

HCMT 321: Healthcare Economics

Prerequisite(s): HCMT 320

Credits: 3

I. Course Description

This course evaluates the economics of the healthcare system and analyzes the healthcare industry's financial flow, and how that financial flow differs from that of any other industry. Students will be required to demonstrate an understanding of the basic terminology and economic principles exhibited in the functioning of the U.S. healthcare system. Financial planning and budget constraints specific to the industry will be assessed. Current U.S. healthcare industry trends will also be analyzed and evaluated as predictors for the future of the industry.

II. Course Objectives

1. Identify stakeholders within the U.S. healthcare industry
2. Use terminology related to healthcare financial planning and best practices for managing resources with the healthcare system
3. Compare and contrast the economic factors of private versus public healthcare entities
4. Explain managed care and the complexities associated with the economics of managed care
5. Analyze the barriers to obtaining healthcare insurance for the uninsured and identify the factors that impact a rise in the cost of healthcare for consumers
6. Analyze factors that serve as predictors for the future economic conditions of the healthcare system in America

III. Course Textbooks and Readings

***Students must purchase in advance texts and/or materials for this course.**

Health Economics (6th Edition)

Charles E. Phelps

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IV. Weekly Information

Module One – Week 1

Healthcare Economics Overview

Objectives

At the end of this Module, you should be able to:

- 1.1 Assess the concept of health economics and understand novel aspects of health care
- 1.2 Classify health care markets and see how they differ from one another, particularly regarding health insurance
- 1.3 Discover how medical spending has evolved over time and what led to the changes
- 1.4 Understand the model of health as a durable good and asset that produces utility
- 1.5 Discover how lifestyle choices affect health and earnings within organizations
- 1.6 Discern how education, directly and indirectly, affects health outcomes

Reading

Chapters 1 (pp. 1-25) & 2 (pp. 27-46) and corresponding presentation(s)

Deliverables

Discussion: Personal Introductions

Discussion: Utility and Lifestyle Changes (2.7 Problem # 4)

Written Assignment (Essay) - Healthcare Costs (1.6 Problem # 8)

Quiz

Module Two – Week 2

The Transformation of Medical Care to Health

Objectives

At the end of this Module, you should be able to:

- 2.1 Examine the concepts of marginal productivity and the difference between average and marginal productivity
- 2.2 Identify marginal productivity of specific medical interventions using cost-effectiveness measures
- 2.3 Describe the challenges in measurements associated with health care
- 2.4 Recognize goals and outcomes of medical practice variation studies

Reading

Read Chapter 3 (pp. 48-80) and corresponding presentation(s)

Deliverables

Discussion: Marginal Productivity (3.7 Problem # 5)

Written Assignment (Essay) - Dartmouth Atlas Intervention Trends (3.7 Problem # 9)

Quiz

Module Three – Week 3

The Demand for Medical Care

Objectives

At the end of this Module, you should be able to:

- 3.1 Identify factors that impact demand curves for medical care
- 3.2 Discuss the need for medical care in relation to a person's ability to purchase or secure it
- 3.3 Examine how different health insurance providers affect the price of medical care and demand curves
- 3.4 Compare and contrast between models and evidence
- 3.5 Identify the specific variables (age, illness, income, and lifestyle) that affect demand and cost for medical care

Reading

Read Chapters 4 (pp. 82-110) & 5 (pp. 112-144) and corresponding presentation(s)

Deliverables

Discussion: Demand of Medical Services (4.13 Problem # 5)

Written Assignment (Essay) - Price of Services (5.15 Problem # 6)

Quiz

Module Four – Week 4

Physicians

Objectives

At the end of this Module, you should be able to:

- 4.1 Differentiate between a physician and a physician firm
- 4.2 Discuss the concept of substitution in production to physician-firm activities
- 4.3 Recognize the different organizational structures (size, complexity, etc.) and why they matter
- 4.4 Examine variables affecting "international trade" (doctors trained in other countries) in the U.S market
- 4.5 Explain the concepts of monopolistic competition as a way of understanding medical service markets
- 4.6 Understand "induced demand" and the consequences that come along with the demand
- 4.7 Examine the economic characteristics unique to physician firms

Reading

Read Chapters 6 (pp. 146-170) & 7 (pp. 173-205) and corresponding presentation(s)

