

**THE WHARTON SCHOOL
University of Pennsylvania**

**COMPARATIVE HEALTH CARE SYSTEMS (HCMG 859/HCMG 204)
FALL 2010**

Monday/Wednesday; 10:30 - 11:50 AM
Lauder Fisher 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

Readings are available on WebCafe (<https://webcafe.wharton.upenn.edu/eRoom/hcmg/859-fa10-1>). The same readings are available individually or as an electronic or printed course pack via Study.Net (http://www.study.net/r_mat.asp?crs_id=30016619). All readings are required, unless marked on the syllabus as “**Optional”. You are expected to come to class having read the required readings for that class.

WEBCAFÉ ACCESS

Students who have a Wharton account will automatically have access the webCafé once they register for the class. Students who do not yet have a Wharton account can create one at <http://accounts.wharton.upenn.edu>. If you have problems, contact the webCafé consultants at the WCIT office or online. Class handouts and other materials will be posted on the webCafé.

CLASS PARTICIPATION

The quality and quantity of your in-class comments and questions are important. Ten percent of your final course grade is allocated to your contribution to class discussion. **Bring a name card to each class in order to guarantee you receive credit for your contributions.**

QUIZZES

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

TERM PAPER AND PRESENTATION

Students will write a brief (about 10 pages) paper related to the health care system in one or more countries. Possible topics include: how a particular country has dealt with a costly technology or service, such as stents, long term care or electronic medical records; the role of private vs. public sector in insurance or service provision; how a country deals with specific health issues, such as smoking etc. We will provide a list of possible topics early in the semester, but encourage you to think of an issue you are interested in personally. You may work in groups of up to five students, or individually. 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 December 1st** (NO EXCEPTIONS). In addition to the hard copy submitted in class please email a copy of your paper to Jennifer Laverty jlaverty@wharton.upenn.edu. The papers will be presented and discussed in class.

MIDTERM EXAM

A take-home, short-answer midterm exam will be scheduled in the middle of the semester (exact distribution and return date/time TBA). The midterm will be shorter but similar in format to the in-class final exam.

FINAL EXAM

A final exam is scheduled on the University exam date for 10:30 M/W classes (**Wednesday, December 22, 9-11am**). The final will include a choice of several short essay questions and several short-answer/quiz questions. A sample exam and response will be posted on webcafe.

GRADING

Paper	25%
Final exam	40%
Midterm exam	15%
Quizzes	10%
Class participation	10%

CLASS SCHEDULE AND READINGS

September 8: Introduction and Overview

- "Why Americans pay more for health care." *McKinsey Quarterly*, December 2008.
- "The Health of Nations" *The Economist*, July 15, 2004
- Browning and Browning, "Criteria for Policy Evaluation," in Public Finance and the Price System, 2nd ed. 1983, 8-21.

September 13: Trends and Framework of Analysis

- OECD, Ch. 3 "Health Care Reform" in Economic Survey: The United States (2008). pp. 105-126.
- Pearson (2009). Statement to Senate Special Committee on Aging. "Disparities in health expenditure across OECD countries: Why does the US spend so much more than other countries?" (Sept. 30, 2009).
- **Nolte, E. and M. McKee (2008). "Measuring the health of nations: Updating an earlier analysis." *Health Affairs* 27(1):58-71 (2008).

September 15: Germany I: Overview and Recent Insurance Reforms

- Busse, R. (2008). "The German Health Care System." (3p.)
- Worz, M. and R. Busse (2005). "Analysing the impact of health-care system change in the EU member states – Germany." *Health Economics* 14:S133-149 (2005).
- Zander et al. "Health Policy in Germany After the Election" *Health Policy Monitor* (Nov. 2009)
- The Economist (2010). "Dr. Rösler's difficult prescription." April 29, 2010.

