

THE WHARTON SCHOOL
University of Pennsylvania
HEALTH CARE MANAGEMENT DEPARTMENT

HCMG 101 – HEALTH CARE SYSTEMS – Section 001
SPRING 2013
T/TH 12:00 – 1:20, SHDH 350

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TAs: Rebecca Heinrich (rhein@wharton.upenn.edu) and Gopal Pai (gpai@wharton.upenn.edu); office hours to be posted and held in Colonial Penn Center (on Locust Walk across from SHDH), ground floor.

If you cannot make office hours, please make appointment with the TAs or me.

OVERVIEW

This course introduces and examines the main features of the U.S. health care system. It covers providers of care and health care products and services, the relationship between health and health care, private and public insurance and related financing mechanisms, health care reform, factors affecting health policy, and the impact of health policy on key stakeholders. The course pays close attention to the incentives facing the main players in U.S. health care. While developing an understanding of the U.S. health care system, you also will learn to apply basic economic reasoning to examine important health policy issues.

READINGS

Required: Paul J. Feldstein, Health Policy Issues: An Economic Perspective, 5th ed., available at the PENN Bookstore. (The 4th edition has the same chapters except for chapter 21. It does not reflect recent changes in the health care system and has older data.)

Additional background articles for the lectures will be posted on the course's Canvas site: <https://wharton.instructure.com/courses/953506>. Non-Wharton students will need a Wharton ID to access the web site. **Wharton IDs can be obtained by going to Wharton Computer Consulting in Room F35, Jon M. Huntsman Hall, or apply online at <http://accounts.wharton.upenn.edu/>.** If you experience problems obtaining an account or accessing Canvas, please contact Janice Singleton, janices@wharton.upenn.edu.

LECTURES

Outlines/slides for lectures will be posted on Canvas prior to class. Speakers may expand or cover additional material beyond the slides.

EXAMS AND QUIZZES

Exam 1 (February 12, in class)	100 pts
Exam 2 (March 21, in class)	100 pts
Exam 3 (April 29, 9:30-11)	100 pts
Writing assignment (Due April 4)	50 pts

The exams, which are non-cumulative, will be a combination of identification and short answer questions. Up to 15-20 percent of the points may cover material from the readings that is not covered in class. *Exams must be taken when scheduled and can only be made up with an excused absence pursuant to University rules.*

Your grade will be based on your total number of points. A+, A, A- range: 297.5 and above; B+, B, B- range: 262.5 – 297; C+, C, C- range: 227.5 – 262; D+, D, range: 192.5 - 227. Plus and minus cutoffs will depend on class performance, but will likely be close to endpoints of the relevant range. *Those cutoffs will not be disclosed.*

WRITING ASSIGNMENT

You are required to write a 200-250 word reaction/opinion/analysis of a newspaper articles or blog posts dealing with health care in the form of a “letter to the editor.” Candidate articles/posts will be posted to Canvas during the semester. **Due date: April 4.**

I will grade the assignment, equally weighting substance and exposition. If you request a regrade, both TAs will read your assignment and refer it to me for further review if they feel an adjustment may be warranted. Any regrade can result in an increase, decrease or no change in points.

CLASS PROTOCOL

Attendance is important. Class participation is encouraged. You should attempt to arrive on time and, unless you inform me prior to class or become ill during class, stay until the end. You should remain quiet unless answering or asking a question and abide by the rules announced in class regarding electronics. *Failure to abide by the rules may result in one or more fines (point deductions) at my discretion.*

GUEST SPEAKERS

- **Richard Cooper, MD**, Senior Fellow, Leonard Davis Institute of Health Economics
- **Samuel Fager, MD, JD, MBA**, President, S.S. Fager Consulting
- **Julie Fairman, PhD, FANN, RN**, Nightingale Professor of Nursing; Director of the Barbara Bates Center for the Study of the History of Nursing
- **Said A. Ibrahim, MD, MPH**, Professor of Medicine
- **Catherine Maclean, PhD**, Assistant Professor of Medical Ethics and Health Policy, School of Medicine
- **Jeffrey Silber, PhD, MD**, Professor of Pediatrics and Anesthesiology and Health Care Management; Director of the Center for Outcomes Research
- **Kevin Volpp, MD, PhD**, Professor of Medicine and Health Care Management; Director, Center for Health Incentives and Behavioral Economics at the Leonard Davis Institute of Health Economics

SCHEDULE

Jan. 10 Course description and introduction

Jan. 15-17 U.S. health care spending in a global context

- Feldstein, Chapters 1-2
- Bipartisan Policy Center. What is driving U.S. health care spending: America’s unsustainable health care cost growth. September 2012.

- Anderson, G. and B. Frogner. Health spending In OECD countries: Obtaining value per dollar. Health Affairs 27(6): 1718-1727. Nov/Dec 2008.

Jan. 22 Health and the role of medical care (Catherine Maclean)

- Feldstein, Chapter 3
- Cawley, John. The economics of childhood obesity. Health Affairs 29(3): 364-371. March/April 2010.

Jan. 24 Value of medical care spending

- Feldstein, Chapter 5, 21
- Goodell, Sarah, Joshua Cohen, and Peter Neumann. Cost savings and cost-effectiveness of clinical preventive care. Robert Wood Johnson Foundation Policy Brief No. 18. September 2009.