Deliverables

Discussion: Economies of Scale (6.13 Problem # 6)

Written Assignment (Essay) - Induced Demand (7.12 Problem # 4)

Quiz

Module Five – Week 5

Hospitals

Objectives

At the end of this Module, you should be able to:

- 5.1 Discuss the unique nature, including quality of care outcomes, of the typical hospital, where most activity is directed by someone who is not employed by the hospital
- 5.2 Compare and contrast the economic factors of private versus public healthcare entities
- 5.3 Differentiate between private and public healthcare operations
- 5.4 Examine the model of market equilibrium for a public hospital
- 5.5 Discover how competition has changed with the expanding power of buyers in the market

Reading

Read Chapters 8 (pp. 208-230) & 9 (pp. 233-255) and corresponding presentation(s)

Deliverables

Discussion: Procedures and Mortality (8.12 Problem # 4)

Written Assignment (Essay) - Occupancy Rates (9.13 Problem # 5)

Quiz

Module Six – Week 6

The Demand for Health Insurance

Objectives

At the end of this Module, you should be able to:

- 6.1 Examine the “risk aversion” model of healthcare insurance
- 6.2 Differentiate between the premium and the price for a health insurance policy
- 6.3 Examine the role of employer-based insurance in the United States
- 6.4 Understand the concept of moral hazard and how it impacts demand
- 6.5 Discuss the major effects of the U.S. tax laws on the demand for health insurance
- 6.6 Compare the prices and types of coverage of various insurance providers
- 6.7 Identify the impact of certain variables (such as preexisting conditions) on insurance price and coverage

Reading

Read Chapter 10 (pp. 257-292) and corresponding presentation(s)

Deliverables

Discussion: Health Insurance Expense (10.13 Problem # 1)

Written Assignment (Essay) - Health Insurance: Everchanging (10.13 Problem # 8)
Quiz

Module Seven – Week 7

Health Insurance Supply and Managed Care

Objectives

At the end of this Module, you should be able to:

- 7.1 Examine how managed care can help resolve the tension between risk reduction and control of healthcare costs
- 7.2 Identify the various acronyms of managed care plan types
- 7.3 Explain managed care and the complexities associated with the economics of managed care
- 7.4 Compare and contrast traditional health insurance and HMOs
- 7.5 Discuss the mechanisms managed care plans have to control healthcare costs and the extent to which these do (or do not) work well

Reading

Read Chapter 11 (pp. 295-322) and corresponding presentation(s)

Deliverables

Discussion: Staff vs. IPA HMO (11.11 Problem # 1)

Written Assignment (Essay) - Managed Care Enrollment (11.11 Problem #3)

Quiz

V. Course Information and Grading

Course Requirements (Weekly)

Each Module will be based on the inclusion and grading of the following segments: Discussion Boards, Assignments/ Case Studies/ Projects.

Class Discussions

Successful online learning requires active and meaningful participation in the Discussion Board Forum. Critical thinking, appropriate use of judgment and professional comments are required for all responses. Simple agreement or disagreement with a fellow student does not constitute a quality response. Student opinions are important but must be supported by relevant data obtained in the literature or text.

1. One initial discussion board post is due by the fourth day (Thursday @ 11:59 pm) of each weekly module and two response posts are due by the last day (Sunday @ 11:59 pm) of each weekly module.
 - a. Undergraduate Word Count Requirements:
 - i. Initial post must be >200 words
 - ii. Responses must be >150 words
 - b. Graduate Word Count Requirements:
 - i. Initial post must be >250 words
 - ii. Responses must be >200 words
2. Participation – Students must meet initial and response post deadlines to be eligible for full points. Late initial posts may be accepted with a 33% reduction in the overall score assessed for each day late. Two response posts are required. If only one is received, then the overall score will be reduced by 25%. If no response posts are received, then the overall score will be reduced by 50%.
3. Students should be respectful and write in a proper and professional manner.

Please refer to the Discussion Board Rubric located within course syllabus for specific requirements and guidance on delivering a substantial discussion.

Late and Make-up Assignments

All deliverables are due by 11:59 PM on the due dates indicated. When substantive emergencies occur, acceptance of late submissions is left to the discretion of the course instructor.

