

THE WHARTON SCHOOL
University of Pennsylvania

COMPARATIVE HEALTH CARE SYSTEMS (HCMG 859/HCMG 204)
FALL 2012

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

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OVERVIEW

This course examines the structure of health care systems in different countries, focusing on financing; organization of delivery systems; reimbursement of physicians, hospitals and pharmaceuticals; 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? We focus in detail on Germany, the United Kingdom, Canada and Japan, which represent four prototypical systems widely used in OECD countries. We then look at other countries with interesting systems –including Italy, Singapore, Chile, Brazil, India and China – and at major cross-cutting issues such as life-expectancy, infant mortality rates, pay for performance and service quality. 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.

- A.) All freely available readings and those accessible through Penn Libraries are posted in the files section of Canvas in lecture-specific folders. You can view or print the readings on your own from Canvas: <https://wharton.instructure.com>.
- B.) All copyright protected readings require payment of a copyright fee. These must be ordered through Study.Net, which may be accessed using the link on the Canvas course home page. Non-MBA students must pay this fee to Study.Net. For MBA students, it is already collected through tuition.
- C.) You have the option to order a printed copy of the Study.Net course pack. Course packs are ordered via Study.net and picked up at Wharton Reprographics.

We recommend that you read the assigned articles for each lecture in the order indicated on the syllabus, which reflects the historical evolution of each country. Please keep in mind that last-minute updates and changes will be available only on Canvas. We will post an announcement via Canvas whenever a reading change is made.

“International Profiles of Health Care Systems, 2011,” Commonwealth Fund Pub. No. 1562 provides overviews of several countries that we cover (Canada, England, Germany, Italy, Japan, and the U.S.), as well as several other OECD countries. This is posted in the Readings file on Canvas.

CANVAS ACCESS

Students who have a Wharton account will automatically have access to Canvas 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 Wharton courseware consultants at the WCIT office or online. Class handouts, updates to the syllabus and other materials will be posted on Canvas.

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 to help us learn your name and guarantee you receive credit for your contributions.**

QUIZZES

There will be approximately three, 5 minute in-class quizzes covering 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. You may work in groups of up to five students, or individually. 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. 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 21** (NO EXCEPTIONS). In addition to the hard copy submitted in class please submit an electronic copy of your paper via Canvas. 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 (**Thursday, December 13, 9-11am**). The final will include a choice of several short essay questions and several short-answer/quiz questions. A sample exam will be posted on Canvas.

GRADING

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

CLASS SCHEDULE AND READINGS

September 5: Introduction and Overview

- McKinsey (2008). "Why Americans pay more for health care." *McKinsey Quarterly* (December 2008) p. 1-11.
- Browning and Browning (1983). "Criteria for Policy Evaluation," in Public Finance and the Price System, 2nd ed. 1983, p. 8-21. [Study.Net]
- ****Optional**** 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. (SKIM FOR MAIN IDEAS, NOT COUNTRY SPECIFICS)

September 10: Trends and Framework of Analysis

- OECD (2008). Ch.3 "Health Care Reform" in Economic Survey: The United States. p. 105-26 (SKIM).
- 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.
- Schoen, T., Osborn, R., Squires, D., et al. (2010). "How Health Insurance Design Affects Access to Care and Costs, by Income, in Eleven Countries." *Health Affairs* 29(12):2323-2334.
- ****Optional**** Nolte, E. and M. McKee (2008). "Measuring the health of nations: Updating an earlier analysis." *Health Affairs* 27(1):58-71.

September 12: The US Health Care System: Overview and Proposed Reforms

- American College of Physicians (2008). "Achieving a high-performance health care system with universal access." *Ann Intern Med* 148(1):55-75. **Skim "Lessons and Recommendations..." These are the opinions and judgments of ACP.**
- Kaiser Family Foundation. (15 April 2011). "Summary of New Health Reform Law."
- Van Ginnekan, E and K. Swartz. (2012). "Implementing Insurance Exchanges: Lessons from Europe." *NEJM* 8.23.12
- Jha, A. (2012). "The Stage 2 Meaningful Use of EHRs Proposed Rules: No Surprises." *Health Affairs Blog*, <http://healthaffairs.org/blog/2012/02/24/the-stage-2-meaningful-use-of-ehrs-proposed-rules-no-surprises/>.

