

THE WHARTON SCHOOL
University of Pennsylvania

COMPARATIVE HEALTH CARE SYSTEMS (HCMG 859/HCMG 204)
FALL 2011

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

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

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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

All course readings are required unless marked as optional on the syllabus. The main concepts/takeaways from readings will be discussed in class and are fair game for quiz and exam questions. You will not be tested on minutiae, e.g., specific dates, names, or minor statistics. Every student enrolled in the class must pay the copyright fee on Study.net (<\$10). Study.net records how many/which students pay this fee. Once you pay the fee you have several options to access the course readings:

- A.) All readings are posted on webCafé in lecture-specific folders.¹ You can view or print the readings on your own from webCafé.
- B.) You can also view/print individual readings via Study.net.² This is not recommended due to stability and quality issues at Study.net.
- C.) You have the option to order a printed bulkpack (≈\$65). Bulkpacks are ordered via Study.net and picked up at Wharton Reprographics in SHDH.

The recommended reading order for each lecture is as indicated on the syllabus reading list below. Please keep in mind that last-minute updates and changes will be available only on webCafé. We will email the class whenever a reading change is made.

¹ URL: <https://webcafe.wharton.upenn.edu/eRoom/hcmg/859-fa11-1>

² URL: http://www.study.net/r_mat.asp?crs_id=30021503

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 November 30th** (NO EXCEPTIONS). In addition to the hard copy submitted in class please email a copy of your paper (email address TBA). 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 (**Monday, December 19, 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 7: Introduction and Overview

- McKinsey (2008). "Why Americans pay more for health care." *McKinsey Quarterly* (December 2008) p. 1-11.
- Bevan, G. et al. (2010). "Changing choices in health care: Implications for equity, efficiency and cost." *Health Economics, Policy and Law* 5(3):251-67.
- Browning and Browning (1983). "Criteria for Policy Evaluation," in Public Finance and the Price System, 2nd ed. 1983, p. 8-21.

September 12: Trends and Framework of Analysis

- OECD (2008). Ch.3 "Health Care Reform" in Economic Survey: The United States. p. 105-26.
- 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) p. 1-16.
- ****Optional**** Nolte, E. and M. McKee (2008). "Measuring the health of nations: Updating an earlier analysis." *Health Affairs* 27(1):58-71.

September 14: The US Health Care System: Overview and Proposed Reforms

- OECD (2008). Ch.3 "Health Care Reform" in Economic Survey: The United States. p. 127-37.
- *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." *Ann Intern Med* 148(1):55-75. **NOTE: "Lessons and Recommendations..." are the opinions and judgments of ACP.**
- Marmor, T. and A. Maioni (2008). "One Issue, Two Voices." **p. 1-13.** Woodrow Wilson International Center for Scholars (April 2008).
- ****Optional**** US background: Kaiser Family Foundation fact sheets (two pages each, all on webCafé): "Medicare at a Glance" (Jan 2010); "Medicare Advantage" (Nov 2009); "The Medicare Prescription Drug Benefit" (Nov 2009); "The Medicaid Program at a Glance" (June 2010); "The Uninsured and the Difference Health Insurance Makes" (Sept 2009).

September 19: 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(S1):S133-49.
- Zander et al. (2009). "Health Policy in Germany After the Election" *Health Policy Monitor*.
- Hyde, R. (2010). "German health reform compromise under attack." *The Lancet* 376(9743):759-60.

September 21: Germany II: Reimbursement Reforms, Disease Management and LTC

- Stock, S. et al. (2010). "German diabetes management programs improve quality of care and curb costs." *Health Affairs* 2(12):2197-2205.
- Ognyanova et al. (2011). "Pharmaceutical Reform 2010 in Germany." *European Observatory* 2011.
- Campbell, J. Ikegami, N. and M. Gibson. (2010). "Lessons from Public Long Term Care Insurance in Germany and Japan " *Health Affairs* 29(1):87-95. **NOTE: Focus on Germany.**
- ****Optional**** Cuellar, A. and J. Wiener (2000). "Can social insurance for long term care work? The experience of Germany." *Health Affairs* 19(3):8-25.

September 26: 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" (3p.)
- Barer, M.L. et al. (1996). "Re-Minding our P's and Q's." *Health Affairs* 15(2):216–234.
- Detsky, A. and D. Naylor (2003). "Canada's Health Care System: Reform Delayed." *NEJM* 349(8):804-10.

