

ECO4934
Competition Policy in Health Care Markets

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Office Hours: MW 8:00-9:30
Textbook: Course pack available at Target Copy

Purpose of the Course:

In the U.S., expenditures on health care are measured in trillions of dollars. Consequently, it is extremely important to promote and preserve competition in health care markets. Even small deviations from competitive prices will result in billions of dollars of extra costs to patients and society at large.

The purpose of this course is to examine the role of our antitrust laws in health care markets. Since all of this is in the health care context, you will also learn a good deal about the health care industry. We will develop and employ models of monopoly, monopsony, bilateral monopoly, and collusion in health care. You will solidify your understanding of microeconomics. In addition, you will learn a good deal about the law and economics of antitrust policy in the U.S.

The text materials for this course are contained in a course pack available at Target Copy across the street. You should obtain this course pack as soon as possible and keep up with the reading assignments. In addition to the reading, you will be required to complete a *substantial* project, which will greatly increase your understanding of some health care policies.

Grade Determination:

Your grade in this course will depend upon your performance on three exams and a project; each will be worth 25% of your final grade.

The exam dates are as follows:

Exam 1: September 25th

Exam 2: October 30th

Exam 3: December 6th

These exams will be given in the classroom during the regularly scheduled class period.

On December 13th, we will meet in MAT116 at 3:00PM. I will return Exam 3 and your project. At that time, I will give you your course grade. This will be your only chance to obtain advance grade information. I will not answer any email inquiries regarding grades.

The grading scale is as follows:

A:	90.0 – 100
A-:	87.0 – 89.99
B+:	83.0 – 86.99
B:	80.0 – 82.99
B-:	77.0 – 79.99
C+:	73.0 – 76.99
C:	70.0 – 72.99
C-:	67.0 – 69.99
D+:	63.0 – 66.99
D:	60.0 – 62.99
D-:	57.0 – 59.99
E:	0.0 – 56.99

NOTE: The numerical grades will not be rounded up or down.

My responsibility is to make my expectations and the course requirements as clear as possible and to present the material in an organized, clear, and professional manner. It is your responsibility to complete assignments on time and to let me know when clarification is needed. I will be available to assist you both in and out of class throughout the term to help you to succeed in this course. Ultimately, however, the grade that you earn in this course is **your** responsibility. If, at the end of the semester, you have not earned the grade that you initially set your sights on, I will not change your grade for any reason.

Policy Matters:

The University requires that I set out my policies on certain matters so you will be fully informed about my expectations.

1. You are required to comply with the University's honesty policy regarding cheating and the use of copyrighted materials. Cheating will not be tolerated – if you cheat, you will fail and you will be reported to the Dean of Students for disciplinary action. Here is some guidance from the UF policy statement, prohibited collaboration or consultation shall include but is not limited to:

- a. Collaborating when not authorized to do so on an examination, take-home test, writing project, assignment, or course work.
- b. Collaborating or consulting in any other academic or co-curricular activity after receiving notice that such conduct is prohibited.

c. Looking at another student's examination or quiz during the time an examination or quiz is given. Communication by any means during that time, including but not limited to communication through text messaging, telephone, e-mail, other writing or verbally, is prohibited unless expressly authorized.

Plagiarism. A student shall not represent as the student's own work all or any portion of the work of another. Plagiarism includes but is not limited to:

1. Quoting oral or written materials including but not limited to those found on the internet, whether published or unpublished, without proper attribution.
2. Submitting a document or assignment which in whole or in part is identical or substantially identical to a document or assignment not authored by the student.

The honor code can be found here: <http://www.dso.ufl.edu/sccr/process/student-conduct-honor-code/>

2. Attendance in class is mandatory. You have two absences for which I will not require official documentation. Beyond those two, every absence will reduce your final grade by 1 point.
3. Late arrivals distract me and the other students in the class. Be professional and be on time. Tardiness will not be tolerated on your next job.
4. If you have an excused absence, exams can be made up at a mutually agreed date.
5. Since each class is a business meeting, you should be prompt and prepared. Please silence your cell phone to avoid distracting your classmates (and me!). If you feel compelled to leave class so you can answer a call or text, take your things with you as you will not be welcome back. You must put your cell phone away. It may not be on your desk during class.
6. Students with disabilities who require classroom accommodation should contact me early in the semester, so we can discuss individual needs.
7. Please check your e-mail for announcements. This is your responsibility. If you miss any important information because you failed to check your email, no accommodation will be made – *you* will bear the consequences.
8. I will go over the exams on the day that they are returned. You have one week to appeal the grades that you receive. If you do not begin the appeal process by that date, your grade will be final. Any appeal must begin with your contacting my TA by e-mail. If you appeal your grade, the exam will be re-graded in its entirety. As a result, your grade may go up or down depending upon the circumstances.