September 20: Germany II: Reimbursement Reforms, Disease Management and LTC

- Busse, R. (2004). "Disease management programs in Germany's statutory health insurance system." *Health Affairs* 23(3):56-66 (2004).
- IN VIVO (2009). "Pricing experiments: Pharmas get creative in Germany." July/August 2009.
- Cuellar, A. and J. Wiener (2000). "Can social insurance for long term care work? The experience of Germany." *Health Affairs* 19(3):8-25 (2000).

September 22: The US Health Care System: Overview and Proposed Reforms

- OECD, Ch. 3 "Health Care Reform" in Economic Survey: The United States. pp.127-137
- The Economist (2009). "This is going to hurt." (June 25, 2009).
- Kaiser Family Foundation (2010). "Summary of New Health Reform Law." June 18, 2010
- 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 the opinions and judgments of ACP.**
- Marmor, T. and A. Maioni (2008). "One Issue, Two Voices." Pp. 1-13. Woodrow Wilson International Center for Scholars (April 2008).

****Optional US background: Kaiser Family Foundation fact sheets (two pages each)**

- "Medicare at a Glance" (January 2010)
- "Medicare Advantage" (November 2009)
- "The Medicare Prescription Drug Benefit" (November 2009)
- "The Medicaid Program at a Glance" (June 2010)
- "The Uninsured and the Difference Health Insurance Makes" (September 2009)

September 27: Canada I: Overview and Structure

- European Observatory on Health Systems and Policies. Health Systems in Transition: Canada –Summary (2005).
- European Observatory on Health Systems and Policies. “Health Systems in Transition: Canada - Section 1.2: Geography and Sociodemography” (3pp.)
- Barer, et al (1996). “Re-Minding our P’s and Q’s” *Health Affairs* 15(2):216–234 (1996).
- Detsky, A. and D. Naylor (2003). “Canada’s Health Care System: Reform Delayed.” *NEJM* 349(8):804-10 (August 2003).

September 29: Canada II: Cost Control and Current Issues

- Marmor, T. and A. Maioni (2008). “One Issue, Two Voices.” Pp. 14-31. Woodrow Wilson International Center for Scholars (April 2008)
- Flood and Thomas (2010) “Blurring of the Public/Private Divide: The Canadian Chapter” *European J. of Health Law* 17(2010)257-278.
- The Economist (2010). “Follow the leader” (July 8, 2010).
- Pharma Pricing Review (2008). “Canada: Creative Access Solutions to Shifts in Cancer Coverage.” PPR 13(10). October 2008.
- **Sanmartin et al (2006). “Comparing health and health care use in Canada and the United States.” *Health Affairs* 25(4):1133-42 (July/August 2006).

October 4: United Kingdom I: Background and the Internal Market

- Smee, C. (2000). “United Kingdom.” *J. Health Politics, Policy and Law* 25(5):945-951 (Oct. 2000).
- OECD (2009). “Chapter 3: The NHS: An economic health check” in *OECD Economic Surveys: United Kingdom*, pp. 73-99.
**Klein, R. (1998). “Why Britain is Reforming its National Health Service – Yet Again” *Health Affairs* 17(4):111-125 (July/August 1998).

October 6: United Kingdom II: Recent Reforms and Issues

- BBC News (2010). “Q&A: The NHS shake-up.” (July 15, 2010).
- British Medical Association (2010). “Equity and Excellence: Liberating the NHS: BMA Summary.”
- The Economist (2010). “Once more into the ring.” (July 15, 2010).
- Timmins, N. (2008). “NHS goes to the PROMS” *BMJ* 336:1464-65 (June 28, 2008).
- Doran, T. and M. Roland (2010). “Lessons from major initiatives to improve primary care in the United Kingdom.” *Health Affairs* 29(5):1023-29 (May 2010).

October 11: Fall Break: No Class

October 13: Rationing by Cost-Effectiveness Analysis

- Chalkidou et al (2009). "Comparative Effectiveness Research and Evidence-Based Health Policy: Experience from Four Countries." *The Milbank Quarterly* 87(2):339-367 (2009).
- Eddy, D. (1991). "Oregon's Methods: Did Cost Effectiveness Fail?" *JAMA* 266(15):2135-41 (October 16, 1991).
- Drummond and Rutten, "New Guidelines for Economic Evaluation in Germany and the UK" OHE Briefing No. 46 Nov. 2008.
- Neumann, P. and D. Greenberg (2009). "Is the United States ready for QALYs?" *Health Affairs* 28(5):1366-71 (September/October 2009).