September 28: Canada II: Public/Private and other Issues

- Marmor, T. and A. Maioni (2008). "One Issue, Two Voices." **p. 14-31.** Woodrow Wilson International Center for Scholars.
- Flood, C.M. and B. Thomas (2010). "Blurring of the Public/Private Divide: The Canadian Chapter." *European J. of Health Law* 17(3):257-78.
- *The Economist* (2010). "Follow the leader" (July 8, 2010).
- Pharma Pricing & Reimbursement (2008). "Canada: Access to Cancer Therapies: Plenty of Heat – Not Enough Light." IMS Health. 2010.
- ****Optional**** Sanmartin, C. et al. (2006). "Comparing health and health care use in Canada and the United States." *Health Affairs* 25(4):1133-42.

October 3: United Kingdom I: Background and the Internal Market

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

October 5: United Kingdom II: Recent Reforms and Issues – Prof. Alistair McGuire, LSE (TBC)

- British Medical Association (2010). "Equity and Excellence: Liberating the NHS: BMA Summary."
- *The Economist* (2010). "Once more into the ring." (July 15, 2010).
- Doran, T. and M. Roland (2010). "Lessons from major initiatives to improve primary care in the United Kingdom." *Health Affairs* 29(5):1023-29.
- Timmins, N. (2008). "NHS goes to the PROMS" *BMJ* 336(7659):1464-65.

October 10: Fall Break: No Class

October 12: Rationing by Cost-Effectiveness Analysis

- Chalkidou, K. et al. (2009). "Comparative Effectiveness Research and Evidence-Based Health Policy: Experience from Four Countries." *The Milbank Quarterly* 87(2):339-367.
- Drummond, M. and F. Rutten, "New Guidelines for Economic Evaluation in Germany and the UK" OHE Briefing No. 46 Nov. 2008.
- Neumann, P. and M. Weinstein (2010). "Legislating against Use of Cost-Effectiveness Information." *NEJM* 363(16):1495-7.
- Weinstein M.C. and J.A. Skinner (2010). "Comparative Effectiveness and Health Care Spending – Implications for Reform." *NEJM* 362(5):460-5.

October 17: Latin America: Chile – Prof. Mark Pauly, Wharton

- Barrientos A. and P. Lloyd-Sherlock (2000). "Reforming health insurance in Argentina and Chile." *Health Policy and Planning* 15(4):417-23. **[NOTE: Focus on Chile only].**
- Bitran, R. et al. (2010). "After Chile's Health Reform: Increase in Coverage and Access." *Health Affairs* 29(12):2161-70.
- Pharma Pricing & Reimbursement (2006). "Chile: Update on Pricing and Reimbursement." IMS Health. (June 2006).

October 19: Singapore: Overview and Medical Savings Accounts – Prof. Mark Pauly, Wharton

- Lim, M.K. (2004). "Shifting the burden of health care finance: a case study of public-private partnership in Singapore." *Health Policy* 69(1):83-92.
- 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.
- Pauly, M. et al. (1995). "Tax Credits for Health Insurance and Medical Savings Accounts." *Health Affairs* 14(1):125-39.
- Miller, M. (2010). "We Interrupt..." Washington Post.com (March 3, 2010).

October 24: Health Care in Emerging Markets I: China

- Hougard, J.L. et al. (2011). "The Chinese Healthcare System: Structure, Problems and Challenges." *Applied Health Econ. Policy* 9(1):1-13.

- Wang, H. et al. (2011). "An evaluation of the policy on community health organizations in China." *Health Policy* 99(2011):37-43.
- Yip, W.C.M. et al. (2010). "Realignment of incentives for health care providers in China." *The Lancet* 375(9720):1120-30.
- ****Optional**** Yu, X. et al. (2010). "Pharmaceutical Supply Chain in China: Current Issues and Implications for Health System Reform." *Health Policy* 97(1):8-15.

October 26: Latin America II: Brazil – Dr. Leandro Reis, MD, Executive Director, National Private Health Insurance Agency (TBC)

- Paim, J. et al. (2011). "The Brazilian health system: history, advances and challenges." *The Lancet* 377(9779):1778-97.
- Victora, C.G. et al. (2011). "Health conditions and health policy innovations in Brazil: the way forward." *The Lancet* 377(9782):2042-53.
- ****Optional**** Frenk, J. (2006). "Bridging the divide: global lessons from evidence-based health policy in Mexico." *The Lancet* 368(9539):954-61.