Cell Phone Policy

UF policy regarding cell phones does not allow me to require that your cell phone be turned off. But I may require that you silence your cell phone. Also I can forbid you to check your phone during class. Based on this, here is my cell phone policy:

1. Your phone may not “ring” during class. If your phone rings, I will ask you to leave the class.
2. Your phone may not be on your desk. It must be stowed in a purse, book bag, backpack, or briefcase. If you have your phone out during class, you will be asked to leave class.

Note: There is evidence that Silicon Valley programmers have made your smart phone addictive. Please see the transcript of a “60 Minutes” segment that aired on June 11, 2017. Although this transcript is available online, I have made a copy available to you by email.

Projects

You must complete a written project and turn it in to me no later than noon on December 1st. I want a hard copy, one sided, **NOT** stapled, single spaced in Times New Roman 12.

To make sure that you can complete your project in a timely fashion, you will have interim deliverables:

Project Selection Deadline: Wednesday, September 6th

Project Outline and Bibliography: Wednesday, September 20th

Progress Report: Wednesday, November 1st

Project Deadline: Friday, December 1st at noon

I will provide feedback, but will not provide interim grades. If you are headed in the wrong direction, I will head you off.

Your project must be your own work. You can get advice from me and others, but the final product must be yours. If you plagiarize someone else’s work, you will receive no credit for the assignment.

Plagiarism will be dealt with harshly. Plagiarism is cheating and those who cheat will fail the course and be reported to the Dean of Students Office.

Note: If you are concerned about such misfortunes as inclement weather, flat tires, destructive canines, etc., then I recommend that you plan on submitting the required materials prior to the deadline. (Consider the meaning of the word deadline: "the date by which something must be done" and its source: "a line drawn in a military prison, by going beyond which a prisoner makes himself liable to be shot instantly." Webster's New Dictionary and Thesaurus, New York, NY: Windsor Court, 1989.

Course Outline and Assignments:

8/21: Introduction - Syllabus

8/23: Overview of Antitrust Policy - Chapter 2

8/28: Continuation of Chapter 2; Monopoly, Dominant Firms and Oligopoly - Chapter 3

8/30: Continuation of Chapter 3

9/4: LABOR DAY

9/6: Collusions in Health Care Markets - Chapter 4; Project Selection Deadline

9/11: Collusions in Health Care Markets - Chapter 4; Pharmaceutical Pricing – Chapter 5

9/13: Pharmaceutical Pricing – Chapter 5

9/18: The Hatch-Waxman Act, Patent Infringement Suits, and Reverse Payments – Chapter 6

9/20: Chapter 6; Project Outline and Bibliography

9/25: Exam 1 (Chapters 1-6)

9/27: FALL CAREER SHOWCASE

10/2: Product Hopping - Chapter 7

10/4: Licensing of Healthcare Professionals - Chapter 8

10/9: Monopsony, Dominant Buyers, and Oligopsony - Chapter 9

10/11: Monopsony, Dominant Buyers, and Oligopsony - Chapter 9

10/16: Collusion in the Nurse Labor Market - Chapter 10

10/18: Group Purchasing Organizations - Chapter 11

10/23: Continuation of Chapter 11; The Economics of Mergers of Health Care
Providers - Chapter 12

10/25: Continuation of Chapter 12

10/30: Exam 2 (Chapters 7-13)

11/1: Horizontal Mergers in Health Care Markets – Chapter 13; Progress Report

11/6: Continuation of Chapter 13

11/8: The Economics of Vertical Mergers – Chapter 14

11/13: The Economics of Vertical Mergers – Chapter 14

11/15: Economics of Bilateral Monopoly – Chapter 15

11/20: Economics of Bilateral Monopoly – Chapter 15

11/22: THANKSGIVING TRAVEL DAY

11/27: Bilateral Monopoly and Collusion – Chapter 16

11/29: Continuation of Chapter 16; Bilateral Monopoly and Merger Policy – Chapter 17

12/4: Bilateral Monopoly and Merger Policy – Chapter 17

12/6: EXAM 3 (Chapters 13-18)