

**Coursebook**  
**Current Topics in Health Economics**  
**075 275**

Faculty of Management and Economics  
Adjunct Professorship of Health Economics and Health Policy

Ruhr-University Bochum

Prof. Dr. Ansgar Wübker  
Summer Semester 2021  
Current Topics in Health Economics 075 275

## 1. General information

Responsible unit:	Adjunct Professorship of Health Economics and Health Policy
Lecturer:	Prof. Dr. Ansgar Wübker Dr. Ingo Kolodziej
Contact:	ingo.kolodziej@rwi-essen.de
Class times:	<b>June 25, 2020, 9:00 – 17:30</b> (s.t.), <b>via Zoom video conference</b>
Class size:	Maximum 20 students
Kick-off meeting:	April 23, 2020, 10:00 (s.t.), <b>via Zoom video conference</b>
Credit points:	5 ECTS (master)
Language:	English

## 2. Course Description:

In this seminar, students will explore a variety of current topics in health economics. The topics will cover both empirical and theoretical contributions. Students will have the possibility to acquire the necessary knowledge and methodological skills for the successful completion of a master thesis in health economics and related fields. To this aim students will prepare a term paper based on current themes in the field of health economics. Students will prepare their seminar papers in the first half of the semester and present their papers in the second half of the semester. Further course details will be given at the introductory meeting.

## 3. Eligibility and prerequisites

The seminar is open to master students enrolled in the M.Sc. in “Economics” or “Management and Economics”. Enough proficiency in **microeconomics** and in particular **microeconometrics and econometrics** in order to be able to read and understand the current international theoretical or empirical literature is strongly recommended. We further recommend the study of the following literature on econometrics:

**Angrist, J.D. and Pischke, J.S. (2009): Mostly Harmless Econometrics. Princeton University Press, Princeton; Oxford (2009)**

**Bauer, T. K., M. Fertig & C. M. Schmidt (2009): Empirische Wirtschaftsforschung - Eine Einführung. Berlin et al.: Springer.**

The seminar is restricted to a maximum of **20 students**.

## 4. Grading

The final grade is calculated as a weighted average of the grades for (i) the term paper, (ii) an oral presentation of the paper and a discussion of another student’s term paper, and (iii) the active participation in the course.

The weights are as follows:

- 65%: Term paper
- 25%: Presentations
- 10%: Active participation in the course

The conditions of these components are briefly described below:

### a) Term paper

The term paper should not be longer than **15 pages**, excluding the title page, references, figures, and tables.

### Some criteria for grading papers are

- **1. Economic Content.** Does the paper contain some substantive economic content? Although it may seem obvious that one should write an economics paper for an economics course, you would be amazed at the papers we have received which are political science, physics, chemistry, etc. Interdisciplinary papers are fine (even encouraged) but one of the disciplines must be economics and its representation must be more than token.
- **2. Analytical Depth.** Has the author analyzed the important issues in some depth or is the treatment superficial? Has the author sought out and included relevant facts? Does the research reflect a reasonable awareness of the relevant literature? Does the paper make clear how all the facts fit together?
- **3. Organization and Style.** Is the paper organized into coherent subsections which, when integrated, form a logical sequence of arguments leading directly to the conclusions? Is it well written? Does the introduction provide an overview of the paper and the role of each section? Are the conclusions summarized and clearly specified? Is the paper grammatically correct?

- **4. Originality.** Has the author exhibited some degree of originality or has he/she simply regurgitated readily accessible materials? Has the author clearly identified the nature of the original contribution for the reader?

Also see the **Guidelines for Seminar Papers** (provided on Moodle) and **EconBiz’ “Write your Best Paper in Economics and Business Studies”** (and others, available via <https://www.econbiz.de/eb/en/research-skills/how-to-guides/>)

*b) Presentations*

Each student must give an oral presentation of his/her term paper. The presentations should be used to present the contents of the paper and provide additional input for discussion. Each presentation is scheduled for 15 minutes. Additionally, each student has to discuss a term paper of another student. The aim is to give advice on how to further improve the paper. This discussion should be 10 minutes. Afterwards there is an overall discussion of the paper of 5 minutes.

