ground for an appeal should refer to [Policy 72 - Student Appeals](#).

Accommodation for Students with Disabilities

Note for students with disabilities: [The AccessAbility Services office](#), located on the first floor of the Needles Hall extension (1401), collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the AS office at the beginning of each academic term.

Mental Health Support

All of us need a support system. The faculty and staff in Arts encourage students to seek out mental health supports if they are needed.

On Campus

- Counselling Services: counselling.services@uwaterloo.ca / 519-888-4567 ext 32655
- [MATES](#): one-to-one peer support program offered by Federation of Students (FEDS) and Counselling Services
- Health Services Emergency service: located across the creek from Student Life Centre

Off campus, 24/7

- [Good2Talk](#): Free confidential help line for post-secondary students. Phone: 1-866-925-5454
- Grand River Hospital: Emergency care for mental health crisis. Phone: 519-749-433 ext. 6880
- [Here 24/7](#): Mental Health and Crisis Service Team. Phone: 1-844-437-3247
- [OK2BME](#): set of support services for lesbian, gay, bisexual, transgender or questioning teens in Waterloo. Phone: 519-884-0000 extension 213

Full details can be found online at the Faculty of ARTS [website](#)

Download [UWaterloo and regional mental health resources \(PDF\)](#)

Download the [WatSafe](#) app to your phone to quickly access mental health support information

Territorial Acknowledgement

We acknowledge that we are living and working on the traditional territory of the Attawandaron (also known as Neutral), Anishinaabeg and Haudenosaunee peoples. The University of Waterloo is situated on the Haldimand Tract, the land promised to the Six Nations that includes six miles on each side of the Grand River.