Healthcare Services Delivery: A Managerial Economic Approach

HCMG 852 / HCMG 352

Spring 2014

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

Professor Guy David
Office hours: Wednesdays 3:00 - 4:00 or by appointment
Colonial Penn Center - room 202
gdavid2@wharton.upenn.edu

Teaching Assistants: Sunita Desai and Preethi Rao
Office hours: by appointment
e-mail: sunitamd@wharton.upenn.edu
e-mail: preethir@wharton.upenn.edu

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, innovative models of primary care delivery, 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/1225166. 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 15: Introduction to the U.S. Healthcare Industry and its Unique Characteristics

** Arrow, Kenneth “Uncertainty and the Welfare Economics of Medical Care” American Economic Review 1963; 53(5):941-973

January 22: Money & Medicine

January 27: On the Objectives and Behavior of Nonprofit Hospitals in the U.S.


January 29: 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]


February 3: Cost-Shifting and Cross-Subsidization Behavior of Hospitals and Physicians


February 5: Do Nonprofit Hospitals Justify their Tax Exempt Status? - Ralph W. Muller, Chief Executive Officer, University of Pennsylvania Health System.
February 10: **Clinical Integration** – Steven Levin, MBA, Managing Director of The Chartis Group

February 12: **Introduction to Antitrust and Regulation in Health Care**


February 17: **Antitrust and Regulation in Health Care (cont.)**


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 19: **Antitrust Laws, Regulation and Competition** - Jeffrey H. Perry, J.D., Assistant Director, Mergers IV Division, Bureau of Competition, Federal Trade Commission.

February 24: **Division of Labor and Specialization: the Case of Hospitalists in the US**


February 26: **Hospital of the Future: Hospitalists Leading the Change** - Laurence Wellikson, MD, CEO of the Society of Hospital Medicine


March 3: Defining and Improving Health Care Organization Performance - Craig Samitt, MD, MBA, and Executive Vice President HealthCare Partners and former President and Chief Executive Officer at Dean Health System.

March 5: Regulation, Competition and Vertical Integration in Home Health


--- SPRING BREAK ---


March 19: 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.

March 24: Innovation in Primary Care

March 26: Personalized Healthcare – Andrea Klemes, DO , Chief Medical Officer of MDVIP.

March 31: Innovative Approches in Primary Care: Where do Retail Clinics Fit in? – Alan London, M.D., Chief Medical Officer, Take Care Health Systems (Walgreens)

April 2: Specialty Hospitals and Ambulatory Surgery Centers


**April 7: 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 9: Public versus Private Emergency Medical Services**


**April 14: 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 16: Midterm Exam**

**April 21: An Overview of the “In-Home Medical Equipment and Services” Industry** - Richard Chesney, Founder and CEO of Healthcare Market Resources.


**April 23 – April 30: Students presentations**