

A Brush-up in Theory and Econometrics Applied to Health Economics

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Motivation

Pre-conference courses usually address advanced issues that appeal to specialists in their field. By way of contrast, this course is targeted at participants from the healthcare sector and governmental agencies who are not active themselves in research anymore but would like to improve their grasp of the theoretical and econometric tools that are typically used in presentations at the Congress itself. This 6-hr course follows a stylized sickness episode; regulatory issues are taken up towards the end.

Program outline

1. Demand for health and health care (1 h)
 - . Dynamic optimization and the Grossman model
 - . Empirical evidence on the Grossman model
 - . An alternative formulation emphasizing the role of chance events
 - . Willingness-to-pay as the theoretical basis for health policy
 - . How to measure willingness-to-pay: empirical evidence
 - . Willingness-to-pay vs. cost-utility and cost-effectiveness
2. Physician behavior (0.75 h)
 - . The principal-agent model applied to physicians
 - . Refinements of the model of physician behavior
 - . Empirical evidence
3. Hospital behavior (0.75 h)
 - . Stakeholders and the formulation of a hospital's objective function
 - . Hospitals and the market for capital
 - . Empirical evidence
4. The market for pharmaceuticals and medical innovation (0.75 h)
 - . Product, process, and organizational innovation
 - . The innovator – regulator game in pharmaceutical innovation
 - . Empirical evidence
5. The market for health and insurance regulation (0.75 h)
 - . Risk selection and moral hazard: reason for regulatory intervention?
 - . Supply, demand, equilibrium, and the optimal amount of regulation
 - . Case studies: the regulation of health behavior (smoking, drinking, sniffing)