

THE WHARTON SCHOOL
University of Pennsylvania

COMPARATIVE HEALTH CARE SYSTEMS (HCMG 259/HCMG 204)
FALL 2009

Monday/Wednesday; 10:30 - 11:50

Lauder Fischer Auditorium

Professor Patricia Danzon (danzon@wharton.upenn.edu)

Office Hours: Monday 3-4pm or by appointment (Colonial Penn Center 207)

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OVERVIEW

This course examines the structure of health care systems in different countries, focusing on financing, pricing and reimbursement, delivery systems and adoption of new technologies. We study the relative roles of private sector and public sector insurers and providers, and the effect of system design on cost, quality, efficiency and equity of medical services. Some issues we address are normative: Which systems and which public/private sector mixes are better at achieving efficiency and equity? Other issues are positive: How do these different systems deal with the tough choices, such as decisions about new technologies? Our main focus is on the prototypical systems in four large OECD countries--Germany, Canada, Japan, and the United Kingdom--but we also look at other countries with interesting systems --including Italy, the Netherlands, Chile, India, and Singapore -- and at developing countries. We will draw lessons for the US from foreign experience and vice versa.

READINGS

A course pack of readings is available from Wharton Reprographics. All readings are required, unless marked on the syllabus as “**Optional.” You are expected to come to class having read the readings assigned for that class.

CLASS PARTICIPATION

Please bring name cards to each lecture. Your participation at each lecture is strongly encouraged. Ten percent of your final course grade is determined by the quantity and quality of your comments and questions in lecture.

QUIZZES

There will be approximately three brief in-class quizzes covering the basic concepts from assigned readings for a given subject. Quiz dates will not be announced in advance.

TAKE-HOME MIDTERM

There will be a take-home midterm approximately half way through the semester (**date TBA**). The midterm will pose short essay questions similar in style to those on the final (in-class) exam.

TERM PAPER AND PRESENTATION

Students will write a brief (about 10 pages) paper on how the health care system in a particular country has approached a specific health issue, service or technology. You may work in groups of up to four students, or individually. The technology could be a specific medical device, drug or biologic, information system, insurance product, or quality control system. The service could be long-term care, hospice, AIDS treatment etc. The paper can be either normative/evaluative-- is the health care system's approach to this resource allocation challenge likely to enhance efficiency or equity (as you define it) --or it can be positive/managerial--what business opportunities and obstacles does the technology face in this country, and what strategies will contribute to its

success. You may choose one of the countries studied in class or some other country. The US can be used as a benchmark for comparison but the US should NOT be the main focus of the paper. The paper should not duplicate material covered in class or in the assigned readings. The **paper is due in class November 30th** (NO EXCEPTIONS). Paper copy is appreciated; please also email the paper to Jennifer Laverty jlaverty@wharton.upenn.edu. The papers will be presented and discussed in class.

FINAL EXAM

An final exam is scheduled on the University exam date for 10:30 M/W classes (**December 16**, 9-11am, **room TBA**). The final will consist of a combination of essay questions similar in style to those on the midterm and short-answer questions similar in style to those on the quizzes.

GRADING

Paper	30%
Final exam	40%
Take-home exam	10%
Quizzes	10%
Class participation	10%

WEB CAFÉ

You can locate the webCafe for this course using either the [webcafe home page](http://webcafe.wharton.upenn.edu) (<http://webcafe.wharton.upenn.edu>) or a [student information portal](#). Students who are registered for the course and who have a Wharton email account will automatically have access to the webcafe. If you do not have a Wharton account, you can apply for one online at <http://accounts.wharton.upenn.edu> for students who are already officially registered for the class. If you have problems, contact the webcafe consultants at the WCIT computer consulting office or online. Class handouts and other materials will be posted on the webcafe.

CLASS SCHEDULE AND READINGS

Introduction and Overview **Wednesday, September 9**

- A1 “The Health of Nations” [The Economist](#), July 15, 2004
- A2 Sanders, J. “Financing and Organization of National Health Systems” [World Health Systems: Challenges and Perspectives](#). Ed. Fried BJ, Gaydos LM. 2002
- A3 Browning and Browning, “Criteria for Policy Evaluation,” in *Public Finance and the Price System*, 2nd ed. 1983, 8-21.

