

HCMG 213: Health Care Management and Strategy- The Business of Health Care

The Wharton School, University of Pennsylvania

Fall 2016

Monday / Wednesday, 12:00pm – 1:30pm

Location: CPC Auditorium

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Course Description

This course presents an overview of the business of health and how a variety of health care organizations have gained, sustained, and lost competitive advantage amidst intense competition, widespread regulation, high interdependence, and massive technological, economic, social, and political changes – and the role of innovation in that process. Specifically, using competitive analysis as our framework, we will evaluate the challenges health care organizations are facing, identify their past responses, and explore how they are using innovation as a strategy to manage these challenges (and emerging ones) more effectively. This fall we will also examine how health care reform is influencing the strategies of different players. The course is organized around a number of lectures, readings, outside speakers, and a required project.

Objectives

Students will develop generalized skills in competitive analysis, with a particular focus on innovation as a competitive weapon, and will be challenged to apply those skills in the analysis of specific examples of organizational innovation. The principal deliverable is a group project focused on innovation in one of three strategic domains in health care:

1. Delivering care to cure illness
2. Promotion of healthy behaviors and choices
3. Managing health information

Prerequisites

HCMG 101, or permission of the instructors.

Readings

Most course readings are available through the course site on Canvas. Additional articles on current health care business topics may be posted before some class sessions. Students may occasionally need to use the citation information to retrieve articles online from the Penn library. The in-class case study will need to be purchased from Harvard Business School press.

Grading and Deliverables

Group project – 55%

The majority of your grade will be based upon successful completion of a series of deliverables related to the course's group project. You will be asked to submit your project domain preferences by the start of class session #8 (9/28/16) and will subsequently be assigned to teams of 4 – 5. During the semester, your team's deliverables will include a Resource Base, Landscape Analysis, Project Plan and a Final Paper. The Final Paper submitted at the end of the semester will critically evaluate the innovation strategy used by the health care organization you have chosen. Choices can include any organization along the health care value chain, provided it falls within your assigned project domain.

We will schedule individual meetings outside of class with project teams for the first week of October to assess your choice of organization and to guide you in developing the strategic profile. We will also make other class times available for discussions with project teams on an as needed basis. Each team will be required to submit the following:

Resource Base – 5%, due before class 10/5/16

The resource base will be a 1-2 page summary of the resources you plan to use in carrying out the semester-long project. These resources might include both primary and secondary sources. Be sure to think broadly about the kinds of resources to which you might gain access.

Landscape Analysis – 15%, due 5pm 11/2/16

The landscape analysis will be an 8-10 page overview of the nature and structure of competition in the project domain your team will be working in. Who are the major players, what are the regulatory constraints, where are the opportunities?

Final Paper – 35%, due 5pm 12/12/16

Final papers should not exceed 20 pages (double-spaced, 12-point font), exclusive of appendices. In preparing the final paper, you should demonstrate an understanding of the basics of competitive analysis and the role of innovation as a competitive weapon, and a deep understanding of their application in the health care setting you have chosen. The final paper may include a summary of the landscape analysis submitted earlier in the semester, but the expectation is that the analysis of the competitive environment of the organization you have chosen to profile will be much more fine-grained. You will be asked to present your analysis to the class and, where possible, to the organization you have analyzed at the end of the semester.

Case Study #1 – 10% due before class 10/3/16

(To be submitted individually)

Live Case: Accolade – 15%, due before class 10/24/16

You will be given background information on this organization a week before the class in which the case will be discussed and will be asked to prepare a 2-page memo with a critical appraisal of the organization's strategy for their top management team. They will come to class on the day your memo is due for a discussion of their current situation and your analysis of their options going forward. Three or four of you will be randomly chosen to summarize your analyses for them at the beginning of the class session.

Case Study #2 – 10% due before class 10/31/16

(To be submitted individually)

Group Process Reflection – 10%, due 5pm 12/16/16

(To be completed individually) You will also be asked to submit a minimum 3-page reflection of your project experience that discusses how your assigned group operated as a team, including any challenges you faced during the process, how you addressed them, and what learning you draw from your experience about team effectiveness.

NOTE: Unless otherwise indicated, all assignments must be submitted prior to the start of the class session on the day they are due.

Class Schedule and Assigned Readings

1. Wednesday 8/31/16. Introduction to Strategy
 - a. Prof. Kimberly and Myers
 - b. Assignment:
 - i. Five Questions – on Canvas
 - ii. NYTimes 2011 – Fading of CEO Nuns
2. Wednesday 9/7/16. Speaker: Health Reform
 - a. Stuart Guterman, PhD, Senior Scholar at AcademyHealth, former vice president for Medicare and Cost Control at The Commonwealth Fund.
 - b. Due: Read up on Dr. Guterman's background
(See <http://www.commonwealthfund.org/about-us/experts/guterman-stuart>) and the following articles:
 - i. Obama – US Health Reform
 - ii. Butler – Revising the ACA
 - iii. Skinner & Chandra – Past and future of the ACA
3. Monday 9/12/16 Overview of the Healthcare Landscape I: The Macro Perspective – How health care is different from other sectors of the economy
 - a. Prof. Kimberly
 - b. Assignment:
 - i. Asch and Volpp, NEJM 2012 “What business are we in? The emergence of health as the business of health care.”

