Student Worksheet (Option 1):

Healthcare and Economics

The purpose of this assignment is to discover challenges with the healthcare system in the United States, and be able to explain it in terms of economic concepts.

Before beginning, your instructor will divide you into groups and assign you one of the “Acts” in either Someone Else’s Money or More Is Less. Both of these are episodes of the radio program called This American Life. They were recorded in 2009, but little has changed since then in the delivery of healthcare in the United States.

Please do the following:

1. Review the following terms to be sure you understand their meanings. Write down the definitions in the space just following the term.

Private Markets

Moral Hazard

Asymmetric Information

Supply

Demand

Market Failure

Government Failure

Industry Type

Perverse Incentives

Unintended Consequences

Efficient/Inefficient

2. Now listen to the assigned “Act”. The Act will be discussing concepts that can be explained using many of the concepts above, but it will not use the actual terms. Your job is to figure out which concepts are discussed in your Act.

3. To accomplish this, first summarize the Act below, using as many terms as possible from the list. At the end of this worksheet I’ve given an example using the introduction to one of the shows – Someone Else’s Money.

4. Next, decide how you are going to present your segment to the class (one person, everyone, etc.). You don’t want to just read your summary, you want to talk with the class for around five minutes about how the segment applies to your class.

Good luck and have fun!

EXAMPLE:

Summary from Someone Else’s Money

Because of insurance coding and its complexity, the demand for medical billing coders has gone up. I would say that doctor’s are part of the private market and are in a monopolistically competitive industry. The increase in need for coders has decreased the doctor’s profits. The narrator pointed out that none of the increase in expenses goes to making people healthy. This seems inefficient to me.