Assignments that are submitted after the due date with prior written approval (text or email) from the instructor may receive the following deductions:

1. Late assignments are subject to a deduction of 10% of the available points for each day late.
2. Assignments submitted later than one week after due date will not be accepted and will receive a zero (0).
3. No work may be submitted after the last day of the course.

4. See Class Discussions for late discussion post policy.

Written Work

- All graded assignments must be typewritten, as designated by the professor of record for the course.
- All referenced materials must be presented according to the Publication Manual of the American Psychological Association (APA), based on the most current published edition. (current, 7th edition) (Except for English courses that specify use of MLA format.)
- All required written assignments are due on the last night of each lesson week at 11:59pm EST. This information is included in the course scheduler and calendar of every course.
- All written and graded assignments are considered the property of the College of Adult and Professional Studies and should be returned to the appropriate professor of record for the related course.
- SafeAssign may be used to check for plagiarism.

Grading Scale and Assigned Letter Grades

Charleston Southern Online Undergraduate classes follow the following numerical and letter grading scale. Grades will be posted by the Sunday night following the closing of the Module. No grades will be given to students over the phone.

A = 90-100

B+ = 87-89

B = 80-86

C+ = 77-79

C = 70-76

D = 60-69

F = <60

Undergraduate Discussion Board Rubric – Introduction (First week only)

Criteria	Minimal	Effective
Percent Possible: 0 or 50 Initial Post Introduction.	Percent Possible: 0 No post or did not follow instructions at all.	Percent Possible: 50 Posted following instructions.
Percent Possible: 0 or 50 Response Posts Welcome.	Percent Possible: 0 No post or did not follow instructions at all.	Percent Possible: 50 Posted following instructions.

Discussion Board Initial Post Rubric – Undergraduate

Initial Post Rubric	Content	Support & References	Mechanics & Length
Mastery 90-100%	<ul style="list-style-type: none"> • Relevant and thought-provoking viewpoints • Innovative and indicates a high level of thought • High level of critical thought, analysis, and application of concepts and ideas 	<ul style="list-style-type: none"> • Student cites 2 peer-reviewed sources in the body of the posts • Proper APA format 	<ul style="list-style-type: none"> • Post exceeds 200 words • Very well written
Effective 80-89%	<ul style="list-style-type: none"> • Advances the discussion and body of knowledge providing relevant, original thoughts to the question • Conveys thoughts in a well-rounded manner that show understanding, critical thought, and application of concepts 	<ul style="list-style-type: none"> • Student cites 2 peer-reviewed sources in the body of the post • Not in appropriate APA format 	<ul style="list-style-type: none"> • Post 178-200 words • Well written
Competent 70-79%	<ul style="list-style-type: none"> • Makes mostly complete response to the questions • Mostly restatement of materials • Conveys thoughts adequately; however, need to further develop critical aspects 	<ul style="list-style-type: none"> • Student cites 1 peer-reviewed source. • Not in appropriate APA format 	<ul style="list-style-type: none"> • Post is 158-178 words • A few writing errors
Minimal 0-69%	<ul style="list-style-type: none"> • Provides weak contribution to the discussion board • Does not convey concept understanding 	<ul style="list-style-type: none"> • Does not cite any peer-reviewed sources 	<ul style="list-style-type: none"> • Post is less than 158 words • Poorly written

	<ul style="list-style-type: none"> Shows evidence of critical thought but is not concise or complete 	<ul style="list-style-type: none"> Addresses questions in a manner that is unclear Not appropriate APA format 	<ul style="list-style-type: none"> 0 points for posts submitted after 11:59 PM EST on Thursday
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Discussion Board Peer Response Rubric – Undergraduate