October 18: Latin America: Chile Prof. Mark Pauly, Wharton

- ISAPRE (1998). "ISAPRE: The Private Health in Chile."
- World Bank (2000). "Chile Health Insurance Issues: Old Age and Catastrophic Health Costs."
- Economist Intelligence Unit (2005). "Chile: Healthcare and Pharmaceuticals Background." (Feb. 11, 2005).
- Pharma Pricing Review (2006). "Chile: Update on Pricing and Reimbursement." (June 2006).

October 20: Singapore: Overview and Medical Savings Accounts – Prof. Mark Pauly, Wharton

- Ramesh, M. (2003). "Health Policy in the NIEs." *Social Policy and Administration* 37(4):361-375 (2003). **[NOTE: Just focus on Singapore.]**
- Price, R. et al (1999). "50 Years of the NHS: Picture painted of health service in Singapore was too rosy." *British Medical Journal* 318(7176):124-125 (January 9, 1999).
- Pauly, M. et al (1995). "Tax Credits for Health Insurance and Medical Savings Accounts." *Health Affairs*, Spring 1995, 125 – 139.
- Barr, M. (2001). "Medical Savings Accounts in Singapore: A Critical Inquiry." *J. Health Politics, Policy, and Law* 26(4):709-726 (2001).
- Pauly, M. (2001). "MSAs in Singapore: What Can We Know?" *J. Health Politics Policy and Law* 26(4):727-731.

October 25: Regulation of Pharmaceuticals I: Prototypes

- OECD (2009). "Chapter 4: Ensuring Efficiency in Pharmaceutical Expenditures" in *OECD Health Policy Studies: Achieving Better Value for Money in Health Care*. Pp 101-129.
- Pearson S. and M. Rawlins (2005). "Quality, Innovation, and Value for Money: NICE and the British National Health Service." *JAMA* 294(20):2618-22 (November 30, 2005).
- Siva, N. (2009). "The drug price is right – or is it?" *The Lancet* 373:1326-27 (April 18, 2009).
- Pharma Pricing Review (2009). "Senior official discusses French hospital drug financing." PPR 14(5) p. 142 (May 2009).

October 27: Regulation of Pharmaceuticals II: Differential Pricing, TRIPs, Generics etc.

- Danzon, P. and M. Furukawa (2008). "Prices and Availability of Pharmaceuticals in 2005." *Health Affairs* 27(1):221-233 (2008).
- Quick, J. (2003). "Ensuring access to essential medicines in the developing countries: A framework for Action." *Clinical Pharmacology and Therapeutics* 73:279-83 (April 2003).
- Barton, J. (2004). "TRIPs and the Global Pharmaceutical Marketplace" *Health Affairs* 23(3):146-54 (May/June 2004).
- Pharma Pricing Review (2008). "BRIC markets offer growth opportunities, but at what price?" PPR 13(10):300-303 (Oct. 2008).

**** PD Check recent PPRs for update on Germany, risk sharing in Italy and emerging markets**

November 1: Health Care in Developing Countries I: General and China

- World Health Organization (2006). Priorities in Health: Chapters 2,3,4,5 NOTE: SKIM.
- The Economist (2010). "A wealth of data: A useful new way to capture the many aspects of poverty." (8/2/2010).
- Glennerster, R. et al (2005). "The Price of a Life." *Foreign Policy* Issue 148, p26 (May/June 2005).
- OECD (2010). "Chapter 8: Improving the health care system" in *OECD Economic Surveys: China*, pp. 209-232 (February 2010).
- **Hanson, K. and W. Jack (2010). "Incentives could induce Ethiopian doctors and nurses to work in rural settings." *Health Affairs* 29(8):1452-60 (August 2010).