Trends and Framework of Analysis **Monday, September 14**

- B1 OECD, Ch. 3 “Health Care Reform” in [Economic Survey: The United States](#). pp. 105-126
- B3 Nolte, E. and M. McKee (2008). “Measuring the health of nations: Updating an earlier analysis.” *Health Affairs* 27(1):58-71 (2008).

The US Health Care System: Overview and Proposed Reforms **Wednesday, September 16**

- C1 American College of Physicians (2008). “Achieving a high-performance health care system with universal access: What the United States can learn from other countries.” *Ann Intern Med* 148:55-75 (2008). **Note: “Lessons and Recommendations...” are opinions/judgments of ACP.**
- C2 OECD, Ch. 3 “Health Care Reform” in [Economic Survey: The United States](#). pp.127-137

- C3 Kaiser Family Foundation. Health Care Reform Proposals: Side-by-Side Summary. **Also online.**
- C4 The Economist “This is going to hurt” (2009).

Optional background

- ** OECD Economic Surveys: United States. November 2002. Chapter III. “Health System Reform.”
- ** Kaiser Foundation, “Medicare at a Glance” February 2007; “Medicare Advantage” June 2007; “The Medicare Prescription Drug Benefit” February 2008 (6 pgs total)
- ** Kaiser Foundation. “Medicaid Current and Proposed Reforms” July 2009; “The Uninsured and Their Access to Healthcare” October 2007; “Medicaid Enrollment and Spending Trends” October 2007
- ** Schoen et al, Commonwealth (2009) “Fork in the road”

Germany I: Overview and Recent Insurance Reforms **Monday, September 21**

- D1 Worz and Busse, “Analysing the impact of health-care system change in the EU member states – Germany,” Health Economics Vol. 14, 2005: S133-149.
- D2 Bertelsmann, “Health Care Reform in Germany: Not the Big Bang” Health Policy Monitor (2006)
- D3 Ognyanova and Busse, “Health Fund Now Operational” Health Policy Monitor (2009)

Germany II: Reimbursement and Cost Control; Disease Management; Long-term Care **September 23**

- E1 **In Vivo contracting article (July/August not yet published)**
- E2 “DRGs by Stealth” PPR August 2003.
- E3 Cuellar and Wiener, “Can Social Insurance for Long Term Care Work? The Experience of Germany.” *Health Affairs*, 2000. 19(3):8-25.
- E4 Reinhard Busse “Disease Management Programs In Germany’s Statutory Health Insurance System” *Health Affairs* 23 (May/June 2004): 56-66

Canada I: Overview and Structure **Monday, September 28**

- F1 Health Systems in Transition: Canada – HIT Summary, European Observatory on Health Systems and Policies
- F2 Health Systems in Transition: Canada – Organizational relationships and financial flows in Canadian HC system (3p)
- F3 Barer, et. al. “Re-Minding our P’s and Q’s” *Health Affairs*, 1996. 15(2) 216 – 234.
- F4 Detsky, A. and D. Naylor, “Canada’s Health Care System: Reform Delayed.” *NEJM* 2003; 349:804-10.

Canada II: Cost Control and Current Issues **Wednesday, September 30**

- G1 Tuohy, C. "The Costs of Constraint and Prospects for Health Care Reform in Canada." *Health Affairs*, May/June 2002.
- G2 Matteo, L. "Policy choice or economic fundamentals: what drives the public private health expenditure balance in Canada?" *Health Economics, Policy and Law* (2009)
- G3 Sanmartin et al (2006). "Comparing health and health care use in Canada and the United States." *Health Affairs* 25(4):1133-42.
- G4 PPR, "Canada: Creative Access Solutions to Shifts in Cancer Coverage." PPR October 2008 13(10).

United Kingdom I: Background and the Internal Market

Monday, October 5

- H1 Smee, "United Kingdom." *J. Health Politics, Policy and Law* Oct. 2000.
- H2 Klein, "Why Britain is Reforming its National Health Service – Yet Again" *Health Affairs* July/August 1998
- H3 "Fund-holding doctors in the NHS – Quiet Revolution," *The Economist*, May 28, 1994.

Wednesday, October 7

Latin America: Chile Prof. Mark Pauly, Wharton

- P1 "ISAPRE: Private Health Care in Chile"
- P2 Coll, X. "Chile Health Insurance Issues: Old Age and Catastrophic Health Costs" World Bank.
- P3 "Chile: Healthcare and Pharmaceuticals Background" Economist Intelligence Unit - Executive Briefing, 11 February 2005 (6p.)
- P4 "Chile: Update on Pricing and Reimbursement" PPR June 2006.