*c) Active participation*

Students are requested to actively participate in the course. Active involvement in class discussions is expected.

**5. Course materials**

All course material will be provided in the respective Moodle course  
 Course ID: Current Topics in Health Economics (CTHE-SoSe21)

**6. Course schedule**

The seminar is scheduled as a block seminar.

**Timeframe**

April 23, 10:00 (s.t.) Zoom video conference	The kick-off meeting will take place on the April 23 as a zoom video conference. Please send an email to <a href="mailto:Ingo.kolodziej@rwi-essen.de">Ingo.kolodziej@rwi-essen.de</a> <b>before April 22</b> if you would like to participate in the seminar. We will then invite you by email to the Zoom video conference. You can find instructions on how to use Zoom here: <a href="https://support.zoom.us/hc/en-us/articles/206618765-Zoom-Video-Tutorials">https://support.zoom.us/hc/en-us/articles/206618765-Zoom-Video-Tutorials</a> or here: <a href="https://www.pc-magazin.de/ratgeber/zoom-videokonferenz-anleitung-einrichten-3201417.html">https://www.pc-magazin.de/ratgeber/zoom-videokonferenz-anleitung-einrichten-3201417.html</a>
Until April 30	Registration with  Three preferred topics (please provide preference order 1, 2 and 3 for the selected topics)  Email: <a href="mailto:ingo.kolodziej@rwi-essen.de">ingo.kolodziej@rwi-essen.de</a>
Until May 5	Confirmation of topics
May 20/21	See your supervisor (provide a preliminary outline in advance, including a brief description of what you plan to do in each paragraph and a preliminary reference list)
June 01	Registration Opening FlexNow
Until June 17	Writing period, handing in of the term papers no later than 18 <sup>th</sup> of June <b>via Email (PDF and Word)</b> (including affirmation and signature)
June 18	Time plan of seminar
June 24	Handing in of the presentation <b>via Email</b>
June 25	Registration Deadline FlexNow
June 25 Zoom video conference	Seminar
July 14	Deadline for handing in a revised version of the paper via Email ( <b>PDF and Word</b> ); <b>changes in track-modus</b> ; possibility to improve grade of the paper (e.g. max. improvement: 2.7 -> 2.3); only accepted if changes are made visible!

**The files you hand in must be named as follows:**

Outline: CTHESS21\_FirstnameLastname\_Studentnumber\_outline  
 Paper: CTHESS21\_FirstnameLastname\_Studentnumber\_paper

## Topics

### IMPORTANT:

*The suggested background literature is a **first starting point** for your analysis.  
Further research is necessary!*

### Topic Block I: Fundamentals

- **Market failure in healthcare markets: a critical assessment**

*Background literature:*

Chandra, A., Handel, B., & Schwartzstein, J. (2019): "Behavioral economics and health-care markets." *Handbook of Behavioral Economics: Applications and Foundations 1 (Vol. 2, pp. 459-502). North-Holland.*

Breyer, F., Zweifel, P., & Kifmann, M. (2005): *Gesundheitsökonomik, 5. Auflage, Heidelberg, Kapitel 5.*

Arrow, K. J. (1963): "Uncertainty and the Economics of Medical Care." *American Economic Review*, 53, 941 – 973.

Einav, L., & Finkelstein, A. (2018): "Moral hazard in health insurance: What we know and how we know it." *Journal of the European Economic Association*, 16(4), 957-982.

- **Moral Hazard in healthcare markets: What do we know and what can we do?**

*Background literature:*

Einav, L., & Finkelstein, A. (2018): "Moral hazard in health insurance: What we know and how we know it." *Journal of the European Economic Association*, 16(4), 957-982.

Manning, W. G. et al. (1987): "Health Insurance and the Demand for Medical Care: Evidence from a Randomized Experiment." *American Economic Review*. 77: 251-277.

