

THE WHARTON SCHOOL  
University of Pennsylvania

---

COMPARATIVE HEALTH CARE SYSTEMS (HCMG 859/HCMG 204)  
FALL 2013  
Syllabus draft 8/28/13

Monday/Wednesday; 3:00 - 4:30 PM  
Jon M. Huntsman Hall 245

**Professor Patricia Danzon** ([danzon@wharton.upenn.edu](mailto:danzon@wharton.upenn.edu))

Office Hours: Monday 11am-12pm or by appointment (Colonial Penn Center 207)

**TA: Julius Chen** ([chenjul@wharton.upenn.edu](mailto:chenjul@wharton.upenn.edu))

Office Hours: Monday and Wednesday 1:30-3pm or by appointment (Colonial Penn Center 4th Floor, PhD Student Offices)

**Administrative Coordinator: Holly Cronin** ([hcronin@wharton.upenn.edu](mailto:hcronin@wharton.upenn.edu))

Office: Colonial Penn Center 304

## OVERVIEW

This course examines the structure of health care systems in different countries, focusing on the design and financing of public and private insurance; organization of care delivery systems; reimbursement of physicians, hospitals, pharmaceuticals and devices; and adoption of new technologies and expenditure controls. 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 first on mature systems, including Germany, the United Kingdom, Canada and Japan, which represent four prototypical system designs, and Italy and Singapore, which illustrate other interesting approaches. We then look at middle and low income countries with emerging systems –including Chile, Brazil, India and China – and at major cross-cutting issues such as life-expectancy and 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. You should focus on the main concepts and design features of each country's system, including important changes over time, rather than on details such as specific dates, names, or minor statistics.

- A.) All readings that are available without copyright fees 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 via Canvas using the link on the course home page or in the left column. 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 changes to the readings will be available only on Canvas. We will post an announcement via Canvas whenever a reading or scheduling change is made.

“International Profiles of Health Care Systems, 2012” Commonwealth Fund Pub. No. 1645 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, online, or via email ([courseware@wharton.upenn.edu](mailto:courseware@wharton.upenn.edu)). Class handouts, updates to the syllabus and other materials will be posted on Canvas.

### **CLASS PARTICIPATION**

Class attendance and contributions to in-class discussion are important. Fifteen percent of the final course grade is allocated to class participation. **Please bring a name card to each class to help us learn your name and guarantee you receive credit for your contributions.**

### **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 18** (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 3:00 PM M/W classes (**Monday, December 16, 3-5pm**). 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	30%
Final exam	40%
Midterm exam	15%
Class participation	15%

## CLASS SCHEDULE AND READINGS

### **August 28: Introduction and Overview**

- McKinsey (2008). "Why Americans pay more for health care." *McKinsey Quarterly* (December 2008) p. 1-11.
- Fuchs (2013) "How and Why US Health Care Differs From That in Other OECD Countries." *JAMA* 309(1) 33-34
- Browning and Browning (1983). "Criteria for Policy Evaluation," in Public Finance and the Price System, 2nd ed. 1983, p. 8-21. [[Available from Study.Net](#)] (Review of Equity, Efficiency etc.)

### **September 4: Trends and Framework of Analysis**

- Squires (2012). "Explaining High Health Care Spending in the US: An International Comparison of Supply, Utilization, Prices and Quality." Commonwealth Fund pub. 1595 V.10.
- 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 9: The US Health Care System: Overview and Proposed Reforms**

- "Health Care Costs: A Primer" May 2012 KFF.org
- "Summary of the Affordable Care Act." April 13, 2013. Kaiser Family Foundation.
- "How US Health Care Reform will Affect Employee Benefits." *McKinsey Quarterly* June 2011.
- "Prescription for Change: Hospital Operators and Obamacare" *The Economist* June 29<sup>th</sup> 2013. 4p.
- 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 \*\***

- **\*\* OECD (2008). Ch.3 "Health Care Reform" in Economic Survey: The United States. p. 127-37. (Good overview of pre-ACA US health care system ).**
- Van Ginnekan, E and K. Swartz. (2012). "Implementing Insurance Exchanges: Lessons from Europe." *NEJM* 8.23.12

### **September 11: Germany I: Overview and Recent Insurance Reforms**

- Blumel, M. (2012). "The German Health Care System, 2012." (7p.) *The Commonwealth Fund*.
- Oduncu, F.S. (2012). "Priority-setting, rationing and cost-effectiveness in the German health care system." *Medicine, Health Care and Philosophy*
- Ozegowski and Sundmacher. 2012. "Ensuring access to health care – Germany reforms supply structures to tackle inequalities." *Health Policy* 106:105-109.