November 5: Health Care in Developing Countries II: Brazil and Mexico

- OECD (2009). "Chapter 3: Achieving higher performance: Enhancing spending efficiency in health and education." In *OECD Economic Surveys: Mexico 2009/11*.
- Lozano, R. et al (2006). "Benchmarking of performance of Mexican states with effective coverage." *The Lancet* 368:1729-41 (Oct. 25, 2006).
- La Forgia, G. and A. Harding (2009). "Public-private partnerships and public hospital performance in Sao Paulo, Brazil." *Health Affairs* 28(4):1114-1126 (July/August 2009).
- **Frenk, J. (2006). "Bridging the divide: global lessons from evidence-based health policy in Mexico." *The Lancet* 368:954-61 (Sept. 9, 2006).
- **Guanais, F. and J. Macinko (2009). "The health effects of decentralizing primary care in Brazil." *Health Affairs* 28(4):1127-1135 (July/August 2009).

November 8: India

- Deolalikar, A. et al (2008). "Financing Health Improvements in India." *Health Affairs* 27(4): 978-990 (July/August 2008).
- Knowledge@Wharton (2010). "Narayana Hrudayalaya: A Model for Accessible, Affordable Health Care?"

- **Schieber, G. et al (2007). "Financing Global Health: Mission Unaccomplished." *Health Affairs* 26(4):921-934 (July/August 2007).

November 10: Japan I: Background and Legal Issues – Prof. Arnold Rosoff, Wharton

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

November 15: Japan II: HC System Structure and Cost Control. Prof. Naoki Ikegami, Keio Univ.

- Ikegami, N. (2008). "The Japanese Health Care System: Its Success and Challenges for the Future." *Harvard Health Policy Review* 9(1):110-118 (Spring 2008).
- OECD Ch. 3 "Health-care reform in Japan: controlling costs, improving quality" 2009.
- Campbell, J. Ikegami, N. and Gibson. (2010). "Lessons from Public Long Term Care Insurance in Germany and Japan " *Health Affairs* 29(1):87-95.

November 17: Private Health Insurance: A Variant of the Public Option? – Alex Preker, World Bank (TBC)

- OECD, 2004. "Private Health Insurance in OECD Countries: Conclusions and Policy Lessons"
- Drechsler, D. and J. Jutting (2005). "Private health insurance for the poor in developing countries?" in Policy Insights No. 11, OECD Development Centre (August 2005).
- IFC World Bank. *The Business of Health in Africa*. pp. vii to 33 (i.e., Executive Summary through the end of Section 2)

November 22: The Italian National Health Service – Prof. Eugenio Anessi, Catholic University, Rome

- Fattore (1999), "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.
- Jommi, C. et al (2001). "New funding arrangements in the Italian National Health Service," *International Journal of Health Planning and Management* 16(4): 347-68.
- France, G. and F. Taroni (2005). "The Evolution of Health Policy-Making in Italy." *JHPPL* 30(1-2):169-187 (April 2005).

November 24: What Do Cross-National Comparisons Prove?

- Liu, et al (1992), "International Infant Mortality Rankings: A Look behind the Numbers," *HCFR Review*, Summer 1992, pp 105 –114.
- Murray, C. et al (2005). "Eight Americas: New Perspectives on US Health Disparities." *Amer J Prev Med* 29(5S1):4-10.
- Schoen, C. et al (2006). "On the Front Lines: Primary Doctors' Office Systems, Experiences and Views in Seven Countries." *Health Affairs* 25:w555-w571 (Web Exclusive).

November 29: Recap and review + Quality Monitoring/P4P + Rationing by Waiting

- Busse, R., Nimptsch, U., and T. Mansky (2009). "Measuring, monitoring, and managing quality in Germany's hospitals." *Health Affairs* 28(2):w294-w304 (January 2009).
- 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).

December 1: Student Presentations I

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

December 6: Student Presentations II

December 8: Student Presentations III

December 16: 9am-11am FINAL EXAM Location TBA