Monday, October 12

United Kingdom II: Recent Reforms and Issues

- I1 Stevens, "Reform Strategies for the English NHS." *Health Affairs*, May/June 2004.
- I2 Roland M. "Linking Physicians' Pay to the Quality of Care — A Major Experiment in the United Kingdom" *N Eng. J Med.* 2004; 351:1448-1454, Sep 30, 2004.
- I3 "Renegotiation of the UK Quality and Outcomes Framework." *PPR* July 2006.
- I4 "Computers and the Health Service" *The Economist* July 2005.
- I5 "NHS goes to the PROMS" *BMJ* June 28 2008.

Wednesday, October 14 Regulation of Pharmaceuticals I: Prototypes

- J1 Seget, "Pricing and Reimbursement in Europe" in *Pharmaceutical Pricing Strategies* pp.97-154
- J2 Pearson SD, Rawlins MD. "Quality, Innovation, and Value for Money: NICE and the British National Health Service" *JAMA* November 23/30, 2005

J3 Siva, N. "The drug price is right – or is it?" *The Lancet* April 18, 2009.

J4 PPR, "Senior official discusses French hospital drug financing." May 2009 14(5) p. 142.

Fall Break: No Class

Monday, October 19

October 21 Singapore: Overview and Medical Savings Accounts - Prof. Mark Pauly, Wharton

O1 Ramesh, "Health Policy in the NIEs" *Social Policy and Administration*. 2003 37(4):361-375. [Just focus on Singapore.]

O2 Menon, "50 Years of the NHS. Picture painted of health service in Singapore was too rosy," *British Medical Journal*, January 9, 1999, 318(7176): 125.

O3 Pauly and Goodman, "Tax Credits for Health Insurance and Medical Savings Accounts," *Health Affairs*, Spring 1995, 125 – 139.

O4 Barr, "Medical Savings Accounts in Singapore: A Critical Inquiry" and Pauly, "MSAs in Singapore: What Can We Know?" *J. Health Politics Policy and Law* 26(4) 708-731.

October 26 Rationing by Cost-Effectiveness Analysis

N1 Chalkidou et al. "Comparative Effectiveness Research and Evidence-Based Health Policy: Experience from four countries" *Milbank* (2009)

N2 American College of Physicians. "Information on cost-effectiveness: an essential product of a national comparative effectiveness program." *Ann Intern Med* (2008) 148:956-961.

N3 Eddy, "Oregon's Methods: Did Cost Effectiveness Fail?" *J. American Medical Association*, October 16, 1991.

N4 Kobelt, "Health Economics: An Introduction to Economic Evaluation" OHE 1996. (Skim: This has more detail than you need but is an excellent summary and has many examples).

October 28 Japan I: Background and Legal Issues - Prof. Arnold Rosoff, Wharton

V1 Leflar, "The Cautious Acceptance of Informed Consent in Japan," *Medicine and Law*, (1997) 16:705 – 720.

Others readings TBD

November 2 Japan II: Health Care System Structure and Cost Control - Prof. Naoki Ikegami, Keio University

W1 Ikegami and Campbell, "Japan's Health Care System: Containing Costs and Attempting Reform" *Health Affairs* May/June 2004.

W2 Ikegami, “ The Japanese Health Care System: Its Success and Challenges for the Future.”
Harvard Health Policy Review 9(1) Spring 2008

November 2 4:30-6:00pm Special Lecture: Long Term Care: The Japanese Model

X1 Campbell and Ikegami, "Japan's Radical Reform of Long Term Care" *Social Policy Administration* Feb. 2003 37(1)

X2 Campbell, Ikegami et al., “Comparing Long Term Care Spending in Germany, Japan and the US.” Poster, Annual Meeting of the Gerontological Society of America, Nov. 2008

** Ikegami, “Games Policy-Makers and Providers Play: Introducing Case-Mix-Based Payment to Hospital Chronic Care Units in Japan.” *JHPPL* 34(3) June 2009

November 4 India - Jay Desai, CEO, Universal Consulting India

Q1 Deolalikar, Jamison et al. “Financing Health Improvements in India.” *Health Affairs* 27(4): 978-990.

Q3 Blumenthal, D. and W. Hsiao “Privatization and its Discontents: The Evolving Chinese Health Care System” *NEJM* Sept. 2005.