October 31: Health Care in Low-income Countries: Setting Priorities: Public-private partnership

- 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).
- Andrus, J.K. et al. (2011). "Challenges to building capacity for evidence-based new vaccine policy in developing countries." *Health Affairs* 30(6):1104-1112.
- Fryatt, R. et al. (2010). "Financing of health systems to achieve the health Millennium Development Goals in low-income countries." *The Lancet* 375(9712):419-26.
- Glennerster, R. et al. (2005). "The Price of a Life." *Foreign Policy* Issue 148, p. 26 (May/June 2005).
- ****Optional**** World Health Organization (2006). Priorities in Health: Chapters 2,3,4,5
NOTE: SKIM. ON WEBCAFE ONLY.

November 2: Health Care in Emerging Markets II: India

- Kumar, A.K. et al. (2011). "Financing health care for all: challenges and opportunities." *The Lancet* 377(9766):668-79.
- Rao, M. et al. (2011). "Human resources for health in India." *The Lancet* 377(9765):587-98.
- Laxminarayan, R. et al. (2011). "India's vaccine deficit." *Health Affairs* 30(6):1096-1103.

November 7: Japan I: HC System Structure and Cost Control – Prof. Naoki Ikegami, Keio Univ.

- Ikegami, N. et al. (2011). "Japanese universal health coverage: evolution, achievements and challenges." *The Lancet*, September 2011.

- Hashimoto et al. (2011). "Cost containment and quality of care in Japan: is there a trade-off?" *The Lancet*, September 2011.

November 9: Japan II: Background and Legal Issues – Prof. Arnold Rosoff, Wharton

- Leflar, R.B. (1997). "The Cautious Acceptance of Informed Consent in Japan," *Medicine and Law* 16(4):705-20.
- Other readings TBD

November 14: 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*. p. 101-29.
- Drummond, M. et al. (2010). "Reimbursement of pharmaceuticals: reference pricing vs. health technology assessment." *Eur. J. Health Econ* 12(3):263-71.
- Pharma Pricing & Reimbursement (2009). "Senior official discusses French hospital drug financing." PPR 14(5) p. 142. IMS Health (May 2009).
- Pharma Pricing & Reimbursement (2010). "Italy: Market Access through Risk Sharing and Conditional Reimbursement" PPR 15(7) p. 192-5. IMS Health (July 2010).
- Pharma Pricing & Reimbursement (2010). "Germany: 2009 Impact of Voluntary Discount Agreements and 2010 Trends" PPR 15(7) p. 200-3. IMS Health (July 2010).

November 16: Regulation of Pharmaceuticals II: Differential Pricing, TRIPs, Generics etc.

- Carapinha, J.L., et al. (2011). "Health insurance systems in five Sub-Saharan African countries: Medicine benefits and data for decision-making." *Health Policy* 99(3):193-202.
- Danzon, P. and M. Furukawa (2008). "Prices and Availability of Pharmaceuticals in 2005." *Health Affairs* 27(1):221-33.
- Barton, J. (2004). "TRIPs and the Global Pharmaceutical Marketplace" *Health Affairs* 23(3):146-54.

November 21: The Italian National Health Service – Prof. Eugenio Anessi, Catholic University, Rome

- Fattore, G. (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):169-87.

November 23: Determinants of Health Outcomes: More than Medical Care?

- Liu, K. et al. (1992), "International Infant Mortality Rankings: A Look behind the Numbers," *HCFA Review*, 13(4):105-18.
- Murray, C. et al (2005). "Eight Americas: New Perspectives on US Health Disparities." *Amer J Prev Med* 29(5S1):4-10.
- Ikeda et al. "What has made the population of Japan healthy?" *The Lancet*, September 2011.

November 28: Recap and review + Quality Monitoring/P4P + Rationing by Waiting

- Busse, R., U. Nimptsch, and T. Mansky (2009). "Measuring, monitoring, and managing quality in Germany's hospitals." *Health Affairs* 28(2):w294-304.
- 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(2):201-15.
- Tuohy, C.H., et al. (2004). "How does private finance affect public health care systems? Marshaling the evidence from OECD nations." *J Health Polit Policy Law* 29(3):359-96.

November 30: Student Presentations I

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

December 5: Student Presentations II

December 7: Student Presentations III

December 19: 9am-11am FINAL EXAM Location TBA