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Spring 2021
TSE, M2 EEE

Health Econometrics (Economics)

Presentation

This is 15-hour course that spans the second semester (5 weeks). Lectures will take place on Monday 15h30-17h and on Friday 11-12h30 pm.

The main objective is to introduce students to some of the main policy challenges and economic problems of the health care sector. For each of them I will start by exposing the economic tools and frameworks of analysis that highlight the economic mechanisms. These will then be illustrated using the most leading research applications to health care, mainly in the context of developed countries.

Course Requirements

Students will be evaluated on the basis of their contribution to classes (15%), and a written paper (85%). There is not a specific content of the paper but you should get my former approval. It can be a referee report of a working paper, a literature review, a research proposal. The aim is that students apply their economic knowledge and analysis to a health economics question. The paper will have a maximum length of 5 pages, 11 fontsize, 1.5 interline space. Annexes and references, included. It will be evaluated according to the style and the contents:

1. Style
 - (a) Requirements compliance: overall length and time spent, meaningful title, sections and slides, table of contents, references, etc.
 - (b) Quality of presentation: spelling, layout, graphs/figures/tables (if applicable)

2. Contents

- (a) Originality and ambition of the subject
- (b) Context and objective
- (c) Precision in presenting the economic dimension
- (d) Relevance and justification of the strategy adopted to address the objective.
- (e) Critical appraisal, understanding of the topic, reasoning mistakes.
- (f) Quality of implementation and presentation of the proposed methods, comments, interpretation and limitations

Outline

One or two papers per topic will be discussed in detail.

[L*i*] refers to lecture *i*, $i = \{1, \dots, 10\}$.

1. Introduction [L1].
2. Health and health behaviours [L2, L3].

Currie, J., Schwandtand, H., Thuilliez, J. “Pauvreté, Egalité, Mortalité: Mortality (In)Equality in France and the U.S.,” *Journal of Population Economics*, forthcoming.

Almond, D., Currie, J., Duque, V. “Childhood Circumstances and Adult Outcomes: Act II,” *the Journal of Economic Literature*, Dec. 2018, 56 4, Dec. 2018, 1360–1446.

Van den Berg, GC. Pinger, PR. Schoch J. (2016) “Instrumental variable estimation of the causal effect of hunger early in life on health later in life”. *The Economic Journal* 126 (591), 465–506.

van den Berg, G., Lindeboom, M. and Portrait, F. (2006). “Economic Conditions Early in Life and Individual Mortality.” *American Economic Review*, 96 (1): 290-302.

3. Demand for health care [L4, L5].

Finkelstein, A., Einav, L., Oostrom, T., Ostriker, A., Williams, H. (2020) “Screening and Selection: The Case of Mammograms” *American Economic Review*, 110 (12) 3836–3870.

Ginsberg, J., Mohebbi, MH, Patel, RS, Brammer, L, Smolinski, MS, Brilliant, L. (2009) “Detecting influenza epidemics using search engine query data”. *Nature* 457 (7232), 1012–1014.

4. Health Insurance [L6, L7].

Newhouse JP. “Free for all? Lessons from the RAND Health Insurance Experiment”. Cambridge, MA: Harvard University Press, 1993. ISBN 0-674-31846-3. [Paperback edition, 1996: ISBN 0-674-31914-1.

Taubman, S., Wright, B., Bernstein, M., Gruber, J., Newhouse, JP., Allen, H., Baicker, K. and Finkelstein, A. (2012) “The Oregon Health Study Group The Oregon Health Insurance Experiment: Evidence from the First Year”, *Quarterly Journal of Economics* 127 (3): 1057–1106.

Baicker, Katherine, Sarah L. Taubman, Heidi L. Allen, Mira Bernstein, Jonathan H. Gruber, Joseph P. Newhouse, Eric C. Schneider, Bill J. Wright, Alan M. Zaslavsky, and Amy N. Finkelstein. 2013. “The Oregon Experiment – Effects of Medicaid on Clinical Outcomes.” *New England Journal of Medicine* 368: 1713–22.

Finkelstein, A., Hendren, N. and Luttmer, E. F.P. (2019) “The Value of Medicaid: Interpreting Results from the Oregon Health Insurance Experiment” *Journal of Political Economy* Vol. 127 No. 6

Einav, L. and Finkelstein, A. (2018) “Moral Hazard in Health Insurance: What We Know and How We Know It” *Journal of the European Economic Association*, 2018 vol 16(4), pages 957-982. (with Liran Einav)

Finkelstein, Amy, Nathaniel Hendren, and Mark Shepard. 2019. “Subsidizing Health Insurance for Low-Income Adults: Evidence from Massachusetts,” *American Economic Review* 109(4): 1530-1567.

5. Drugs. Pricing of new drugs [L8].

Kyle, M. (2019). “The Single Market in Pharmaceuticals”, *Review of Industrial Organization*, 55(1):111–135.

Dubois, P. and Saethre, M. (2020) “On the Effect of Parallel Trade on Manufacturers’ and Retailers’ Profits in the Pharmaceutical Sector”, *Econometrica*, vol. 88, n. 6, November 2020, pp. 2503–2545.

- Thomas, Lacy Glenn, “Implicit Industrial Policy: The Triumph of Britain and the Failure of France in Global Pharmaceuticals,” *Industrial and Corporate Change*, 1994, 3 (2), 451– 489.
- Danzon, P.M. (2019) “Drug Pricing and Value in Oncology”. In *Regulatory and Economic Aspects in Oncology, Recent Results in Cancer Research*, edited by Evelyn Walter, (2019), pp. 153-167
- Danzon, P.M. (2018) “Differential Pricing of Pharmaceuticals: Theory, Evidence and Emerging Issues”, *PharmacoEconomics*, 36 (12), pp. 1395-1405. 10.1007/s40273-018-0696-4
- Danzon, P.M. (2018), “Affordability Challenges to Value-Based Pricing: Mass Diseases, Orphan Diseases, and Cures”, *Value in Health*, 21, pp. 252-257.
- DiMasi, J.A., Grabowski, H. G., Hansen, R. W. (2016) “Innovation in the pharmaceutical industry: New estimates of R&D costs”, *Journal of Health Economics*, Volume 47, 2016, Pages 20–33,

6. Different health market structures [L9].

Miscellany

How to do nice oral presentations:

Alley, Michael. “The Craft of Scientific Presentations: Critical Steps to Succeed and Critical Errors to Avoid”, Springer; 2nd ed. 2013 edition (April 30, 2013).

How to write nicely papers:

Alley, Michael. “The craft of Scientific writing”, Springer; 3rd edition (February 22, 2009).

How to cite:

http://isites.harvard.edu/icb/icb.do?keyword=k70847&pageid=icb.page363223

Important dates

1. Lectures

Lecture 1:	Monday	Jan 18 2021	15h30–17h00
Lecture 2:	Friday	Jan 22 2021	11h00–12h30
Lecture 3:	Monday	Jan 25 2021	15h30–17h00
Lecture 4:	Friday	Jan 29 2021	11h00–12h30
Lecture 5:	Monday	Feb 01 2021	15h30–17h00
Lecture 6:	Friday	Feb 05 2021	11h00–12h30
Lecture 7:	Monday	Feb 08 2021	15h30–17h00
Lecture 8:	Friday	Feb 12 2021	11h00–12h30
Lecture 9:	Monday	Feb 22 2021	15h30–17h00
Lecture 10:	Friday	Feb 26 2021	11h00–12h30

2. Paper content proposal, by January 29, 2021.
Send me an e-mail with subject “M2 EEE Health Economics”.
3. Paper submission by March 15, 2021.