

MW86 Seminar:
“Current topics in health economics”
Winter semester 2023/2024
Jun.-Prof. Dr. Biliana Yontcheva



Content:

In this course, we will discuss current topics in the field of health economics. In the first block of the lecture, we will look at reasons behind the rise of health care expenditures and regulatory instruments aimed at curtailing spending growth. Within this context, we will address changes in the technology of healthcare interventions, demographic trends, as well as inequalities in the distribution of research funding. In the second block, we will turn our attention to consumer behavior, with an emphasis on specific behavioral biases, which result in a misallocation of resources and address potential policies to guide consumers to more desirable choices. We will place a particular emphasis on consumer inattention and time inconsistency. In the third block, we will look at how suppliers respond to incentives, evaluating impact of competition, pricing and patenting regulations in determining outcomes in the industry.

Target group:

This course is aimed at Master students in Economics or Business Administration.

Organization:

An introductory lecture will be held at the beginning of the semester (as part of the presentation of all seminar courses in the Masters). Interested students can then contact the lecturer in order to sign up for a specific presentation topic by the end of October. The final presentations will take place in January (the date will be selected based on lecturer and student availability). To complete the course, students need to write a short term paper. The deadline for submission of term papers is the 15th of March 2024.

Prerequisites:

Students attending the lecture should have completed at least one introductory econometrics course and one microeconomics course during their studies.

Language:

The course will be conducted in English (the literature and presentations will be in English; term papers will be accepted in both German and English).

Examination process:

Term paper (60%), presentation (30%), discussion (10%).

Workload:

2 SWS (4 ECTS)

Seminar paper topics and literature: Specific papers and topics will be discussed and assigned during the introductory part of the course. A list of possible presentation topics, together with suggested literature, is provided below.

Block 1: Determinants of rising healthcare costs and cost containment policies

Salm, M., & Wübker, A. (2020). Sources of regional variation in healthcare utilization in Germany. *Journal of Health Economics*, 69, 102271.

Dusheiko, M., Gravelle, H., Martin, S., Rice, N., & Smith, P. C. (2011). Does better disease management in primary care reduce hospital costs? Evidence from English primary care. *Journal of Health Economics*, 30(5), 919-932.

World Health Organization (2021). Global expenditure on health: public spending on the rise? Available at SSRN: https://files.who.int/afahobckpcontainer/production/files/2_Global_expenditure_on_health_Public_spending_on_the_rise.pdf

Block 2: Consumer incentives and biases

Vlaev, I., King, D., Darzi, A., & Dolan, P. (2019). Changing health behaviors using financial incentives: a review from behavioral economics. *BMC public health*, 19(1), 1-9.

Caulkins, J. P., & Nicosia, N. (2010). What economics can contribute to the addiction sciences. *Addiction*, 105(7), 1156-1163.

Heiss, F., McFadden, D., Winter, J., Wuppermann, A., & Zhou, B. (2021). Inattention and switching costs as sources of inertia in medicare part d. *American Economic Review*, 111(9), 2737-2781.

Ho, K., Hogan, J., & Scott Morton, F. (2017). The impact of consumer inattention on insurer pricing in the Medicare Part D program. *The RAND Journal of Economics*, 48(4), 877-905.

Block 3: Supplier incentives

Brekke, K. R., Holmås, T. H., Monstad, K., & Straume, O. R. (2017). Do treatment decisions depend on physicians' financial incentives?. *Journal of Public Economics*, 155, 74-92.

Lakdawalla, D. N. (2018). Economics of the pharmaceutical industry. *Journal of Economic Literature*, 56(2), 397-449.

Bloom, N., Propper, C., Seiler, S., & Van Reenen, J. (2015). The impact of competition on management quality: evidence from public hospitals. *The Review of Economic Studies*, 82(2), 457-489.

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