****Optional backgrounders ****

- ****Kaiser Family Foundation.** (2011). "Medicare at a Glance." Fact Sheet.
- **** Kaiser Family Foundation.** (June 2010). "The Medicaid Program at a Glance." Fact Sheet.
- **** OECD (2008).** Ch.3 "Health Care Reform" in Economic Survey: The United States. p. 127-37.

September 17: Germany I: Overview and Recent Insurance Reforms

- Busse, R. (2008). "The German Health Care System." (3p.)
- Oduncu, F.S. (2012). "Priority-setting, rationing and cost-effectiveness in the German health care system." *Medicine, Health Care and Philosophy*
- 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 19: Germany II: Pharmaceuticals, 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 24: United Kingdom I: Background and the Internal Market

- Smee, C. (2000). "United Kingdom." *J. Health Politics, Policy and Law* 25(5):945-951. [Study.Net]
- 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.

September 26: United Kingdom II: Recent Proposed Reforms; PPPs; IT

- House, J. (2011). "UK National Health Service reforms mobilise doctors." *The Lancet* 377(Special Report): 797-800.
- Doran, T. and M. Roland (2010). "Lessons from major initiatives to improve primary care in the United Kingdom." *Health Affairs* 29(5):1023-29.
- McKee, Edwards and Atun. (2006). "Public-private partnerships for hospitals." *Bulletin of WHO* 84(11)
- *The Economist* "The NHS: Sweetened pill, no cure." 6/16/11.
- Webster, P.C. (2012). "UK unveils patient-centred electronic health strategy." *Canadian Medical Association Journal*, 184(11): E579-80.
- ****Optional**** Black, N. "Declining health care productivity in England: The making of a myth." *The Lancet* (379):1167-1169.
- ****Optional**** British Medical Association (2010). "Equity and Excellence: Liberating the NHS: BMA Summary."

October 1: 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.
- ****Optional**** Detsky, A. and D. Naylor (2003). "Canada's Health Care System: Reform Delayed." *NEJM* 349(8):804-10.

October 3: The Italian National Health Service – Prof. Eugenio Anessi, Catholic University, Rome

- France, G. and F. Taroni (2005). "The Evolution of Health Policy-Making in Italy." *JHPPL* 30(1-2):169-87. [Study.Net]
- Ferrario, C. & Zanardi, A. (2011). "Fiscal decentralization in the Italian NHS: What happens to interregional redistribution?" *Health Policy*, 100(1): 71-80. **(Just skim the methodology section.)**
- *The Economist*. "Italian payment practices: Unhealthy delays." 6/23/12.

October 8: Singapore: Overview and Medical Savings Accounts – Prof. Mark Pauly, Wharton

- Von Eiff, W., Massaro et al. (2002) “Medical savings accounts : a core feature of Singapore’s health care system.” *Eur. J. Health Econ.* 3:188-195.
- 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 10: Latin America I: Chile – Erin Taylor

- 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). *[Study.Net]*
- Veloso Olguin, J.F. (31 January 2012). “Chilean pharmacies fined US\$38 million for price collusion.” *The Santiago Times*. *[Study.Net]*

October 15: Canada II: Public/Private; Pharmaceuticals; IT

- 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. *[Study.Net]*
- *The Economist* (2010). “Follow the leader” (July 8, 2010).
- Collier, R. (2011). “Canadians face unappealing medicare options, ex-Bank of Canada governor says.” *Canadian Medical Association Journal*, 183(8): E449-50.
- Webster, P.C. (2010). “Canadian hospitals make uneven strides in utilization of electronic health records.” *Canadian Medical Association Journal* 182(11): E487-88.
- Pharma Pricing & Reimbursement (2008). “Canada: Access to Cancer Therapies: Plenty of Heat – Not Enough Light.” *IMS Health*. 2010. *[Study.Net]*

October 17: 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*.
- Groeneveldt (2012). “How drug-eluting stents illustrate our health system’s flawed relationship with technology.” *Archives of Internal Medicine* August 2012.
- ****Optional**** Weinstein M.C. and J.A. Skinner (2010). “Comparative Effectiveness and Health Care Spending – Implications for Reform.” *NEJM* 362(5):460-5.
- ****Optional**** Neumann, P. and M. Weinstein (2010). “Legislating against Use of Cost-Effectiveness Information.” *NEJM* 363(16):1495-7.