Finkelstein, A. et al. (2012): "The Oregon Health Insurance Experiment: Evidence from the First Year." *Quarterly Journal of Economics*. 127 (3), 1057-1106

Aron-Dine, A., Einav, L. & Finkelstein, A. (2013): "The Rand Health Insurance Experiment Three Decades Later," *Journal of Economic Perspectives*, 27(1), pp 197-222.

Pauly, M. (1968) "The Economics of Moral Hazard: comment," *American Economic Review*, 58(3): 531-537

- **Is prioritization of medical care necessary? – international experiences and applicability to Germany**

*Background literature:*

Staber, J. & Rothgang, H. (2010): "Rationierung und Priorisierung im Gesundheitssystem. Internationale Erfahrungen." *GGW*, 10 (1), 16-22.

Breyer, F. (2012): "Implizite versus explizite Rationierung von Gesundheitsleistungen." *Bundesgesundheitsblatt - Gesundheitsforschung - Gesundheitsschutz*, 55 (5), 652-659.

Busse, R. & Hofmann, C. (2010): "Priorisierung in anderen Gesundheitssystemen. Was kann Deutschland lernen?" *Bundesgesundheitsblatt - Gesundheitsforschung - Gesundheitsschutz*, 53 (9), 882-889.

Raspe, H. (2010): "Priorisierung in der medizinischen Versorgung. Unabweisbare Aufgabe, unnützer Luxus oder Spiel mit dem Feuer? Eine sozialmedizinische Position." *Bundesgesundheitsblatt - Gesundheitsforschung - Gesundheitsschutz*, 53 (9), 874-881.

Sabik, L. M. & Lie, R. K. (2008): "Priority setting in health care: Lessons from the experiences of eight countries." *International Journal for equity in health*, 7(1), 4.

Robinson, S., Williams, I., Dickinson, H., Freeman, T., & Rumbold, B. (2012): "Priority-setting and rationing in healthcare: evidence from the English experience." *Social Science & Medicine*, 75(12), 2386-2393.

## **Topic Block II: The production of health**

- **The fetal origin hypothesis – idea, concept and empirical evidence**

Almond, D. & Mazumder, B. (2005): "The 1918 influenza pandemic and subsequent health outcomes: an analysis of SIPP data." *American Economic Review*, 95(2), 258-262.

Almond, D. (2006): "Is the 1918 influenza pandemic over? Long-term effects of in utero influenza exposure in the post-1940 US population." *Journal of political Economy*, 114(4), 672-712.

Currie, J. & Schmieder, J. F. (2009): "Fetal exposures to toxic releases and infant health." *American Economic Review*, 99(2), 177-83.

Currie, J. (2011): "Ungleichheiten bei der Geburt: Einige Ursachen und Folgen." *Perspektiven der Wirtschaftspolitik*, 12, 42-65.

Lee, C. (2014): "In utero exposure to the Korean War and its long-term effects on socioeconomic and health outcomes." *Journal of Health Economics*, 33, 76-93.

Currie, J. (2009): "Healthy, wealthy, and wise: Is there a causal relationship between child health and human capital development?" *Journal of Economic Literature*, 47(1), 87-122.

- **Child health – the impact of the internet on child mental health**

McDool, E., Powell, P., Roberts, J., & Taylor, K. (2020): "The internet and children's psychological wellbeing." *Journal of Health Economics*, 69, 102274.

Viner, R. M., Aswathikuty-Gireesh, A., Stiglic, N., Hudson, L. D., Goddings, A. L., Ward, J. L., & Nicholls, D. E. (2019): "Roles of cyberbullying, sleep, and physical activity in mediating the effects of social media use on mental health and wellbeing among young people in England: a secondary analysis of longitudinal data." *The Lancet Child & Adolescent Health*, 3(10), 685-696.

Castellacci, F., & Tveito, V. (2018): "Internet use and well-being: A survey and a theoretical framework." *Research Policy*, 47(1), 308-325.

