Healthcare Services Delivery: A Managerial Economic Approach
HCMG 852
Spring 2011
Tue/Thurs 10:30 a.m. – 12:00 p.m.
Auditorium, Colonial Penn Center

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Objectives The purpose of this course is to apply economics to an analysis of the health care industry, with special emphasis on the unique characteristics of the US healthcare markets, from pre-hospital to post-hospital care. This course focuses on salient economic features of health care delivery, including: the role of nonprofit providers, the effects of regulation and antitrust activity on hospitals, the degree of input substitutability within hospitals, competition in home health care, public versus private provision of emergency medical services, the effect of specialty hospitals and ambulatory surgery centers, the economics of direct-to-consumer advertising and its effect on drug safety, defining and improving medical performance in hospitals, specialization and investment in physical and human capital, and shifting of services between inpatient and outpatient settings and its effect on health care costs and quality.

Grading
- Class Participation  15%
- Midterm Exam  60%
- Student Presentation  25%

WebCafe
We have established a WebCafe room for HCMG852. This will serve as our primary communication channel. All class materials will be posted there.
The URL for the WebCafe is: http://webcafe.wharton.upenn.edu/eRoom/hcmg/852-sp11-1. You can log on using your usual Wharton username and password. Registered students will automatically have access. If you are not a Wharton student, you can get a Wharton account online at: http://accounts.wharton.upenn.edu. In case of any problems, you can apply in person at F35 JMHH, which is the Wharton computer consulting office. If you have questions about using WebCafe, contact the Wharton WebCafe Team at: webcafe@wharton.upenn.edu.

Readings: All readings will appear in an electronic format on WebCafe. Note that the readings listed below are required, except those marked (**) which indicates optional.
**Topics and Reading Assignments ("" denotes optional readings)**

**HOSPITAL OWNERSHIP AND PERFORMANCE**

**January 13: Introduction to the U.S. healthcare industry and its unique characteristics**


**January 18: On the Objectives and Behavior of Nonprofit Hospitals in the U.S.**


**January 20 Why do for-profit and nonprofit providers coexist in the same market?**


Community Catalyst, Inc. report “Not There When You Need It: The Search for Free Hospital Care”, Boston, MA October 2003. [available via www.communitycatalyst.org]


**January 25: Do nonprofit hospitals justify their tax exempt status? - Ralph W. Muller, Chief Executive Officer, University of Pennsylvania Health System.**

**January 27: Defining and improving health care organization performance - Craig Samitt, MD, MBA, President and Chief Executive Officer at Dean Health System.**


ANTITRUST AND COMPETITION IN HEALTH CARE MARKETS

February 1: Introduction to Antitrust and regulation in health care


February 3: Antitrust and regulation in health care (cont.)

Havighurst, Clark C., “Monopoly Is Not the Answer” Health Affairs, August 2005.


** Capps, Cory, Dennis Carlton and Guy David, “Antitrust Treatment of Nonprofits: Should Hospitals Receive Special Care?” working paper 2010.

February 8: Antitrust laws, regulation and competition - Rob Field, PhD, MPH, JD, Professor of Law and of Health Management and Policy at Drexel University.


Arizona v. Maricopa County Medical Society, Supreme Court of the United States, 1982 (457 U.S. 332, 102 St.Ct. 2466, 73 L.Ed.2d 48).


February 10: Cost-shifting behavior of hospitals and physicians


SPECIALIZATION AND COORDINATION OF CARE (Part I)

February 15: Specialty Hospitals, Ambulatory Surgery Centers, and Retail Clinics


February 17: A Disruptive Healthcare Innovation: The Retail-based Convenient Care Clinics – Tine Hansen-Turbon, MGA JD, Executive Director, Convenient Care Association.

Please visit www.ccaclinics.org.

February 22: Public versus private Emergency Medical Services


THE ECONOMICS OF HEALTHCARE PROMOTION

February 24: Service lines – Michael J. Dandorph, MBA , Senior Vice President for Business Development, University of Pennsylvania Health System.


March 1: Is advertising informative or persuasive? an economic framework


Dubois, Robert W., “Pharmaceutical Promotion: Don't Throw The Baby Out With The Bathwater” Health Affairs, February 2003.


March 3: Understanding direct-to-consumer advertising in healthcare

Jeffords, James M., “Perspective: Direct-To-Consumer Drug Advertising: You Get What You Pay For” Health Affairs, April 2004


--- SPRING BREAK ---

TOPICS IN HOME HEALTH CARE

March 15: Regulation, Competition and Vertical Integration in Home Health


--- David, Guy, Dan Polsky and Evan Rawley “Temporal Specificity and Task Alignment: Evidence from Patient Care.” working paper

March 17: The Challenges of Managing a Home Health Agency – David Baiada, MBA, Division Director of Bayada Nurses.


March 24: A Hospital System Model of Disease Management - David A. Horowitz, M.D., Senior Medical Director for Quality and Chief Medical Officer of Penn Care at Home, University of Pennsylvania Health System.

SPECIALIZATION AND COORDINATION OF CARE (Part II)

March 29: Division of labor and specialization: the case of hospitalists in the US


• David, Guy and Lorens Helmchen, ”The Role of Task Adhesion in Limiting Specialization along the Medical Care Continuum.” forthcoming in Review of Labour Economics and Industrial Relation.


March 31: Midterm Exam

April 5: Hospital of the Future: Hospitalists Leading the Change - Laurence Wellikson, MD, CEO of the Society of Hospital Medicine


April 7: Translation of Evidence into Practice in the 21st Century – Patrick J Brennan, M.D., Chief Medical Officer & Senior Vice President, University of Pennsylvania Health System.

April 12: Clinical Integration – Steven Levin, MBA, Managing Director of The Chartis Group

April 14 – April 26: Students presentations