October 22: Fall Break

October 24: Regulation of Pharmaceuticals I: Prototypes

- Danzon, P. (2012). “Regulation of Pricing and Reimbursement” in *Handbook on the BioPharmaceutical Industry*. Eds. P. Danzon and S. Nicholson. Oxford University Press. *[Study.Net]*
- 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 (2010). “Italy: Market Access through Risk Sharing and Conditional Reimbursement” *PPR* 15(7) p. 192-5. *IMS Health* (July 2010). *[Study.Net]*

October 29: Latin America II: Brazil – Dr. Leandro Reis, MD, Executive Director, National Private Health Insurance Agency

- 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.
- *The Economist*. “Health care in Brazil: An injection of reality.” 7/30/11.
- ****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 Emerging Markets I: Insurance options; Priority Setting

- 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).
- Carrin, G., M.P.Waelkins, B. Criel. (2005). “Community-based health insurance in developing countries: A study of its contribution to the performance of health financing systems.” *Tropical Medicine and International Health* 10(8):799-811.
- 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.
- Dentzer, S. (2012). “The unique saga of PEPFAR and its phenomenal potential.” *Health Affairs* 31(7): 1378-9.
- Glennerster, R. et al. (2005). “The Price of a Life.” *Foreign Policy* Issue 148, p. 26 (May/June 2005).
- ****Optional**** 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.
- ****Optional**** Howitt et al. (2012). “Technologies for global health.” *The Lancet* (380): 507-530. August 4 2012.

November 5: Health Care in Emerging Markets III: India – Ashoke Bhattacharjya, PhD

- 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: Health Care in Emerging Markets II: China

- Hougard, J.L. et al. (2011). “The Chinese Healthcare System: Structure, Problems and Challenges.” *Applied Health Econ. Policy* 9(1):1-13.
- Yip, W.C.M. et al. (2010). “Realignment of incentives for health care providers in China.” *The Lancet* 375(9720):1120-30.’
- Meng, Q. et al. (2012). “Trends in access to health services and financial protection in China between 2003 and 2011: a cross-sectional study.” *The Lancet* 379(9818): 805-814.
- *The Economist*. “Health care reform: Heroes dare to cross.” 7/21/12.
- *Bloomberg News*. “China to Expand Health Insurance so Sick Don’t ‘Lose Everything’.” 9/17/12. <http://www.bloomberg.com/news/print/2012-09-17/china-to-expand-insurance-so-sick-don-t-lose-everything-.html>.
- ****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.

November 12: Regulation of Pharmaceuticals II: TRIPs, Differential Pricing, Generics

- Barton, J. (2004). “TRIPs and the Global Pharmaceutical Marketplace” *Health Affairs* 23(3):146-54.

- Danzon, P., Mulcahy, A.W. & Towse, A.K. (2011). "Pharmaceutical Pricing in Emerging Markets: Effects of Income, Competition and Procurement." NBER Working Paper No. 17174.
- Smith, R.D., Correa, C. & Oh, C. (2009). "Trade, TRIPS, and pharmaceuticals." *The Lancet* 373(9664): 684-691.

November 14: 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. (2011) ."What has made the population of Japan healthy?" *The Lancet*, 378(9796):1094-105.

November 19: 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. (SKIM) [Study.Net]
- *The Economist* "Medicare reform: A healthy difference." 8/18/12

November 21: Student Presentations I

- ***Papers Due by 10:30am (electronic copy via Canvas and hard copy in class)***

November 26: Student Presentations II

November 28: Japan I: 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. [Study.Net]
- Akabayashi, A. and B.T. Slingsby (2006). "Informed Consent Revisited: Japan and the U.S." *Amer. J. Bioethics* 6(1): 9-14.
- ****Optional**** Tejima, Y. (2002). "Recent Development in the Informed Consent Law in Japan," *Kobe U. L. Rev.* 36:45-59.

December 3: Japan II: 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* 378(9797):1174-82.
- Hashimoto et al. (2011). "Cost containment and quality of care in Japan: is there a trade-off?" *The Lancet* 378(9796):1106-15.
- ****Optional**** Shibuya, K., et al. (2011). "Future of Japan's system of good health at low cost with equity: beyond universal coverage." *Lancet*, 378: 1265-73.

December 5: Student Presentations III

December 13: 9am-11am FINAL EXAM Location TBA