- **The effect of education on health – what do we know?**

Meghir, C., Palme, M., & Simeonova, E. (2018): "Education and mortality: Evidence from a social experiment." *American Economic Journal: Applied Economics*, 10(2), 234-56.

Galama, T. J., Lleras-Muney, A., & van Kippersluis, H. (2018): "The Effect of Education on Health and Mortality: A Review of Experimental and Quasi-Experimental Evidence (No. w24225)." *National Bureau of Economic Research*.

Cutler, D. M. & Lleras-Muney, A. (2010): "Understanding differences in health behaviors by education." *Journal of Health Economics*, 29(1), 1-28.

Conti, G., Heckman, J., & Urzua, S. (2010): "The education-health gradient." *American Economic Review*, 100(2), 234-38.

Clark, D., & Royer, H. (2013): "The effect of education on adult mortality and health: Evidence from Britain." *American Economic Review*, 103(6), 2087-2120.

- **The effect of unemployment on health –is there a causal relationship?**

Stauder, J. (2019): "Unemployment, unemployment duration, and health: selection or causation?" *The European Journal of Health Economics*, 20(1), 59-73.

Marcus, J. (2013): "The effect of unemployment on the mental health of spouses—Evidence from plant closures in Germany." *Journal of health economics*, 32(3), 546-558.

Schmitz, H. (2011): "Why are the unemployed in worse health? The causal effect of unemployment on health." *Labour economics*, 18(1), 71-78.

Frijters, P., Haisken-DeNew, J. P., & Shields, M. A. (2005): "The causal effect of income on health: Evidence from German reunification." *Journal of health economics*, 24(5), 997-1017.

- **The effect of income and income inequality?**

Pickett, K. E., & Wilkinson, R. G. (2015): "Income inequality and health: a causal review." *Social science & medicine*, 128, 316-326.

Carrieri, V., & Jones, A. M. (2017): "The income–health relationship 'beyond the mean': New evidence from biomarkers." *Health economics*, 26(7), 937-956.

Chetty, R., Stepner, M., Abraham, S., Lin, S., Scuderi, B., Turner, N., Bergeron, A., & Cutler, D. (2018): "The Association Between Income and Life Expectancy in the United States, 2001-2014." *JAMA* 315(16): 1750-1766.

Cutler, D., Deaton, A., & Lleras-Muney, A. (2006): "The determinants of mortality." *Journal of Economics Perspectives* 20(3): 97–120.

- **The effect of retirement on health – theoretical arguments and empirical evidence**

Heller-Sahlgren, G. (2017): "Retirement blues." *Journal of Health Economics*, 54, 66-78.

Zhang, Y., Salm, M., & van Soest, A. (2018): "The effect of retirement on healthcare utilization: evidence from China." *Journal of health economics*, 62, 165-177.

Gorry, A., Gorry, D., & Slavov, S. N. (2018): "Does retirement improve health and life satisfaction?" *Health Economics*, 27(12), 2067-2086.

Coe, N. B., & Zamorro, G. (2011): "Retirement effects on health in Europe." *Journal of Health Economics*, 30(1), 77-86.

Rohwedder, S., & Willis, R. J. (2010): "Mental retirement". *Journal of Economic Perspectives*, 24(1), 119-38.

Eibich, P. (2015): "Understanding the effect of retirement on health: Mechanisms and heterogeneity." *Journal of Health Economics*, 43, 1-12.

- **The effect of loneliness on health – mechanism and evidence**

Heller-Sahlgren, G. (2017): "Retirement blues." *Journal of Health Economics*, 54, 66-78.

Courtin, E., & Knapp, M. (2017): "Social isolation, loneliness and health in old age: a scoping review." *Health & social care in the community*, 25(3), 799-812.

Hawkey, L. C., & Cacioppo, J. T. (2010): "Loneliness matters: A theoretical and empirical review of consequences and mechanisms." *Annals of behavioral medicine*, 40(2), 218-227.

Fried, L. et al. (2020): "A unified approach to loneliness." *The Lancet*, 395(10218), 114.

