

## ***HCA306 – The Economics of Healthcare***

### **Course Information**

Course: The Economics of Healthcare  
Course Number: HCA306  
Credit Hours: 3

### **Instructor Information**

- Instructor: Edward P. Paluch, Ph.D., M.B.A.
- Contact Information: Please contact me through the “Messages” option within the course site or through my Reinhardt email address, [epp@reinhardt.edu](mailto:epp@reinhardt.edu). I will answer e-mails within 24 hours.
- My cell phone number is 484-888-3800. Please note that you can use this number to contact me in an emergency. However, during the work day, I am typically in meetings, so I am not readily available. However, if you leave a message, I will return your call as soon as possible.
- My preferred contact venue is email.

### **Course Description**

This course undertakes to examine the health care sector using economic market and non-market models. The features of the market for health services are described, emphasizing the characteristics that make this market behave differently than those for other goods and services. The course will focus on the principles and application of economic theories within the healthcare sector, as they relate to the access, use, and provision of healthcare services involving patients, healthcare providers, insurers, the government, and healthcare organizations. Key economic principles which will be considered will include supply and demand, analyses involving cost-effectiveness, cost containment, and health outcomes.

### **Reinhardt University Health Care Administration Program Objectives (HCAPO)**

The faculty of the Health Care Administration Program at Reinhardt University desire that all students in the program demonstrate:

- a) use of evidence, logic, and reasoning as they think critically about the field of health care administration;
- b) a thorough knowledge of the structure of the health care delivery system in the United States;
- c) effective communication with colleagues regarding issues and challenges in the field;
- d) application of acquired knowledge to current or eventual professional situations;

- e) moral and ethical values reflecting a commitment to the welfare of the community as effected by the health care system.

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## **Learning Outcomes for this course in the Program**

Upon successful completion of the course, students will be able to:

1. Define and describe key economic principles and how they are applied to the healthcare sector
2. Define, explain, and apply the various types of economic evaluations which can be used in healthcare settings
3. Describe the various factors which characterize the competitive marketplace model
4. Explain how key elements of market structure and market power interact in the health care marketplace
5. Identify and differentiate the various concepts and tools of insurance design used to achieve consumer and insurer goals in the healthcare sector
6. Recognize the role of patients and healthcare providers in controlling costs of healthcare insurance
7. Summarize the current and future role of government in healthcare
8. Recognize the role of regulation in the health care marketplace
9. Describe the effect of the US tax system and financing on the consumption and administration of healthcare insurance
10. Describe the types of trends and policies relating to Medicare and Medicaid
11. Discuss elements of insurance market reform and managed care initiatives and their effects on healthcare markets
12. Recognize and evaluate economic models and tools which can be used to assess current and future economic challenges in the healthcare sector

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## **Required Reading**

Economics of Health and Medical Care, Sixth Edition (2014), Lanis L. Hicks  
ISBN 978-1-4496-6539-5

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## **Methods Of Instruction**

This course includes the following methods of instruction:

- Discussion Forum Participation
- Graded Assignments

- Journal/Periodical Review

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## Attendance, Participation, and Conduct and Work Policy

Your course grade depends on your active and timely participation in on-line exchanges of ideas, personal observations, and questions regarding the course material with your fellow students and the instructor. As seen on the weekly schedule of course events, there are regular activities requiring all students to post responses, take quizzes, and complete writing assignments. Please be attentive to these assignments and plan on meeting the following expectations:

1. Online courses are delivered over a period of eight weeks with activities and assignments specified for each week. An online week is defined as being Monday 12:00 AM (EST) through Sunday at 11:55 PM (EST). Deadlines for attendance are based on Eastern Standard Time.
2. A student will be considered in attendance for a given week of online instruction if he or she participates in the course. Participation is defined as posting a response to a discussion assignment or submitting a completed course room activity/assignment during the online week prior to Sunday at 11:55 PM (EST).
3. A student who fails to participate during the first 8 calendar days of a course shall be administratively withdrawn from the course.
4. Students are expected to visit the course site several times (4-5 times) a week to read material found there, respond to Forum (discussion board) topics, and submit the results of their research efforts. Students are responsible for completing all Forum work within the assigned week. There is no make-up work to replace incomplete or missed Forums.
5. Each student must post an INITIAL comment to the weekly forum by Tuesday evening by 10:00 PM. This will give everyone time to read and respond to posted comments by the weekly deadline of Sunday night. Reading the on-line lecture and related articles over the weekend may be necessary in order to be well-informed for forum participation.
6. Written papers are to be submitted according to instruction no later than 11:55PM Sunday of the week they are due. Papers submitted after the deadline will have 5 points deducted for each day late.
7. Withdrawal Policy: After the first week, students who do not participate in a course for 7 or more consecutive days are not satisfying ongoing course participation requirements and will be notified by the instructor via University email. Participation in the course must resume within 3 calendar days following the sending of this notification. Students

who do not resume participation in the course will be administratively withdrawn from the course and issued a grade of “W” or “F”. A grade of “W” will be issued only if the administrative withdrawal occurs before 11:59 PM EST on Friday of the fourth week of the course. After that time, any student withdrawn from the course for non-participation will receive a grade of “F.” Students may be impacted academically and financially in the case of voluntary and administrative withdrawals. It is the student’s responsibility to understand these implications.

