



**School of Economics**  
**Academic Year 2023-24 Term 2**  
**PhD in Economics**

**ECON744 Topics in Health Economics**

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 School of Economics, Level 5, Room 5033

**COURSE DESCRIPTION**

Health economics is a growing and increasingly popular field in economics. This course will survey recent work in health economics. The course will mainly cover evidence-based empirical research using recent econometric tools such as regression discontinuity design and randomized controlled trials. Topics include demand and supply of healthcare services, economic returns to medical care, economic issues in health insurance reforms, long-term effects of early-life health shocks, health care in developing countries, etc. The course emphasizes the actionable policy implications based on credible empirical findings. There will be individual presentations of published research articles or their own, preliminary research ideas by students.

**LEARNING OBJECTIVES**

The objective of this course is to gain understanding of concepts of economics of health and health care. By the end of the course, students will be equipped to conduct independent research on health economics.

**GRADED BASIS:** Graded

**COURSE UNIT:** 1CU

**COURSE AREA:** ART

**ASSESSMENT METHODS**

(please add / delete components where appropriate)

Paper and Research Proposal Presentation:	50 %
Assignments:	50 %
<b>Total:</b>	<b>100%</b>

**CLASS TIMINGS**

TBA

The course comprises twelve sessions on Wednesdays at 3:30pm.

**RECOMMENDED TEXTBOOKS**

Handbook of Health Economics, 2000. Volume 2, Edited by Mark V. Pauly, Thomas G. Mcguire and Pedro P. Barros. North Holland.

**RECOMMENDED TEXTBOOKS (ECONOMETRICS)**

1. Angrist, Joshua D. and Jörn-Steffen Pischke. 2008. *Mostly Harmless Econometrics: An Empiricists' Companion*, Princeton University Press, Princeton, NJ.

2. Angrist, Joshua D. and Jörn-Steffen Pischke. 2014. *Mastering `Metrics*, Princeton University Press, Princeton, NJ.
3. Cameron and Trivedi. 2010. *Microeconometrics using Stata*. Stata Press.
4. Glennerster, Rachel and Kudzai Takavarasha. 2013. *Running Randomized Evaluations: A Practical Guide*. Princeton University Press, Princeton, NJ.

#### RECOMMENDED TEXT AND READINGS

- Articles in bold are required readings and the list is to be updated

**Almond, Douglas, Joseph J. Doyle Jr., Amanda E. Kowalski and Heidi Williams. 2010. "Estimating Marginal Returns to Medical Care: Evidence from At-risk Newborns." *Quarterly Journal of Economics*, 125(2): 591-634.**

Aron-Dine, Aviva, Liran Einav, and Amy Finkelstein. 2013. "The RAND Health Insurance Experiment, Three Decades Later." *Journal of Economic Perspectives*, 27(1): 197-222.

Ashraf, Nava, Oriana Bandiera, and Scott S. Lee. 2014. "Do-gooders and Go-getters: Career Incentives, Selection, and Performance in Public Service Delivery." Harvard Business School Working Paper.

Barker, David J. P. 1992. "Fetal and Infant Origins of Adult Diseases." *British Medical Journal*, 301(6761).

**Chay, Kenneth, Daeho Kim, Shailender Swaminathan. 2012. "Health Insurance, Hospital Utilization and Mortality: Evidence from Medicare's Origins," Working Paper.**

**Card, David, Carlos Dobkin, and Nicole Maestas. 2009. "Does Medicare Save Lives." *Quarterly Journal of Economics* 127(2): 597-636.**

Chaudhury, N., Hammer, J., Kremer, M., Muralidharan, K., & Rogers, H. (2006). Missing in action: teacher and health workers absence in developing countries. *Journal of Economic Perspectives*, 20, 91–116.

Lleras-Muney, Adriana. (2005) "The Relationship Between Education and Adult Mortality in the United States." *Review of Economic Studies*, 72(1), 198-221

Cutler, David M. 2008. "Are We Finally Winning the War on Cancer?" *Journal of Economic Perspectives*, 22(4): 3-26

Cutler, David M., & Ellen Meara, 1998. "The Medical Costs of the Young and Old: A Forty-Year Perspective," NBER Chapters, in: *Frontiers in the Economics of Aging*, pages 215-246 National Bureau of Economic Research.

Dixon, D., Johnston, M., Rowley, D., and Pollard, B. 2008. "Using the ICF and psychological models of behavior to predict mobility limitations". *Rehabilitation Psychology*, 53, 191-200.