### **September 16: Germany II: Pharmaceuticals, Disease Management and DRGs**

- 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.
- Quentin et al. (2013). "Hospital Payment Based on Diagnosis-Related Groups Differs in Europe and Holds Lessons for the US." *Health Affairs* 32(4) 713-723.

### **September 18: United Kingdom I: Background and the Internal Market**

- OECD (2009). "Chapter 3: The NHS: An economic health check" in *OECD Economic Surveys: United Kingdom*, p. 73-99.

### **September 23: United Kingdom II: Recent Proposed Reforms; PPPs; IT**

- House, J. (2011). "UK National Health Service reforms mobilise doctors." *The Lancet* 377: 797-800.
- Holmes, D. (2013) "All change for NHS in England as legislation takes effect." *The Lancet* 381: 1169-70.
- Doran, T. and M. Roland (2010). "Lessons from major initiatives to improve primary care in the United Kingdom." *Health Affairs* 29(5):1023-29.
- Webster, P.C. (2012). "UK unveils patient-centred electronic health strategy." *Canadian Medical Association Journal*, 184(11): E579-80.

### **September 25: Canada I: Overview and Structure**

- Commonwealth Fund. *International Profiles of Health Care Systems: The Canadian Health Care System* 2012.
- Barer, M.L. et al. (1996). "Re-Minding our P's and Q's." *Health Affairs* 15(2):216-234.

### **September 30: Singapore: Overview and Medical Savings Accounts – Prof. Mark Pauly**

- Barr, M. 2001. "Medical Savings Accounts in Singapore: A Critical Inquiry." *J. Health Politics, Policy and Law* 26(4): 709-726.
- Ham, C. 2001. "Commentary: Values and Health Policy." *J. Health Politics, Policy and Law* 26(4): 739-745.
- Miller, M. (2010). "We Interrupt..." Washington Post.com (March 3, 2010).

### **October 2: Canada II: Public/Private; Pharmaceuticals; IT**

- Hutchison and Glazier (2013). "Ontario's Primary Care Reforms Have Transformed the Local Care Landscape." *Health Affairs* 32(4):695-703.
- 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. [[Available from Study.Net](#)]
- Case: Zaric, G. and C. Sehgal (2009). "The Challenge of Access to Oncology Drugs in Canada." Ivey Publishing #909E20. [[Available from Study.Net](#)]

### **October 7: Japan's Health Care System – Prof. Naoki Ikegami, Keio Univ.**

- Ikegami, N. et al. (2011). "Japanese universal health coverage: evolution, achievements and challenges." *The Lancet* 378(9797):1106-15.
- Hashimoto et al. (2011). "Cost containment and quality of care in Japan: is there a trade-off?" *The Lancet* 378(9796):1174-82.

### **October 9: Long term care insurance: Japan and Germany – Prof. Naoki Ikegami, Keio Univ.**

- 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.
- \*\*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.

### **October 14: 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. [[Available from Study.Net](#)]
- *The Economist*. "Italian payment practices: Unhealthy delays." 6/23/12.

- De Belvis et al. 2012. "The financial crisis in Italy: Implications for the healthcare sector." *Health Policy* 106:10-16.

### **October 16: 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.
- Raftery (2009) "NICE and the challenge of cancer drugs." *BMJ* 338:271-2.
- Groeneveldt (2012). "How drug-eluting stents illustrate our health system's flawed relationship with technology." *Archives of Internal Medicine* August 2012.
- Neumann, P. and M. Weinstein (2010). "Legislating against Use of Cost-Effectiveness Information." *NEJM* 363(16):1495-7.
- "Evaluating medical treatments: Evidence, shmevidence." *The Economist* June 16<sup>th</sup> 2012. (2p.)

### **October 21: 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. [[Available from 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). [[Available from Study.Net](#)]

### **October 23: Health Care Systems in Emerging Markets I: Insurance Options; Priority Setting**

- Mills, A. 2013. "Health Systems in Low and Middle Income Countries." Ch. 3 in The Oxford Handbook of Health Economics. Eds. Glied and Smith. OUP.
- Lagomarsino et al. (2012). "Moving towards universal health coverage: health insurance reforms in nine developing countries in Africa and Asia." *Lancet* 380:933-43. (**Skim for main points, not country-specific detail**).
- Glennerster, R. et al. (2005). "The Price of a Life." *Foreign Policy* Issue 148, p. 26 (May/June 2005).

