

# **International Doctoral Courses in Health Economics and Policy**

## **Health Policy and Politics - Role of Government and Politics in Health Policy**

**Monday 22 - Friday 26 April 2024, Lugano, Switzerland**

### *Instructors:*

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### **Overview**

The health care sector is extremely complex, and this gives rise to a number of regulatory issues. These concern how the health system should be financed, how healthcare providers should be paid, and how performance should be evaluated. The objective of the course is to give students an introduction to: how health systems are financed; to the regulation of the supply-side of the system, including payment arrangements and performance measurement; to the role of government in influencing demand for healthcare, including encouraging healthy behaviours; the complexities of evaluating policy and performance; and the contribution that health economics can make to the development of health policy.

During the course we shall address questions such as the following:

- Why should governments pursue universal health coverage and how might this be achieved by government financing and provision of healthcare services
- How can governments improve access to health care services, while ensuring affordability of treatment costs and finance service provision for the population?
- What are the issues involved in the design and implementation of regulatory instruments and incentives in order to overcome regulatory problems, notably information asymmetry?
- Why have some governments done better than others in managing the health and economic consequences of the coronavirus pandemic?
- What are the determinants of the large geographical variation in medical practices?

### **Teaching outcomes**

At the end of the module, the students will have an understanding of:

- How the health system is financed and organised and of the key relationships between different parts of the system
- Different conceptualisations of equity and social welfare functions, how to assess distributions distribution of health needs and use, and of the role of the State in correcting distributional differences
- Be familiar with principal-agent models and how these can be applied to the regulatory setting, of the role of regulation in the health system and the nature of the regulatory problem.
- The idea of 'yardstick competition', the challenges involved in designing optimal reimbursement systems and the relative strengths and weaknesses of different payment mechanisms.
- The design of pay-for-performance models, the history of health outcome measurement, the value of making health outcome information publicly available and the complexities of evaluating policy initiatives in non-experimental settings
- The relationship between health and income at individual and national level, of the health and economic impacts of coronavirus and of strategies to balance the health and economic consequences
- An understanding of the trade-off in providing health insurance, while maintaining accessibility and affordability of health care and its financing. Along with the welfare implications of health care insurance for society, particularly the evidence for the effects of insurance on health and health care utilisation.
- How government policies can set up incentives to reduce the large variation in medical practices.

## Programme outline and time schedule:

Day	Tutor	Topic
Monday: 6.5 hours	Street	Health care financing & universal health coverage  Equity and equality  Hospital reimbursement: payment methods
	Street	Student presentations (2)
Tuesday: 6.5 hours	Street	Hospital reimbursement: DRG funding  Paying to promote quality  Measuring and using patient reported outcomes
	Street	Student presentations (2)
		Social event
Wednesday am: 3 hours	Street	Your money or your life? The inter-relationship between wealth and health
Wednesday pm: 3 hours	Mazzonna	Empirical evidence on moral and behavioral hazard
Thursday am: 3 hours	Mazzonna	Short and long term effects of health insurance expansion  Student presentations (2)
Thursday pm: 3 hours	Masiero	Small area variation in medical practices
Friday am: 3 hours	Masiero	The case of antidepressant/antipsychotic and antibiotic drugs  Student presentations

Note on daily schedule: 9.00-10.30 (class), 10:30-11:00 (break), 11.00-12.00 (class), 12.00-13.00 (lunch), 13.00-14.30 (class), 14.30-15.00 (break), 15.00-16.00 (class).  
Classes on Friday will end at 12.00.

## Presentations and evaluation:

**Presentations:** Students are required to present and discuss a paper at one of the sessions in the afternoon. These presentations are individual. Each student presents one paper from the provided list (see **Papers for Presentation** below). Unlisted relevant papers can also be accepted with the instructors' prior agreement. **Each one of the students should e-mail a ranked list of their preferred 3 papers to Prof. Fabrizio Mazzonna ([fabrizio.mazzonna@usi.ch](mailto:fabrizio.mazzonna@usi.ch)) not later than FRIDAY 5<sup>th</sup> APRIL** The list of the assigned articles for presentation will be provided by MONDAY 8<sup>th</sup> APRIL

Each paper will be allocated to ONE student, insofar as possible according to their preferences. Each student is required to prepare a 20 minute presentation of their allocated paper including a clear discussion of the paper's objectives, methodology, results and a critical appraisal. After the presentation, the session will open up to questions and comments from the class. All students should read all the selected articles and participate in the discussions.

**Evaluation:** At the end of the course, **each student** is required to submit their own review of their allocated paper. The review is supposed to be short, no more than 2,000 words. The deadline for submitting these reviews is **FRIDAY 10<sup>th</sup> MAY**. The review should include a concise discussion of the goals of the paper, the adopted specification, a short presentation and interpretation of the main results and a critical review of the paper's points of strength and weakness.

**Overall assessment:** The overall assessment of the students will be based on the presentation, the submitted reviews and participation in the class discussions.

## Papers for presentations:

1. Wagstaff, A., & Neelsen, S. (2020). A comprehensive assessment of universal health coverage in 111 countries: a retrospective observational study. *The Lancet Global Health*, 8(1), [e39-e49](#)
2. Balestra, S. (2018). Gun prevalence and suicide. *Journal of health economics*, 61, [163-177](#).
3. Cuddy, E. and Currie, J. (2020), Treatment of Mental Illness in American Adolescents Varies Widely within and across Areas, *Proceedings of the National Academy of Sciences of the United States of America*. [24039-46](#)
4. García-Gómez, P. (2011). Institutions, health shocks and labour market outcomes across Europe. *Journal of health economics*, 30(1), [200-213](#)
5. Raschke C (2019) Unexpected windfalls, education, and mental health: evidence from lottery winners in Germany, *Applied Economics*, 51:2, [207-218](#)
6. Almond, D., Doyle, J., Kowalski, A. E. and Williams, H. (2010), Estimating Marginal Returns to Medical Care: Evidence from At-risk Newborns. *The Quarterly Journal of Economics*, vol. 125, no. 2, pp. [591-634](#).
7. Jürges, H. and Köberlein, J. (2015), What explains DRG upcoding in neonatology? The roles of financial incentives and infant health, *Journal of Health Economics*, vol. 43, pp. [13-26](#)
8. Shigeoka H. (2014) The effect of patient cost sharing on utilization, health and risk protection. *American Economic Review*, vol. 104, issue 7, pp. [2152-2184](#).
9. Goldin, J., Lurie, I. Z., & McCubbin, J. (2021). Health insurance and mortality: Experimental evidence from taxpayer outreach. *The Quarterly Journal of Economics*, 136(1), [1-49](#).
10. Müller, T., Schmid, C., & Gerfin, M. (2023). Rents for Pills: Financial incentives and physician behavior. *Journal of health economics*, 87, [102711](#)