

Review Notes - Secondary Markets - Hospital Services

- Definitions/trends
 - know the different types of hospitals
 - how is a hospital organized
 - management of the hospital vs. medical staff
 - what are the differences?
 - who controls the hospital?
- Hospital cost inflation
 - trends
 - the impact of competition on hospital prices
 - hospital cost shifting
 - why does uncompensated care exist in hospitals?
 - Know economic models explaining cost shifting and the conditions under which shifting will occur according to the model.
- Hospital performance
 - what does hospital performance depend upon?
 - hospital costs (*i.e.*, economies of scale)
 - why do we care about economies of scale (tech. efficiency)?
 - efficiency and public policy issues
 - what is the empirical evidence?
 - what are the problems in measuring hospital costs?
- theories of hospital behavior
 - for each you should know the assumptions of the model, empirical predictions of the model, and how accurate the model is empirically.
 - profit maximization with monopoly power
 - physician control model
 - synthesis model (what is being synthesized?)
- How do hospitals compete?
 - under comprehensive 3rd party insurance?
 - under cost-conscious insurance?
- The hospital and labor markets
 - demand and supply of labor
 - hospital demand for labor is derived from...what?
 - what is the difference between specialized and non-specialized labor? (*i.e.*, how does the hospital react differently, especially in the payment of wages as hospital demand for labor increases?)
 - nursing shortages
 - what is the definition of a shortage (demand and supply framework)?
 - what if the nursing labor market is a monopsony (what's that)?
 - can a shortage persist in monopsony markets and yet have the market be in equilibrium?