

**THE WHARTON SCHOOL**  
**University of Pennsylvania**

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**COMPARATIVE HEALTH CARE SYSTEMS (HCMG 859/HCMG 204)**  
Draft Syllabus 8.4.14

Tuesday/Thursday 9:00-10:20am, Fall 2014  
Jon M. Huntsman Hall 250

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### **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 also 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. You should just focus on the main concepts and design features of each country's system of financing and reimbursement, including important changes over time. Details on specific dates, names, or minor statistics are not required.

- 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 changes over time for 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, 2013” 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 or medical education; 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 a topic of specific interest to you. The US can be used for comparison but the US should NOT be the main focus of the paper. The paper should also not replicate material covered in class or in the assigned readings. The **paper is due in class November 20** (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 administered on Canvas some time in October. You will have two hours to complete the exam, within a longer e.g. 18 hour time window. 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. Students may instead take an optional make-up exam during the last class period. 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 2: 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 4: The US Health Care System: Overview and Proposed Reforms**

- "Health Care Costs: A Primer" May 2012 KFF.org
- Shaw et al. (2014). "The Patient Protection and Affordable Care Act: opportunities for prevention and public health." *The Lancet* 384:75-82.
- Korda and Eldridge, (2011/12)."Payment Incentives and Care Delivery: Levers for Health System Reform and Cost Containment." *Inquiry* 48(4):277-287.

**\*\*Optional backgrounders \*\***

- Civitas (revised 2013). "Healthcare Systems: The USA".
- Lorenzoni et al. (2014). "Health-care expenditure and health policy in the USA versus other high-spending OECD countries." *The Lancet* 384:83-92.
- "Summary of the Affordable Care Act." April 13, 2013. Kaiser Family Foundation.

### **September 9: Germany I: Overview and Recent Insurance Reforms**

- Civitas (revised 2013). "Health Care Systems: Germany".
- Gopffarth and Henke. (2013). "The German Central Health Fund – Recent developments in health care financing in Germany." *Health Policy* 109:246-252.

### **September 11: 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.
- Henschke et al. (2013). "Structural changes in the German pharmaceutical market: Price setting mechanisms based on early benefit evaluation." *Health Policy*. 109:263-269.
- *Case: West German Headache Center: Integrated Migraine Care* HBS 9-707-559

### **September 16: 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 18: United Kingdom II: Recent Reforms; P4P**

- House, J. (2011). "UK National Health Service reforms mobilise doctors." *The Lancet* 377: 797-800.
- Lockwood and Macfie. (2012). "Prioritizing clinical care in the cash-strapped NHS." *Surgery* 30:9
- Doran, T. and M. Roland (2010). "Lessons from major initiatives to improve primary care in the United Kingdom." *Health Affairs* 29(5):1023-29.

### **September 23: 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 25: Canada II: Public/Private; Pharmaceuticals**

- Hutchison and Glazier (2013). "Ontario's Primary Care Reforms Have Transformed the Local Care Landscape." *Health Affairs* 32(4):695-703.
- Daw et al. (2012) "Stitching the gaps in the Canadian public drug coverage patchwork" *Health Policy* 104:19-26.
- \*\*Optional\*\* Law et al. (2013). "Growth in private payments for health care by Canadian households." *Health Policy* 110:141-146.
- \*\* Optional\*\* Morgan et al. (2013). Canadian policy makers views on pharmaceutical reimbursement contracts involving confidential discounts from manufacturers." *Health Policy* 112:248-254.

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

- McKee and Busse (2013). "Medical savings accounts: Singapore's non-solution to healthcare costs." *BMJ*, 347.
- Chin (2013). "Inside the Singapore Medical System." *Int. J. Radiation Oncol.* 87:864-866.
- LKY (2013). "Healthcare Financing: How should Singapore's MOH shift costs from private pockets to public purse?" NUS.

### **October 2: Japan's Health Care System – Prof. Naoki Ikegami, Keio Univ.(TBC)**

- Ikegami, N. et al. (2011). "Japanese universal health coverage: evolution, achievements and challenges." *The Lancet* 378(9797):1106-15.
- Hamada et al. (2012). "Effects of the per diem prospective payment system with DRG-like grouping on resource usage and healthcare quality in Japan." *Health Policy* 107:194-201.
- \*\*Optional\*\* Hashimoto et al. (2011). "Cost containment and quality of care in Japan: is there a trade-off?" *The Lancet* 378(9796):1174-82.

