• 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?