



**PUBLIC AFFAIRS 864  
HEALTH POLICY AND POLICY DESIGN**

**CREDITS:** 3

**CANVAS COURSE URL:** <https://canvas.wisc.edu/courses/137829/modules>

**COURSE DESIGNATIONS AND ATTRIBUTES:** General

**MEETING TIME AND LOCATION:** Thursday: 2:30 – 4:25pm, Van Hise 155

**INSTRUCTIONAL MODE:** all face-to-face

This class meets for one 115-minute class period each week over the spring semester and carries the expectation that students will work on course learning activities (reading, writing, problem sets, studying, etc) for about 6 hours out of classroom for every class period.

**INSTRUCTOR:** Professor Yang Wang

**OFFICE HOURS:** W: 2:30 – 4:30pm and by appointment at Office 212, 1225 Observatory Drive.

**INSTRUCTOR EMAIL:** [ywang26@wisc.edu](mailto:ywang26@wisc.edu)

**COURSE DESCRIPTION**

Health policies are a critical component of our everyday lives. The access, cost, and quality of health care are vitally tied to the organization of health care systems and health policies, which may have a lasting effect on our quality of life as individuals and on our welfare as a nation. This course is designed to familiarize students with basic concepts and ideas concerning health care system and health care policy.

We will cover several major topics including: the demand for health, health care, and health insurance, moral hazard and adverse selection, health care industries, health technology, health policy challenges, and the roles of government in health systems and policy.

While the course focuses on the U.S. health care system, we will also present an international perspective on the U.S. health care system and examine the health care systems in other developed and developing countries. This course also aims to convey not just facts, but to help

students develop the ability and confidence to critically assess current health policy issues in a thoughtful and rigorous manner.

**PREREQUISITES**

There are no formal prerequisites for PA 864, though a course in Microeconomics is strongly suggested. Students will also benefit from being comfortable with basic concepts in statistics.

**COURSE LEARNING OUTCOMES**

Students will further develop

- An appreciation and ability to use economic approaches in evaluating health related policies and decision making processes, in particular applying the concepts of opportunity cost, efficiency, equity, demand/supply analysis, and cost-benefit analysis;
- Conceptual tools to evaluate the effects of incentives (financial and non-financial) on health related decision making by individuals and providers; and
- An ability to consider intended and unintended consequences of health policies.

**GRADING**

Attendance and Participation	20%
Weekly Assignments	30%
New Report	10%
Seminar Attendance	10%
Final Paper	30%

Grade Criteria: A  $\geq$  93%, AB  $\geq$  89%, B  $\geq$  80%, BC  $\geq$  75%, C  $\geq$  65%, D  $\geq$  55%, F  $<$ 55%

**TEXTBOOK AND OTHER RESOURCES**

Required Textbook

Bhattacharya, J., T. Hyde, and P. Tu. 2014. Health Economics, (First Edition), New York: Palgrave Macmillan. (BHT)

Supplemental readings will be assigned each week.

**TENTATIVE SCHEDULE** (*subject to changes*)

Week	Topic	Required Reading
1	Introduction	BHT 1
2	Demand for Health Care	BHT 2
3	Demand for Health and Socioeconomic Disparity in Health	BHT 3
4	Socioeconomic Disparity in Health	BHT 4
5	The Physician Labor Market	BHT 5
6	The Hospital Industry	BHT 6
7	Demand for Health Insurance	BHT 7
8	Adverse Selection	BHT 10

9	Moral Hazard	BHT 11
10	Health Technology and Technology Assessment	BHT 13, 14
11	Health Externality	BHT 20
12	The Health Policy Conundrum	BHT 15
13	The Beveridge Model, the Bismarck Model, and the American Model	BHT 16, 17, 18
14	Student Presentations	

## LECTURES

Ideally, you will read/view the assigned material before coming to class. In this way, lecture provides a second exposure to the material. I will not go over all of the details in lecture but will highlight the important stuff.

## COURSE WEBPAGE

We have a CANVAS webpage for this course. You can find most course materials there, including the syllabus, supplemental readings, links to other important webpages, and so forth. You will also submit your assignments onto CANVAS course webpage, so please make effort to get familiar with how it works. You are responsible for accessing the course webpage on a regular basis. Please focus on the “Modules”.

## ATTENDANCE AND PARTICIPATION

Attendance is required for this class. Please email me if you cannot make it to the class for any reason. To have an inspired class requires effort on the part of the instructor and the student. Please actively participate in class, by both answering my questions and asking your own. Please let me know if you have question or concern about the class.

## ASSIGNMENTS

I will give assignments throughout the semester. Please try your best to finish them on your own, as it is one of the best ways to learn the materials, but you are encouraged to have discussions with your classmates.

## ILLNESS POLICY

If you are sick and you think it could be contagious, please stay at home and rest. Email me or check with classmates to get the material you have missed. If you believe that your illness or anything else might give you a long absence from class, please contact me immediately so that we can work out a plan to make sure that you do not fall too far behind.

## CLASS MANNERS

- Please come to class on time. If you know that you will be late, please let me know in advance.
- Please do not leave class early. If you have to leave early, please let me know in advance.
- Please mute your phone prior to class.
- Please do not use your phone or computer for personal matter in class.

## ACADEMIC INTEGRITY

By enrolling in this course, each student assumes the responsibilities of an active participant in UW-Madison’s community of scholars in which everyone’s academic work and behavior are

held to the highest academic integrity standards. Academic misconduct compromises the integrity of the university. Cheating, fabrication, plagiarism, unauthorized collaboration, and helping others commit these acts are examples of academic misconduct, which can result in disciplinary action. This includes but is not limited to failure on the assignment/course, disciplinary probation, or suspension. Substantial or repeated cases of misconduct will be forwarded to the Office of Student Conduct & Community Standards for additional review. For more information, refer to [studentconduct.wiscweb.wisc.edu/academic-integrity/](http://studentconduct.wiscweb.wisc.edu/academic-integrity/).

## **ACCOMMODATIONS FOR STUDENTS WITH DISABILITIES**

**McBurney Disability Resource Center syllabus statement:** “The University of Wisconsin-Madison supports the right of all enrolled students to a full and equal educational opportunity. The Americans with Disabilities Act (ADA), Wisconsin State Statute (36.12), and UW-Madison policy (Faculty Document 1071) require that students with disabilities be reasonably accommodated in instruction and campus life. Reasonable accommodations for students with disabilities is a shared faculty and student responsibility. Students are expected to inform faculty [me] of their need for instructional accommodations by the end of the third week of the semester, or as soon as possible after a disability has been incurred or recognized. Faculty [I], will work either directly with the student [you] or in coordination with the McBurney Center to identify and provide reasonable instructional accommodations. Disability information, including instructional accommodations as part of a student's educational record, is confidential and protected under FERPA.” <http://mcburney.wisc.edu/facstaffother/faculty/syllabus.php>

## **DIVERSITY & INCLUSION**

**Institutional statement on diversity:** “Diversity is a source of strength, creativity, and innovation for UW-Madison. We value the contributions of each person and respect the profound ways their identity, culture, background, experience, status, abilities, and opinion enrich the university community. We commit ourselves to the pursuit of excellence in teaching, research, outreach, and diversity as inextricably linked goals.

The University of Wisconsin-Madison fulfills its public mission by creating a welcoming and inclusive community for people from every background – people who as students, faculty, and staff serve Wisconsin and the world.” <https://diversity.wisc.edu/>