

PA 393L: Health Economics and Healthcare Policy

Introduction to the Topic

Why is healthcare so expensive? How do incentives and government policy shape the care people receive? How can we tell whether a policy improves health? This course provides an in-depth understanding of how the U.S. healthcare system is organized, financed, and regulated. Students will learn economic concepts needed to analyze the incentives facing patients, insurers, providers, and pharmaceutical firms, and any tradeoffs involved in allocating healthcare resources. Through current research, students will also learn how to estimate the effects of health policies and assess what conclusions can and cannot be supported by data and empirical evidence. The course is designed for students with varied backgrounds; economic and empirical concepts are thoroughly introduced as they arise in concrete healthcare and policy problems.

Course Content Overview

The course begins with an in-depth study of the U.S. healthcare system. We will examine Medicare, Medicaid, private insurance and its pricing, and the Affordable Care Act, as well as why people buy insurance and how it affects their healthcare utilization and other health and financial outcomes. Further topics include how physicians and hospitals are paid and incentivized to provide quality care, and how pharmaceuticals are developed, regulated, and priced. We will also explore socio-economic and environmental determinants of health, the opioid crisis, and healthcare systems in other countries.

Throughout, students will use economic reasoning to examine healthcare market failures, identify policy solutions, and assess how policy choices affect costs, access, quality, and fairness. Students will read and discuss research that evaluates the effects of health policies and learn common methods researchers use to determine these effects.

By the end of the course, students will be able to explain how the U.S. healthcare system works, use economic reasoning to compare policy options, and critically evaluate the evidence behind policy claims.