Healthcare Services Delivery: A Managerial Economic Approach

HCMG 852 / HCMG 352

Spring 2013

Mon/Wed 1:30 p.m. –2:50 p.m.
Jon M. Huntsman Hall (JMHH) Room 365

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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-acute 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 CANVAS room for HCMG852. This will serve as our primary communication channel. All class materials will be posted there. The URL for CANVAS is: https://wharton.instructure.com/courses/935625. 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 an 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 CANVAS, contact the CANVAS Team at: courseware@wharton.upenn.edu.

Readings: All readings will appear in an electronic format on Canvas. Note that all readings below are suggested and hence, optional.
Topics and Reading Assignments (** denotes key readings)

**January 9: Introduction to the U.S. Healthcare Industry and its Unique Characteristics**


**January 14: On the Objectives and Behavior of Nonprofit Hospitals in the U.S.**


**January 16: 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 23: Do Nonprofit Hospitals Justify their Tax Exempt Status? - Ralph W. Muller**, Chief Executive Officer, University of Pennsylvania Health System.

**January 28: Cost-Shifting and Cross-Subsidization Behavior of Hospitals and Physicians**


January 30: Defining and Improving Health Care Organization Performance - Craig Samitt, MD, MBA, President and Chief Executive Officer at Dean Health System.


Samitt, Craig “At Your Service: Transforming Health Care Delivery” The Physician Executive, Nov-Dec 2004.

February 4: Clinical Integration – Steven Levin, MBA, Managing Director of The Chartis Group

February 6: Introduction to Antitrust and Regulation in Health Care


February 11: Antitrust and Regulation in Health Care (cont.)

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


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).


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


February 18: Regulation, Competition and Vertical Integration in Home Health


February 20: An Overview of the “In-Home Medical Equipment and Services” Industry - Richard Chesney, Founder and CEO of Healthcare Market Resources.


February 27: Hospice Care - Sharon Vogel, MBA, Director of Hospice Services, Bayada Nurses and Adam Groff, M.D. - Hospice Practice Leader and Division Director, Bayada Nurses and Assistant Professor at Geisel School of Medicine at Dartmouth and at The Dartmouth Institute for Health Care Policy & Clinical Practice.

--- SPRING BREAK ---

March 11: Public versus Private Emergency Medical Services


March 13: Division of Labor and Specialization: the Case of Hospitalists in the US


March 18: Hospital of the Future: Hospitalists Leading the Change - Laurence Wellikson, MD, CEO of the Society of Hospital Medicine


March 20: **Understanding Direct-to-Consumer Advertising in Healthcare**


March 25: **Service Lines – Michael J. Dandorph**, MBA , Senior Vice President for Business Development, University of Pennsylvania Health System.


March 27: **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.


April 1: **Specialty Hospitals and Ambulatory Surgery Centers**


**April 3: Innovative Approaches in Primary Care: Where do Retail Clinics Fit in? – Alan London, M.D., Chief Medical Officer, Take Care Health Systems (Walgreens)**

**April 8: Midterm Exam**

**April 10: 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 15 – April 22: Students presentations**