Coyle, C. E., & Dugan, E. (2012): "Social isolation, loneliness and health among older adults." *Journal of aging and health*, 24(8), 1346-1363.

Gerst-Emerson, K., & Jayawardhana, J. (2015): "Loneliness as a public health issue: the impact of loneliness on health care utilization among older adults." *American journal of public health*, 105(5), 1013-1019.

### **Topic Block III: Health Behavior – Smoking, Alcohol, Obesity and Drugs**

- **Smoking bans – economic justification, effectiveness and health effects**

Background literature:

Kvasnicka, M., Siedler, T., & Ziebarth, N. R. (2018): "The health effects of smoking bans: Evidence from German hospitalization data." *Health Economics*, 27(11), 1738-1753.

Kuehnle, D., & Wunder, C. (2017): "The effects of smoking bans on self-assessed health: Evidence from Germany." *Health Economics*, 26(3), 321-337.

Anger, S., Kvasnicka, M., & Siedler, T. (2011): "One last Puff? Public Smoking Bans and Smoking Behavior." *Journal of Health Economics*, 30(3), 591-601.

Bharadwaj, P., Johnsen, J. V., & Løken, K. V. (2014): "Smoking bans, maternal smoking and birth outcomes." *Journal of Public Economics*, 115, 72-93.

Jha, P., & Chaloupka, F. J. (2000): "The economics of global tobacco control." *British Medical Journal*, 321(7257), 358-361.

- **Alcohol control policies: Do they work?**

Background literature:

Marcus, J. & Siedler, T. (2015): "Reducing Binge Drinking? The Effect of a Ban on Late-Night Off-Premise Alcohol Sales on Alcohol-Related Hospital Stays." *Journal of Public Economics*, 123, 55-77.

Nakaguma, M. Y., & Restrepo, B. J. (2018): "Restricting access to alcohol and public health: Evidence from electoral dry laws in Brazil." *Health Economics*, 27(1), 141-156.

Bhattacharya, J., Gathmann, C., & Miller, G. (2012): "The Gorbachev Anti-Alcohol Campaign and Russia's Mortality Crisis." *National Bureau of Economic Research Working Paper Series*, Working Paper No. 18589.

Cook, P. J. & Moore, M. J. (2002): "The Economics of Alcohol Abuse and Alcohol-Control Policies." *Health affairs* 21.2: 120-133.

- **The obesity pandemic – which economic incentives work, and should we implement them?**

Background literature:

Powell, L. M., & Chaloupka, F. J. (2009): "Food prices and obesity: evidence and policy implications for taxes and subsidies." *The Milbank Quarterly*, 87(1), 229-257.

Brownell, K. D., Farley, T., Willett, W. C., Popkin, B. M., Chaloupka, F. J., Thompson, J. W., & Ludwig, D. S. (2009): "The public health and economic benefits of taxing sugar-sweetened beverages." *The New England journal of medicine*, 361(16), 1599.

Cawley, J. (2013): "The economics of obesity." *NBER Reporter* (4), 7-10.

Cutler, D., Glaeser, E., & Shapiro, J. (2003): "Why Have Americans Become More Obese?" *Journal of Economic Perspectives*, 17(3), 93-118.

Manning, W. G., Keeler, E. B., Newhouse, J. P., Sloss, E. M., & Wasserman, J. (1989): "The Taxes of Sin. Do Smokers and Drinkers Pay Their Way?" *Journal of the American Medical Association*, 261(11), 1604-1609.

Kalamov, Z. (2020): "A sales tax is better at promoting healthy diets than the fat tax and the thin subsidy." *Health Economics*, 29(3), 353-366.

- **The impact of cannabis access laws on the opioid crisis**

Background literature

McMichael, B. J., Van Horn, R. L., & Viscusi, W. K. (2020): "The impact of cannabis access laws on opioid prescribing." *Journal of Health Economics*, 69, 102273.

Powell, D., Pacula, R. L., & Jacobson, M. (2018): "Do medical marijuana laws reduce addictions and deaths related to pain killers?" *Journal of Health Economics*, 58, 29-42.