- ii. Identify four factors that are shaping the health care landscape currently. Be prepared to present them to the class
- 4. Wednesday 9/14/16. Domain Discussion
 - a. Speaker: TBD
 - b. Readings: TBD
- 5. Monday 9/19/16. Domain Discussion
 - a. Speaker: TBD
- 6. Wednesday 9/21/16. Domain Discussion: Managing health information
 - a. Speaker: Bill Hanson, MD., Chief Medical Information Officer and Vice President
 - b. Professor of Anesthesiology and Critical Care at the Hospital of the University of Pennsylvania
 - c. Readings: TBD
- 7. Monday 9/26/16. Overview of the Healthcare Landscape II: The Micro Perspective
 - a. Prof. Kimberly
 - b. Readings:
 - i. Hanson, William (Sept/Oct 2011). The Other Health Care Revolutions. The Pennsylvania Gazette, 45-50.
 - ii. Gawande, A. (2012). "Big Med: Restaurant chains have managed to combine quality control, cost control, and innovation. Can health care?" The New Yorker, August 13.
- 8. Wednesday 9/28/16. Strategy in Action, CVS and SoulCycle
 - a. Prof. Kimberly and Myers
 - b. Assignment: Research the background, history, and current position of each company. Identify the most significant strategic moves each company has made since their founding and submit to Canvas.
 - c. Due before class: Domain preferences; Assignment above.
 - d. Teams will be assigned after class
- 9. Monday 10/3/16. Case Study #1 Discussion
 - a. Prof. Kimberly and Myers
 - b. Assignment: Case study #1
 - c. Due before class: Case study #1
- 10. Wednesday 10/5/16. Strategic analysis fundamentals
 - a. Myers
 - b. Readings:
 - i. Porter 2008 – The Five Forces
 - ii. The Atlantic 2015 – Happy or Healthy
 - iii. The Guardian 2015 – Taylor Swift vs. Apple
 - c. Due before class: Firm choice and Resource Base
- ***Week of 10/10/16 – Meetings with Prof. Kimberly and Myers outside of class to discuss firm choices and Resource Base results.
- 11. Monday 10/10/16. Lemonade Stand Battle!
 - a. Myers
- 12. Wednesday 10/12/16. Lemonade Debrief / Innovation as a Strategic Weapon Pt.1
 - a. Prof. Kimberly and Myers

- b. Assignment: What is Blue Ocean Strategy? How relevant is BOS for the health care sector?
Be prepared to present an example of BOS in health care.
- 13. Monday 10/17/16. Reserved for Team Meetings
- 14. Wednesday 10/19/16. Reserved for Team Meetings
- 15. Monday 10/24/16. Accolade Leadership in class
 - a. Due: Accolade memo
- 16. Wednesday 10/26/16. Accolade Debrief / Innovation as a Strategic Weapon Pt.2
 - a. Prof. Kimberly and Myers
- 17. Monday 10/31/16. Case Study #2 Discussion
 - a. Prof. Kimberly and Myers
 - b. Assignment: Case study
 - c. Due before class: Case study
- 18. Wednesday 11/2/16. Speaker: Dr. Stephen Klasko, MD, MBA, President and CEO of Thomas Jefferson University and Jefferson Health
 - a. Due before class: Landscape Analysis. Read up on Dr. Klasko and his efforts to transform the Jefferson health system, see <http://leadership.jefferson.edu/about/>.
- ***Week of 11/7/16 – At student's request, meetings with Prof. Kimberly and Myers to discuss progress on Final Projects.
- 19. Monday 11/7/16. Reserved for team meetings
- 20. Wednesday 11/9/16. Reserved for team meetings
- 21. Monday 11/14/16. Life at a new healthcare start-up
 - a. Speaker: Ani Vemprala, Chief Technology Officer, Picwell
- 22. Wednesday 11/16/16. Final Presentations
- 23. Monday 11/21/16. Final Presentations
- 24. Wednesday 11/23/16. NO CLASS - THANKSGIVING
- 25. Monday 11/28/16. Final Presentations
- 26. Wednesday 11/30/16. Final Presentations
- 27. Monday 12/5/16. Current research: Globalization and Health
 - a. Prof. Kimberly
- 28. Wednesday 12/7/16. Current research: Incentives for Innovation
 - a. Myers
- 29. Monday 12/12/16. Wrap-Up
 - a. Prof. Kimberly and Myers
- 30. ***Friday 12/16/16, 5pm. Final Paper and Group Reflection due.