Q4 Bhattacharjya and Sapra, “Health Insurance in China and India: Segmented Roles for Public and Private Financing.” *Health Affairs* 27(4): 1005-1015.

Q5 Ma, Lu and Quan, “From a National, Centrally Planned Health System to a System Based on the Market: Lessons from China.” *Health Affairs* 27(4): 937-947.

November 9 Health Care in Developing Countries I

R1 Schieber et al. “Financing Global Health: Mission Unaccomplished.” *Health Affairs* 26(4).

R2 Priorities in Health Chapters 2,3,4,5 eds. Jamison et al. WHO 2006 (Skim)

R3 Yip, W., and W. Hsiao (2008). “The Chinese health system at a crossroads.” *Health Affairs* 27(2):460-468. 2008.

R4 Glennerster, Kremer et al. “The Price of a Life” *Foreign Policy* (2p.) Issue 148, p26, 2p, 3 charts, 2 graphs, 4c

November 11 Health Care in Developing Countries II

T1 Wagstaff, A. (2007). “Health systems in East Asia: What can developing countries learn from Japan and the Asian tigers?” *Health Economics* 16:441-456. 2007.

T2 Frenk “Bridging the divide: global lessons from evidence-based health policy in Mexico” *The Lancet* Sept. 9 2006.

T3 Lozano, R. et al (2006). "Benchmarking of performance of Mexican states with effective coverage." *Lancet* 368:1729-41 (2006).

November 16 Public-Private Insurance Cristian Baeza, McKinsey, formerly World Bank (TBC)

S1 OECD, 2004. "Private Health Insurance in OECD Countries: Conclusions and Policy Lessons"

S2 Pauly MV et al. "Private Health Insurance In Developing Countries" *Health Affairs*, 25(2) Mar/Apr 2006. p.369-79.

S3 Hsaio, "Experience of Community Health Financing in the Asian Region." In *Health Financing for Poor People* eds. Preker and Carrin. Also "Preface".

November 18 Regulation of Pharmaceuticals II: Differential Pricing, TRIPs, Generics etc.

L1 Danzon, P., and M. Furukawa (2008). "Prices and Availability of Pharmaceuticals in 2005." *Health Affairs* 27(1):221-233.

L2 Quick, "Ensuring access to essential medicines in the developing countries: A framework for Action." *Clinical Pharmacology and Therapeutics* April 2003

L3 Barton, "TRIPS and the Global Pharmaceutical Marketplace" *Health Affairs* May/June 2004.

L4 PPR, "BRIC markets offer growth opportunities, but at what price?" PPR Oct. 2008 13(10)

November 23 The Italian National Health Service - Prof. Eugenio Anessi

K1 Fattore, "Cost Containment and Reforms in the Italian National Health Service" in *Health Care and Cost Containment in the EU* Mossialos and le Grand eds. 1999.

K2 Jommi, Cantù & Anessi, "New funding arrangements in the Italian National Health Service," *International Journal of Health Planning and Management*, 16(4): 347-68. 2001.

K3 France and Taroni, "The Evolution of Health Policy-Making in Italy." *JHPPL* April 2005.

November 25 What Do Cross-National Comparisons Prove?

U1 Liu, et al., "International Infant Mortality Rankings: A Look behind the Numbers," *HCFA Review*, Summer, 1992, 105 –114.

U2 Murray et al. "Eight Americas: New Perspectives on US Health Disparities." *Am. J. Prev. Med.* 2005.

U3 Schoen et al. "On the Front Lines: Primary Doctors' Office Systems, Experiences and Views in Seven Countries." *Health Affairs* Web Exclusive 2006.

U4 Siciliani, L., and J. Hurst (2005). "Tackling excessive waiting times for elective surgery: a comparative analysis of policies in 12 OECD countries." *Health Policy* 72:201-215 (2005).

November 30 **Recap and review + Outcomes Measurement/P4P/Quality**

Busse et al. "Measuring, Monitoring and Managing Quality in Germany's Hospitals." *Health Affairs* Jan. 2009

Student Presentations I **Wednesday, December 2**

Papers Due, 10:30 (email and hard copy in class)

Student Presentations II **Monday, December 7**

Student Presentations III **Wednesday, December 9**

FINAL EXAM **Wednesday, December 16**

9am-11am, location TBA