Jan. 29 Health and behavior (Kevin Volpp)

- Workplace wellness programs. Health Affairs Health Policy Brief. December 4, 2012.
- Volpp, Kevin, et al. Redesigning employee health incentives – Lessons from behavioral economics. New England Journal of Medicine 365(5). August 4, 2011.

Jan. 31-Feb. 5 Health risk and private health insurance

- Feldstein, Chapters 6-7, 19
- Burman, Len, Surachai Khitatrakun, and Sarah Goodell. Tax subsidies for private health insurance: Who benefits at what cost? Robert Wood Johnson Foundation Update. July 2009.
- Frakt, Austin and Rick Mayes. Beyond capitation: How new payment experiments seek to find the “sweet spot” in amount of risk providers and payers bear. Health Affairs 31(9): 1951-1958. September 2012.
- Goodell, Sarah and Kate Bundorf. Consumer-directed health plans: Do they deliver? Robert Wood Johnson Foundation Policy Brief No. 24. October 2012.

Feb. 7 Health reform, health insurance exchanges, and the 3Rs

- Feldstein, Chapter 36, Appendix
- Jost, Timothy. The Affordable Care Act largely survives the Supreme Court’s scrutiny – But barely. Health Affairs 31(8): 1659-1662. August 2012.
- Mello, Michelle and Glenn Cohen. The taxing power and the public’s health. New England Journal of Medicine 367(19). November 8, 2012.
- Kaiser Family Foundation. Explaining health care reform: Questions about health insurance subsidies. July 2012.
- Risk adjustment in health insurance. Health Affairs Health Policy Brief. August 30, 2012.

Feb. 12 Exam 1

Feb. 14-19 Medicare

- Feldstein, Chapter 8, 10

- Medicare at a Glance, Kaiser Family Foundation.
- Baicker, Katherine and Helen Levy. The insurance value of Medicare. New England Journal of Medicine 367(19). November 8, 2012.
- Medicare payments to physicians. Health Affairs Health Policy Brief. February 28, 2012.
- Premium support in Medicare. Health Affairs Health Policy Brief. March 22, 2012.

Feb. 21 Medicaid

- Feldstein, Chapter 9
- Medicaid at a glance. Kaiser Family Foundation
- Medicaid reform. Health Affairs Health Policy Brief. January 12, 2012.

Feb. 26 Poverty and regional variation in health costs (Richard Cooper)

- Gawande, Atul. The cost conundrum: What a Texas town can teach us about health care. The New Yorker. June 1, 2009.
- Franzini, L., O. Mikhail, and J. Skinner. McAllen and El Paso revisited: Medicare variations not always reflected in under-sixty-five population. Health Affairs 29(12): 2302-2309. December 2010.

Feb. 28 Hospitals and competition

- Feldstein, Chapters 15, 16
- Gaynor, Martin and Robert Town. The impact of hospital consolidation – Update. Robert Wood Johnson Foundation Update. June 2012.

Mar. 12 For-profit vs. not-for-profit hospitals and hospital cost shifting

- Feldstein, Chapters 14, 17
- A review of the evidence on hospital cost-shifting. Changes in Health Care Financing & Organization Findings Brief 14(3). May 2011.

Mar. 14 Physicians

- Feldstein, Chapters 11, 23
- Vaughn, B., S. DeVrieze, S. Reed, and K. Schulman. Can we close the income and wealth gap between specialists and primary care physicians? Health Affairs 29(5): 933-940. May 2010.
- O'Malley, A.S., A.M. Bond, and R.A. Berenson. Rising hospital employment of physicians: Better quality, higher costs? HSC Issue Brief No. 136. August 2011.

Mar. 19 Improving medical care quality and safety (Samuel Fager)

- Feldstein, Chapters 4, 12

Mar. 21 Exam 2

Mar. 26-28 Pharmaceuticals / biologics / devices

- Feldstein, Chapters 25, 26, 27, 28
- Adams, Christopher and Van Brantner. Estimating the cost of new drug development: Is it really \$802 million? Health Affairs 25(2): 420-428. March/April 2006.
- Grabowski, Henry. Data exclusivity for biologics: What is the appropriate period of protection? American Enterprise Institute Health Policy Outlook No. 10. September 2009.

April 2 Assessing health outcomes (Jeffrey Silber)**April 4 Nursing (Julie Fairman)**

- Feldstein, Chapter 24
- Fairman, J.A., J.W. Rowe, S. Hassmiller, and D.E. Shalala. Broadening the scope of nursing practice. New England Journal of Medicine 364(3). January 2011.

April 9 Medical malpractice liability and insurance

- Feldstein, Chapter 13
- Mello, M., A. Chandra, A. Gawande, and D. Studdert. National costs of the medical liability system. Health Affairs 29(9): 1569-1176. September 2010.

April 11 Financing health care startups

- Ackerly, D., A. Valverde, L. Diener, K. Dossary, and K. Schulman. Fueling innovation in medical devices (and beyond): Venture capital in health care. Health Affairs 28(1): w68-w75. January/February 2008.

April 16 Disparities in health care (Said Ibrahim)

- Eliminating Racial/Ethnic Disparities in Health Care: What are the Options? Kaiser Foundation, October 2008.

April 18-23 A look at health care financing in selected countries

- Feldstein, Chapter 32
- Leu, R. et al. The Swiss and Dutch health insurance systems: Universal coverage and regulated competitive insurance markets. The Commonwealth Fund. January 2009.

April 29 Exam 3 (9:30-11 a.m., non-cumulative)