- Das, Jishnu, Jeffery Hammer. 2014. "Quality of Primary Care in Low-Income Countries: Facts and Economics." *Annual Review of Economics* 6:525–553.
- Rochaix L., and Nassiri A. 2006. "Revisiting Physicians' financial incentives in Quebec: a Panel System Approach." *Health Economics* 15(1): 49-64.
- Sickles, Robin C., and Abdo Yazbeck (1998): "On the Dynamics of Demand for Leisure and the Production of Health," *Journal of Business and Economic Statistics*, 16, 187-197.
- Truffer, Christopher J., Sean Keehan, Sheila Smith, Jonathan Cylus, Andrea Sisko, John A. Poisal, Joseph Lizonitz and M. Kent Clemens. 2010. "Health Spending Projections Through 2019: The Recession's Impact Continues." *Health Affairs* 34(8).
- Carpenter, Christopher, and Carlos Dobkin. 2011. "The Minimum Legal Drinking Age and Public Health." *Journal of Economic Perspectives*, 25(2): 133-56.
- Smith, J.P. (1999). "Healthy Bodies and Thick Wallets: The Dual Relationship Between Health and Economic Status." *Journal of Economic Perspectives*, 13(2), 145-166.
- Anne Case, Darren Lubotsky and Chris Paxson. (2002). "Economic Status and Health in Childhood: The Origins of the Gradient." *American Economic Review* 92(5), 1308-1334.
- Currie, J and M. Stabile. (2003). "Socioeconomic Status and Child Health: Why
- Ruhm, C. "Parental Employment and Child Cognitive Development." *The Journal of Human Resources*, Vol. 39, No. 1 (Winter, 2004), pp. 155-192.
- Maddrian, B. "Employment-Based Health Insurance and Job Mobility: Is There Evidence of Job Lock?" *Quarterly Journal of Economics*. February 1994, 27-54.
- Cutler, David, and Grant Miller. "The role of public health improvements in health advances: the twentieth-century United States." *Demography* 42.1 (2005): 1-22.
- Pascaline Dupas. 2011. "Health Behavior in Developing Countries." *Annual Review of Economics* 3 (1):425-449
- Cohen, J. and P. Dupas. 2010. "Free Distribution or Cost-Sharing? Evidence from a Randomized Malaria Prevention Experiment." *Quarterly Journal of Economics* 125 (1):1-45
- Ashraf, Nava, James Berry, and Jesse M. Shapiro. "Can Higher Prices Stimulate Product Use? Evidence from a Field Experiment in Zambia." *American Economic Review* 100 (2010): 2383-2413.
- Bleakley, Hoyt. "Malaria eradication in the Americas: A retrospective analysis of childhood exposure." *American economic journal. Applied economics* 2.2 (2010).
- Cutler, D., Fung, W., Kremer, M., Singhal, M., & Vogl, T. (2010). Early-life malaria exposure and adult outcomes: Evidence from malaria eradication in India. *American Economic Journal: Applied Economics*, 72-94.
- Lucas, Adrienne M. "Malaria eradication and educational attainment: evidence from Paraguay and Sri Lanka." *American economic journal. Applied economics* 2.2 (2010): 46.
- Lindblade, Kim A., et al. "Sustainability of reductions in malaria transmission and infant mortality in western Kenya with use of insecticide-treated bednets." *JAMA: the journal of the American Medical Association* 291.21 (2004): 2571-2580.

Miguel, Edward et. al. 2004. "Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities." *Econometrica* 72 (1):159-217

**WEEKLY LESSON PLAN**

Week		Topic	Readings
1	10 Jan	Introduction to Health Economics	
2	17 Jan	Brief Introduction to Causal Inference	Angrist and Pischke (2014)
3	24 Jan	Demand for Healthcare	
4	31 Jan	Health Insurance	
5	7 Feb	Moral Hazard and Adverse Selection	
6	14 Feb	Healthcare Pricing, Returns to Healthcare Quality, Healthcare Reforms	Einav and Finkelstein (2011)
7	21 Feb	Economics of Bads, Economics of Mental Health and Happiness	Kim (2015), Doyle et al., (2010), Gruber (2008, 2019)
8	28 Feb	Recess Week	
9	6 Mar	Money and Health	
10	13 Mar	Health Behavior in Developing Countries	
11	20 Mar		
12	27 Mar		
13	3 April		
14	10 April	Revision Week	
15		<b>Final Report due on 17 April</b>	
16			

**THE ABOVE LECTURE SCHEDULE AND MATERIAL COVERED ARE SUBJECT TO CHANGE**

**ACADEMIC INTEGRITY**

All acts of academic dishonesty (including, but not limited to, plagiarism, cheating, fabrication, facilitation of acts of academic dishonesty by others, unauthorized possession of exam questions, or tampering with the academic work of other students) are serious offences.

All work (whether oral or written) submitted for purposes of assessment must be the student's own work. Penalties for violation of the policy range from zero marks for the component assessment to expulsion, depending on the nature of the offense.

When in doubt, students should consult the instructors of the course. Details on the SMU Code of Academic Integrity may be accessed at <http://www.smuscd.org/resources.html>.

**ACCESSIBILITY**

SMU strives to make learning experiences accessible for all. If students anticipate or experience physical or academic barriers due to disability, please let the instructor know immediately. Students are

also welcome to contact the university's disability services team if they have questions or concerns about academic provisions: [included@smu.edu.sg](mailto:included@smu.edu.sg).

Please be aware that the accessible tables in the seminar room should remain available for students who require them.

### **EMERGENCY PREPAREDNESS FOR TEACHING AND LEARNING (EPTL)**

Where there is an emergency that makes it infeasible to have classes on campus, classes will be conducted online via WebEx or other online learning platforms, with no disruption to the schedule. To familiarise students with the relevant platform, part of this course may be conducted online. The instructor will inform students of which classes, if any, will be conducted as part of this EPTL initiative.

### **ASSESSMENTS**

Faculty have been instructed not to reuse questions verbatim from past year papers or published test banks, for the graded continuous assessments and examinations in this course.