Ruhm, C. J. (2019): "Drivers of the fatal drug epidemic." *Journal of Health Economics*, 64, 25-42.

Currie, J., Jin, J. Y., & Schnell, M. (2018): "US employment and opioids: Is there a connection?" (No. w24440). *National Bureau of Economic Research*.

#### **Topic Block IV: Informal care and the labor market**

- **Are there Wage penalties due to caregiving?**

Background literature

Carmichael, F., & Charles, S. (2003): "The opportunity costs of informal care: does gender matter?" *Journal of Health Economics*, 22: 781-803.

Schmitz, H., & Westphal, M. (2017): "Informal care and long-term labor market outcomes" *Journal of Health Economics*, 56: 1-18.

Skira, M. M. (2015): "Dynamic wage and employment effects of elder parent care" *International Economic Review*, 56: 63-93.



Van Houtven, C. H., Coe, N. B., & Skira, M. M. (2013): "The effect of informal care on work and wages" *Journal of Health Economics*, 32: 240-52.

- **The impact of informal caregiving on labor productivity**

Background literature

Ganapathy, V., Graham, G. D., DiBonaventura, M. D., Gillard, P. J., Goren, A., & Zorowitz, R. D. (2015): "Caregiver burden, productivity loss, and indirect costs associated with caring for patients with poststroke spasticity" *Clinical interventions in aging*, 10: 1793-802.

Giovannetti, E. R., Wolff, J. L., Frick, J. D., & Boulton, C. (2009): "Construct validity of the Work Productivity and Activity Impairment questionnaire across informal caregivers of chronically ill older patients" *Value in Health*, 12: 1011-17.

Hopps, M., Iadaluca, L., McDonald, M., & Makinson, G. T. (2017): "The burden of family caregiving in the United States: work productivity, health care resource utilization, and mental health among employed adults" *Journal of multidisciplinary healthcare*, 10: 437.

Mazanec, S. R., Daly, B. J., Douglas, S. L., & Lipson A. R. (2011). Work productivity and health of informal caregivers of persons with advanced cancer. *Research in Nursing & Health*, 34: 483-95.

Riffin, C., Van Ness, P. H., Wolff, J. L., & Fried, T. (2019): "Multifactorial examination of caregiver burden in a national sample of family and unpaid caregivers" *Journal of the American Geriatrics Society*, 67: 277-83.

Wolff, J. (2016): "Calculating work productivity loss in the national study of caregiving" *NHATS Technical Paper #13*.

- **What are the labor market effects of informal caregiving? Looking at the extensive and intensive margin of work**

Background literature

Crespo, L., & Mira, P. (2014): "Caregiving to Elderly Parents and Employment Status of European Mature Women." *Review of Economics and Statistics* 96 (4): 693–709.

Skira, M. M. (2015) "Dynamic wage and employment effects of elder parent care" *International Economic Review*, 56: 63-93.

Van Houtven, C. H., Coe, N. B., & Skira, M. M. (2013): "The effect of informal care on work and wages" *Journal of Health Economics*, 32: 240-52.

Lilly, M. B., Laporte, A., & Coyte, P. C. (2010): "Do They Care Too Much to Work? The Influence of Caregiving Intensity on the Labour Force Participation of Unpaid Caregivers in Canada." *Journal of health economics* 29 (6): 895–903

- **Is there a double burden of informal caregiving and work on the caregiver's mental health?**

Background literature:

Schmitz, H. and M. A. Stroka (2013). Health and the double burden of full-time work and informal care provision – Evidence from administrative data. *Labour Economics*, 24, 305–322.

Van Houtven, C. H., M. R. Wilson and E. C. Clipp (2005). Informal Care Intensity and Caregiver Drug Utilization. *Review of Economics of the Household*, 3(4), 415–433.

Kenny, P., M. T. King and J. Hall (2014). The physical functioning and mental health of informal carers: Evidence of care-giving impacts from an Australian population-based cohort. *Health & Social Care in the Community*, 22(6), 646–659.