### **October 7: 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.

### **October 9: Fall Break**

### **October 14: 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.

### **October 16: Health Systems in Emerging Markets I: Insurance Options; Provider quality; Priority Setting**

- Mills, A. 2014 "Health Care Systems in Low and Middle Income Countries." *NEJM*. 370:552-7.
- Das and Gertler, 2006. "Variations in practice quality in five low-income countries." *Health Affairs* 26(3):w296-w309.
- Binagwaho et al. (2014) "Ruanda 20 years on: investing in life." *Lancet* 384:371-5.

### **October 21: 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 23: The UK III: Adrian Towse, Director, Office of Health Economics, London**

- Holmes, D. (2013) "All change for NHS in England as legislation takes effect." *The Lancet* 381: 1169-70.
- Raftery. (2013). "Value-based pricing: Can it work? *BMJ* Oct.

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

- Missoni and Solimano, (2010). "Towards Universal Health Coverage: The Chilean Experience" *World Health Report (2010) Background Paper 4*.
- 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**

- Swedish Agency for Growth Policy Analysis. "China's Healthcare System: Overview and Quality Improvements" (2013).
- Yip, W.C.M. et al. (2012). "Early appraisal of China's huge and complex health reforms." *The Lancet* 379:833-42.
- "Feeling your pain." *The Economist* 4/27/13.
- "Corruption blights China's healthcare system."  
<http://world.time.com/2013/08/02/corruption-blights-chinas-healthcare-system/print>

### **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).
- Fan (2013). "The early success of India's health insurance for the poor (RSBY)" CGD.
- Pollock et al. (2012). "India's patent laws under pressure." *The Lancet* 380:e1-4.
- *Case: Vaatsalya Hospitals: Affordable Health Care in Proximity. IIM Bangalore IMB 327*

### **November 6: Latin America II: Brazil – Dr. Leandro Reis MD, Director, National Private Health Insurance Agency (TBC)**

- Paim, J. et al. (2011). “The Brazilian health system: history, advances and challenges.” *The Lancet* 377(9779):1778-97.
- *Case: AMIL and the Health Care system in Brazil. HBS 9-312-029. StudyNet*

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

- Milstein and Kaddar. (2006) “Managing the effect of TRIPS on availability of priority vaccines.” *Bulletin of WHO* 84:360-65.
- Faden et al. (2011) “Active pharmaceutical management strategies of health insurance systems to improve cost-effective use of medicines in low and middle income countries: A review of the evidence.” *Health Policy* 100:134-143.
- 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)**

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

- Busse, R., U. Nimsch, and T. Mansky (2009). “Measuring, monitoring, and managing quality in Germany’s hospitals.” *Health Affairs* 28(2):w294-304.
- Sutton et al. (2012). “Reduced Mortality with Hospital P4P in England.” *NEJM* 367: 1821-8.
- 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.

### **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,” *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.

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

- Schoen et al. (2012). “A survey of primary care doctors in 10 countries shows progress in use of health IT, less in other areas.” *Health Affairs* 31(12):2805-2816.
  - Barlow et al. (2013). “Europe sees mixed results from public-private partnerships for building and managing health care facilities and services “ *Health Affairs* 32(1):146-154.
  - Leng, C.H. (2010). “Medical Tourism and the State in Malaysia and Singapore.” *Global Social Policy* 10: 336.
- \*\*Papers due by 3:00 PM (hard copy in class and electronic copy via Canvas)\*\***

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

- Basu et al. (2012). “Patient Access to Medical devices – A comparison of US and EU review processes.” *NEJM* August 9, 2012.
- Campillo-Artero, (2012). “A full-fledged overhaul is needed for risk and value-based regulation of medical devices in Europe.” *Health Policy* 113:38-44
- “Jiamei Dental: Private Health Care in China.” HBS #910404. [[Available from Study.Net](#)]

### **December 2: Student Presentations I**

### **December 4: Student Presentations II**

**December 9: Make-up Final**