### **October 28: Latin America I: Chile**

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

### **October 30: 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. (2012). "Early appraisal of China's huge and complex health reforms." *The Lancet* 379:833-42.
- Le Deu et al. (2012). "Healthcare in China: Entering uncharted waters" . McKinsey &Co.

### **November 4: Emerging Markets III: India**

- Prinja et al. (2012). "Universal Health Insurance in India: Ensuring Equity, Efficiency and Quality." *Indian J. of Community Medicine*.37(3).
- Laxminarayan, R. et al. (2011). "India's vaccine deficit." *Health Affairs* 30(6):1096-1103.

- Shetty (2012). "India can show the way on health." *The Economist* Nov. 12, 2012.
- **\*\*Optional\*\*** Kumar, A.K. et al. (2011). "Financing health care for all: challenges and opportunities." *The Lancet* 377(9766):668-79.

### **November 6: Latin America II: Brazil – Dr. Leandro Reis MD, 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.
- Silva and Viana. (2011). "Health technology diffusion in developing countries: a case study of CT scanners in Brazil." *Health Policy and Planning* 26:385-94. (Skim)

### **November 11: Regulation of Pharmaceuticals II: TRIPs, Differential Pricing, Generics**

- Correa, C. (2006). "Implications of bilateral free trade agreements on access to medicines." *Bulletin of WHO* 84:399-404.
- Milstein and Kaddar. (2006) "Managing the effect of TRIPs on availability of priority vaccines." *Bulletin of WHO* 84:360-65.
- 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. **(Skim for main points)**
- Arrow et al. (2012). "The Affordable Medicines Facility-malaria: killing it slowly." *The Lancet Online* Oct. 31, 2012.

### **November 13: Quality Monitoring; P4P ; Review of Cost Containment**

- Busse, R., U. Nimptsch, and T. Mansky (2009). "Measuring, monitoring, and managing quality in Germany's hospitals." *Health Affairs* 28(2):w294-304.
- McDonald and Roland (2009). "Pay for Performance in Primary Care in England and California." *Ann Fam Med*. 7:121-127.
- Sutton et al. (2012). "Reduced Mortality with Hospital P4P in England." *NEJM* 367: 1821-8.
- Stabile et al. (2013). "Health Care Cost Containment Strategies in Four Other High Income Countries Hold Lessons for the US." *Health Affairs* 32(4):643-652.

### **November 18: Determinants of Health Outcomes: More than Medical Care?**

- NAS/IOM (2012). "Shorter Lives, Poorer Health: US Health in International Perspective: Summary." National Academy of Sciences. P. 1-9.
- Liu, K. et al. (1992). "International Infant Mortality Rankings: A Look behind the Numbers," *HCFR 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.

**\*\*Papers Due by 3:00pm (electronic copy via Canvas and hard copy in class)\*\***

### **November 20: IT and Electronic Health Records (EHRs); Public-Private Partnerships; Medical Tourism**

- Jha et al. (2008). "The Use of Health Information Technology in Seven Nations." *Int. J of Medical Informatics*. 77:848-854.
- Sekhri et al. (2011). "Public-Private Integrated Partnerships Demonstrate the Potential to Improve Health Care Access, Quality and Efficiency." *Health Affairs* 30(8):1498-1507.
- Leng, C.H. (2010). "Medical Tourism and the State in Malaysia and Singapore." *Global Social Policy*10: 336.

- **\*\* Optional\*\*** McKee, Edwards and Atun. (2006). "Public-private partnerships for hospitals." *Bulletin of WHO* 84(11)

**November 25: Medical Devices: Dental Care**

- Sorenson et al.. (2013). "Evolving Reimbursement and Pricing Policies for Devices in Europe and the US Should Encourage Greater Value." *Health Affairs* 32(4):788-796.
- Case: Kirby, W. and G.A. Donovan (2010). "Jiamei Dental: Private Health Care in China." HBS #910404. [[Available from Study.Net](#)]
- **\*\*Optional\*\*** Cappellaro et al. (2009). "Funding health technologies in decentralized systems: A comparison between Italy and Spain." *Health Policy* 92:313-321.

**December 2: Student Presentations I**

**December 4: Student Presentations II**

**December 9: Make-up Final**

**December 16: 3-5 pm FINAL EXAM (Tentative Date, Location TBA)**