8. How much time you spend on this course depends largely on your reading and writing skills. Since this course runs eight weeks, you should plan on spending more time per week than during a typical full semester course. A good rule of thumb in a collegiate setting is to spend one to two hours outside of class for each credit hour. If this is the case, since this course is the equivalent of a traditional class that would meet five hours each week for half a semester, you should anticipate spending eight to eleven hours each week engaging with the on-line course materials, reading assignments, completing learning exercises, writing papers, and studying for tests.

### *The Need for Academic Honesty*

Education thrives in an atmosphere of honesty and trust. Students who do not do their own work degrade education, demonstrate a lack of respect for themselves and the university, and rob themselves of the opportunity to improve their own thinking and writing. In this course, all work must be your own. Cheating will not be tolerated. Plagiarism, the use of someone else’s ideas or words without acknowledging them as such, is a serious academic offense. Any suspected cases of academic misconduct will be dealt with strictly, normally resulting in a failing grade in the course. The Academic Catalog of Reinhardt University details what constitutes academic dishonesty, as well as the alternative consequences for such behavior. If you are ever uncertain about whether or not your actions are academically honest, please consult your instructor, who will be glad to advise you.

### *Disability Statement*

The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please contact Prof. Tunji Adesesan, Director of the Academic Support Office (ASO) at Reinhardt University, by e-mail at [AAA@reinhardt.edu](mailto:AAA@reinhardt.edu) or by phone at 770-720-5567. The ASO staff will work with the on-line program faculty to arrange testing and other accommodations that are found to be appropriate.

### *Non-discrimination Statement*

Reinhardt University does not discriminate in any of its policies, programs, or activities on the basis of race, color, age, culture, national origin, socioeconomic status, gender, religious belief, sexual orientation physical (dis)ability or genetic information.

### ***Forums (Threaded Discussions) and Chats***

Forums and Chat Rooms, if offered for voluntary participation, are the on-line equivalent to traditional classroom discussions. As you may already know, Forums are set up to allow the exchange of observations, questions, and ideas whenever a student can log on to participate. Sometimes these are referred to as bulletin boards. Chats, on the other hand, are live exchanges between a group of students and their instructor at a given, scheduled time.

Your instructor will be monitoring your discussions and will be noting the number of responses and the quality of the responses to each discussion. All postings to the forums are considered formal writing and should follow the rules of good grammar and spelling. As mentioned above, all initial comments to a forum thread must be posted no later than 10:00 PM EST Tuesday evening.

As a class, we agree to the following guidelines for our Forums:

- a) That all postings to the Forums should be formal short essays (i.e. in paragraph form, as short as a single paragraph of several sentences) reflecting well- articulated critical thinking;
- b) To proof-read and spell check our contributions before posting to the Forum;
- c) To stay on track with the topic as presented by the course instructor;
- d) To politely challenge the ideas of others without becoming personal, since it is only by engaging differences of opinions that we develop our ideas;
- e) To respect one another's ideas;
- f) To avoid slang and non-academic styles of expression;
- g) To build on our interpretation of evidence, meaning that we must be knowledgeable of that evidence and be able to support our opinions with facts, as well as recognize ours and others assumptions.
- h) To remember that all comments posted to the forum by your instructor are designed to encourage postings that earn the best possible grade.

In the Forums you are required each week to make an initial comment by 10:00 PM EST Tuesday night and 3-5 additional comments to your classmates' comments by 11:55 PM EST Sunday. Your Forum participation grade is made up not only of the number of times you post, but also by the quality of your entries.

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## **Evaluation of Learning Outcomes and Grade Computation**

Course work will have the following values in determining the student's course grade:

A=90-100; B=80-89; C=70-79; D=60-69; F=0-59

### ***Grades***

Grades for this course will be posted in the "Grades" section of this online course. This grades tool is simply your instructor's way of keeping you informed of your grades. Another means of averaging grades will be used, and course averages will not be tabulated until the end of the semester.

Assignments will be graded and returned in a timely manner. Please allow the instructor the same length of time to grade the assignment that you are given to complete it. For example, students are given one week to complete forum postings which are due on Sunday nights. Grades for these forums will normally be posted no later than the following Sunday night.