Peer Response Rubric	Content	Support & References	Mechanics & Length
Mastery 90-100%	<ul style="list-style-type: none"> Advances discussion providing additional commentary that is relevant or offers an alternative Critical thought development is evidenced by thoughtful and meaningful responses Source is relevant and published in last 3 years 	<ul style="list-style-type: none"> Student cites 2 peer-reviewed sources in the body of the posts Proper APA format 	<ul style="list-style-type: none"> Post exceeds 150 words Very well written
Effective 80-89%	<ul style="list-style-type: none"> Advances discussion providing additional commentary and critique Responses are correct but mostly restate the peers' viewpoints without development of critical thought Source is relevant and published in last 3 years 	<ul style="list-style-type: none"> Student cites 2 peer-reviewed sources Not in appropriate APA format 	<ul style="list-style-type: none"> Post is 133-150 words Well written
Competent 70-79%	<ul style="list-style-type: none"> Shows adequate understanding of the knowledge and concepts posted by peers Responses are mostly, "I agree..." Source is somewhat relevant and published in last 5 years 	<ul style="list-style-type: none"> Student cites 1 peer-reviewed source Not in appropriate APA format 	<ul style="list-style-type: none"> Post is 118-132 words A few writing errors.
Minimal 0-69%	<ul style="list-style-type: none"> Shows minor comprehension of concepts and viewpoints from peers. Responses are vague and do not show understanding or comprehension 	<ul style="list-style-type: none"> Does not cite any peer-reviewed sources Not appropriate APA format 	<ul style="list-style-type: none"> Post 0-118 words Poorly written 0 points for posts submitted after 11:59 PM EST on Sunday

Assignment/Case Study/Course Project Rubric

Assignment Rubric	Critical Thinking	References & Organization
Mastery 90-100%	<ul style="list-style-type: none"> • Relevant use of vocabulary throughout • Demonstrates superior knowledge of concepts and theories • Addresses problem/issue directly • Demonstrates active critical thinking relevant to problem identification and effective solutions 	<ul style="list-style-type: none"> • Professional writing structure. • Well-organized response. • Student cites appropriate, current peer-reviewed sources • Proper APA format • Exceeds 500 words
Effective 80-89%	<ul style="list-style-type: none"> • Demonstrates satisfactory understanding • Lacks answer to all questions/full scenario • Demonstrates some knowledge of content and professional vocabulary • Content needs additional focus for innovative responses other than restatement of text. 	<ul style="list-style-type: none"> • Student cites some relevant, current peer-reviewed sources. • Follows directions • APA formatting demonstrated but not extensive. • 450-500 words
Competent 70-79%	<ul style="list-style-type: none"> • Inconsistent comprehension • Marginal responses • Content, concepts, ideas/responses are not fully developed 	<ul style="list-style-type: none"> • Sources are outdated or ineffective. • Lacks focus on content • Unorganized • Some writing errors • Not in appropriate APA format. • 400-449 words
Minimal 0-69%	<ul style="list-style-type: none"> • Consistently below expectations • Lacks significant details of the assignment • Lacks critical thought, analysis, and application. • Partially addresses the topic 	<ul style="list-style-type: none"> • Does not cite any peer-reviewed sources • Not appropriate APA format • 0-399 words • Poorly written. • 0 points for late assignments

Short Answer Rubric – Undergraduate

Short Answer Rubric	Clarity	Depth	Quality
Mastery 90-100%	<ul style="list-style-type: none"> • Relevant use of vocabulary throughout • Demonstrates superior knowledge of concepts and theories • Addresses problem/issue directly • Demonstrates active critical thinking relevant to problem identification and effective solutions 	<ul style="list-style-type: none"> • Articulates critical thoughts & analysis throughout the answer • Obvious use of outside resources to supplement resources 	<ul style="list-style-type: none"> • Professional writing structure • Well-organized response • Free of grammatical, spelling, & formatting errors
Effective 80-89%	<ul style="list-style-type: none"> • Demonstrates satisfactory understanding • Lacks answer to all questions/full scenario • Demonstrates some knowledge of content and professional vocabulary • Content needs additional focus for innovative responses other than restatement of text 	<ul style="list-style-type: none"> • Demonstrated some form of outside material used • Shows some critical thinking and active thought 	<ul style="list-style-type: none"> • Follows assignment instructions • Well-written • Few writing errors
Competent 70-79%	<ul style="list-style-type: none"> • Inconsistent comprehension • Marginal responses • Content, concepts, ideas/responses are not fully developed 	<ul style="list-style-type: none"> • Provided enough detail for marginal requirement • “Textbook” in nature (restatement of what was in textbook) 	<ul style="list-style-type: none"> • Lacks focus on content • Some writing errors
Minimal 0-69%	<ul style="list-style-type: none"> • Consistently below expectations • Lacks significant details of the assignment • Lacks critical thought, analysis, and application • Partially addresses the topic 	<ul style="list-style-type: none"> • Lacked detail that demonstrates active thought • One-sentence answer 	<ul style="list-style-type: none"> • Unorganized and poorly written • 0 points for late assignments