

**HCMG 101 – HEALTH CARE SYSTEMS  
SPRING 2015  
T/TH 1:30-2:50, SHDH 351**

Scott Harrington

Alan B. Miller Professor, Health Care Management

[harring@wharton.upenn.edu](mailto:harring@wharton.upenn.edu)

[www.scottharringtonphd.com](http://www.scottharringtonphd.com)

Office hours: Thursdays 4:00-5:30, 206 Colonial Penn Center

TAs: Jolene Bressler ([sjolene@wharton.upenn.edu](mailto:sjolene@wharton.upenn.edu); office hours: Tuesdays 4:30-6) and Matthew Adkins ([madkins@wharton.upenn.edu](mailto:madkins@wharton.upenn.edu); office hours: Wednesdays 4:30-6); office hours held in the HCMG Lounge, Colonial Penn Center (on Locust Walk across from SHDH), basement. 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 financing and delivery of health care in the United States. It covers providers of care, 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 economic incentives facing institutions and individuals and to the economic context of important health policy issues.

## **READINGS**

Required: Paul J. Feldstein, Health Policy Issues: An Economic Perspective, 5th ed., available at the PENN Bookstore. (The 4<sup>th</sup> 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://canvas.upenn.edu/courses/1268816>. If you experience problems accessing Canvas, please contact Allison Hedges [ahedges@wharton.upenn.edu](mailto:ahedges@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.

## **MIDTERM EXAMS AND WRITING ASSIGNMENT**

Exam 1 (February 12, in class)	100 pts
Exam 2 (March 24, in class)	100 pts
Exam 3 (April 28, in class)	100 pts
Writing assignment (April 9)	50 pts

The exams will be non-cumulative and a combination of multiple choice, identification, and short answer questions. Five required and/or bonus points for each exam 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: 305 and above; B+, B, B- range: 270 – 305; C+, C, C- range: 235 – 270; D+, D, range: 200 – 235. Plus and minus cutoffs will depend on class performance and 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 article or blog post 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 9.**

I will grade the assignment based on substance (what you say) and exposition (how you say it). 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. A regrade can result in an increase, decrease, or no change in points.

### CLASS PROTOCOL

Attendance is important; participation is encouraged. You should seek to arrive on time and, unless you inform me prior to class or become ill during class, stay throughout. Please remain quiet unless participating and abide by the rules announced in class regarding electronics. Protocol violations may be penalized by point deductions at my discretion.

### GUEST SPEAKERS

- **Richard Cooper, MD**, Director, Center for the Future of the Healthcare Workforce at the New York Institute of Technology
- **Guy David, PhD**, Associate Professor of Health Care Management
- **Samuel Fager, MD, JD, MBA**, President, S.S. Fager Consulting
- **Said A. Ibrahim, MD, MPH**, Professor of Medicine
- **Ann M. Kutney-Lee, PhD, RN**, Assistant Professor of Nursing
- **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
- **Kurt Wrobel, FSA**, Chief Actuary, Geisinger Health Plan

### SCHEDULE

#### Jan. 15-20: U.S. health care spending in a global context

- Feldstein, Chapters 1-2
- Anderson, G. and B. Frogner. Health spending In OECD countries: Obtaining value per dollar. Health Affairs 27(6): 1718-1727. Nov/Dec 2008.
- Laugesen, M. and S. Glied. Higher fees paid to U.S. Physicians drive higher spending for physician services compared to other countries. Health Affairs 30(9): 1647-56.

**Jan. 22: Health, medical care, and the value of medical spending**

- Feldstein, Chapter 3, 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. Sept. 2009.

**Jan. 27, 29, & Feb. 3: Private health insurance and ACA reforms**

- Feldstein, Chapters 6-7, 19, 36, Appendix
- 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.
- Goodell, Sarah and Kate Bundorf. Consumer-directed health plans: Do they deliver? Robert Wood Johnson Foundation Policy Brief No. 24. October 2012.
- Jost, Timothy. The Affordable Care Act largely survives the Supreme Court's scrutiny – But barely. Health Affairs 31(8): 1659-1662. August 2012.
- Risk adjustment in health insurance. Health Affairs Health Policy Brief. August 2012.

**Feb. 5-10: Medicare – government insurance for the elderly and disabled**

- Feldstein, Chapter 8, 10
- Medicare at a glance. Kaiser Family Foundation. January 2015.
- 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.
- Restructuring Medicare. Health Affairs Health Policy Brief. June 20, 2013.
- Premium support in Medicare. Health Affairs Health Policy Brief. March 22, 2012.

**Feb. 12: EXAM 1**

**Feb. 17: More on health care reform (Kurt Wrobel)**

**Feb. 19: Health and behavior (Kevin Volpp)**

- Workplace wellness programs. Health Affairs Health Policy Brief. May 16, 2013.
- Volpp, Kevin, et al. Redesigning employee health incentives – Lessons from behavioral economics. New England Journal of Medicine 365(5). August 4, 2011.

**Feb. 24: Medicaid – government insurance for the poor**

- Feldstein, Chapter 9
- Medicaid Moving Forward. Kaiser Family Foundation. August 2014.
- Antos, J. and J. Capretta, A health reform framework: breaking out of the Medicaid model. Health Affairs Blog. July 10, 2014. <http://healthaffairs.org/blog/2014/07/10/a-health-reform-framework-breaking-out-of-the-medicaid-model/>

**Feb. 26: Poverty, health, and regional variation in health care costs (Richard Cooper)**

- Gawande, Atul. The cost conundrum: What a Texas town can teach us about health care. The New Yorker. June 1, 2009.

**Mar. 3-5: Introduction to the hospital sector (Guy David)**

- Feldstein, Chapters 14, 15, 16, 17
- A review of the evidence on hospital cost-shifting. Changes in Health Care Financing & Organization Findings Brief 14(3). May 2011.

**Mar. 17: The evolving role of physicians (Samuel Fager)**

**Mar. 19: More on 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.

**Mar. 24: EXAM 2**

**Mar. 26 & April 2: Pharmaceuticals / biologics / medtech**

- Feldstein, Chapters 25, 26, 27, 28
- Margot Sanger-Katz, \$1,000 hepatitis pill shows why fixing health costs is so hard. The Upshot, New York Times Blog. August 2, 2014. <http://www.nytimes.com/2014/08/03/upshot/is-a-1000-pill-really-too-much.html?abt=0002&abg=1>
- Biosimilars. Health Affairs Health Policy Brief. October 10, 2013.

**Mar. 31: Nursing (Ann Kutney-Lee)**

- Feldstein, Chapter 24
- Nurse practitioners and primary care. Health Affairs Health Policy Brief. May 15, 2013.

**April 7: Assessing health outcomes (Jeffrey Silber)**

- Pay-for-performance. Health Affairs Health Policy Issue Brief. October 11, 2012.

**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 14: Improving medical care quality and safety (Samuel Fager)**

- Feldstein, Chapters 4, 12

**April 16: A brief look at health care financing in selected countries**

- Feldstein, Chapter 32

**April 21: Disparities in health care (Said Ibrahim)**

- Eliminating racial/ethnic disparities in health care: what are the options? Kaiser Foundation, October 2008.

**April 23: Wrap up**

**April 28: EXAM 3**