Comments on student work will be provided either in the grading system located within the course, or via the messages tool or e-mail. If you do not understand the comments or the grade on an assignment, please be sure to ask your instructor for further clarification.

### *Grade Computation*

**Currently, this course includes:**

Assessment	# of Items	Points / Item	Grade
Discussion Forum Participation	8	15	120 points
Graded Assignments	8	50	400 points
Journal/Periodical Review	1	100	100 points
Total:		620 points	
Total:		620 points	

## Course Outline

### *Lesson 1: Key Principles of Healthcare Economics*

#### **Learning Objectives**

Upon successful completion of this lesson, students will be able to:

1. Describe key economic principles
2. Explain how economic principles relate to the healthcare sector
3. Evaluate how economic principles are applied in the healthcare marketplace
4. Discuss the use and application of key economic principles in the healthcare sector

#### ***Lesson 1 Reading Assignment***

Read the course syllabus carefully

Read the e-Lecture

Reading: *Economics of Health and Medical Care* (EHMC), Introduction, Chapters 1 and 2

## *Lesson 2: Supply and Demand: Applications in Healthcare*

### **Learning Objectives:**

Upon successful completion of this lesson, students will be able to:

1. Explain how supply and demand concepts apply to the healthcare sector
2. Describe the effects of changes in supply and demand on patients, healthcare providers and healthcare organizations
3. Assess the impact of changes in supply and demand functions on the healthcare marketplace

### ***Lesson 2 Reading Assignment***

Read the e-Lecture

Reading: EHMC, Chapters 3, 4 and 6

## *Lesson 3: Healthcare Production and Costs*

### **Learning Objectives**

Upon successful completion of this lesson, students will be able to:

1. Describe the various types of economic evaluations which can be used in healthcare settings
2. Define the basic principles of economic evaluations in healthcare
3. Explain why economic evaluations are of value and used within healthcare organizations
4. Describe the positive and negative aspects of different types of economic analyses used in the healthcare sector

### ***Lesson 3 Reading Assignment***

Read e-Lecture

Reading: EHMC, Chapter 5 and 7

## *Lesson 4: Competitive Markets and Market Power in Health Care*

### **Learning Objectives**

Upon successful completion of this lesson, students will be able to:

1. Describe the various factors which characterize the competitive marketplace model
2. Explain how key elements of market structure and market power interact
3. Describe the role and effects of supply and demand of labor in the health care marketplace

### ***Lesson 4 Reading Assignment***

Read e-Lecture

Reading: EHMC, Chapters 8, 9 and 11

## *Lesson 5: Economic Evaluations and Their Application in the Healthcare Sector*

### **Learning Objectives**

Upon successful completion of this lesson, students will be able to:

1. Describe the application of various types of economic evaluations which can be used in healthcare settings
2. Define and apply the basic principles of economic evaluations in healthcare
3. Apply different economic evaluations to issues of relevance in the healthcare sector
4. Compare and contrast the different types of economic analyses used in the healthcare sector
5. Explain how and why to select a particular type of economic analysis for application to a problem in the healthcare sector

### ***Lesson 5 Reading Assignment***

Read e-Lecture

Reading: EHMC, Chapters 12 and 13,

## *Lesson 6: Healthcare Insurance and Financing of Health Care*

### **Learning Objectives**

Upon successful completion of this lesson, students will be able to:

1. Identify the various tools of insurance design used to achieve consumer and insurer goals in the healthcare sector
2. Describe the concept of welfare loss from insurance
3. Discuss the role of patients and healthcare providers in controlling costs of healthcare insurance
4. Discuss the effect of the US tax system and financing on the consumption and administration of healthcare insurance

### ***Lesson 6 Reading Assignment***

Read the e-Lecture

Reading: EHMC, Chapters 10 and 14

## *Lesson 7: Government Health Care Programs and Health Care Reform*

### **Learning Objectives**

Upon successful completion of this lesson, students will be able to:

1. Describe the types of trends and policies relating to Medicare and Medicaid
2. Discuss elements of insurance market reform and managed care initiatives on



- healthcare markets
3. Summarize the current and future role of government in healthcare

### ***Lesson 7 Reading Assignment***

Read the e-Lecture

Reading: EHMC, Chapters 15 and 16

## ***Lesson 8: Contemporary and Evolving Issues in Healthcare Economics***

### **Learning Objectives**

Upon successful completion of this lesson, students will be able to:

1. Recognize and discuss potential economic issues in the healthcare sector
2. Recognize the role of regulation in the health care marketplace
3. Analyze possible solutions to key economic challenges which may confront the healthcare sector in the upcoming decade
4. Evaluate economic tools which can be used to assess and evaluate current and future economic challenges in the healthcare sector

### ***Lesson 8 Reading Assignment***

Read the e-Lecture

Reading: EHMC, Chapters 17 and 18