

THE WHARTON SCHOOL
University of Pennsylvania
HEALTH CARE MANAGEMENT DEPARTMENT

HCMG 101 – HEALTH CARE SYSTEMS – Section 001
FALL 2017
T/TH 12:00 – 1:30, SHDH 351

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OVERVIEW

This course examines the various components of the U.S. health care system and how the components interact with one another. We begin by examining health care expenditure and the role of medical care in producing health. We then examine the objectives and behavior of key stakeholders in the system: consumers, employers, and taxpayers who pay for health care; private and public (i.e., Medicare and Medicaid) health insurers who manage the funds; physicians and hospitals who actually provide medical care; and pharmaceutical and medical device firms that supply products. Students will also learn how to apply basic economic reasoning to examine health policy issues, including covering the uninsured, and controlling the growth rate of medical spending.

READINGS

Required Texts available at the PENN bookstore:

1. Paul J. Feldstein, Health Policy Issues: An Economic Perspective, 5th ed. (*4th edition should work too. All the chapter numbers are the same, but it does not reflect the most recent changes in the health care system.*)
2. David M. Cutler, “The Quality Cure: How Focusing on Health Care Quality Can Save Your Life and Lower Spending Too.” 2014. (Required text).
3. David M. Cutler, “Your Money or Your Life: Strong Medicine for America’s Healthcare System.” (Optional)

Other required assigned readings are available on study.net or from links provided in syllabus.

LECTURES

Outlines/slides for lectures will be posted on Canvas. Speakers may expand or cover additional material beyond the slides.

LECTURERS

Throughout the semester there will be guest speakers. The list of guests include:

- **Abby Alpert, PhD**, Assistant Professor, Department of Health Care Management
- **Molly Candon, PhD**, Postdoctoral Researcher, The Wharton School

- **Guy David, PhD**, Associate Professor of Health Care Management, The Wharton School
- **Samuel S. Fager, MD, MBA, JD** Children's Hospital of Philadelphia
- **Gregory Kruse** Health Care Management, The Wharton School and UPHS
- **Sean McElligott**, Director, Janssen Pharmaceutial
- **Amol Navathe, MD PhD** Assistant Professor of Medicine, Perelman School of Medicine
- **Mitesh Patel, MD, MBA**, Assistant Professor of Medicine, Perelman School of Medicine
- **Lindsey Patterson**, PhD Student, Wharton, Department of Health Care Management
- **Julie Sochalski, PhD, FAAN, RN**, Professor of Nursing, School of Nursing

EXAMS AND QUIZES

Exam #1	(Sept 19)	20%
Exam #2	(Oct 24)	30%
Exam #3	(Dec 7)	30%
Discussion participation		20%

Exams: The exams will be a combination of multiple choice and short essay. Exams must be taken when scheduled with exceptions pursuant to University rules.

Discussion Participation: I will post a weekly discussion question online 8 times during the semester. All students are encouraged to participate in all discussions. This is an excellent way to keep up with the most important issues covered in class. The TAs will monitor the discussions and grade responses as either “complete” or “incomplete.” A full discussion participation grade will be achieved with 6 “complete” entries. You will receive 10 points for each complete entry until you hit a maximum of 60 points. This represents your discussion participation grade. Keep deadlines for each discussion in mind as late entries will not be accepted.

LECTURE TOPICS AND READINGS

I. Health and Medical Spending

August 29 The Health Care System in the United States

- “The Quality Cure” Chapter 1.

August 31 Will I be able to afford health care when I get old?

- Feldstein: Chapter 1.
- Martin AB. Et al. National Health Spending: Faster Growth In 2015 As Coverage Expands And Utilization Increases. *Health Affairs* 36, 1(2017):166-176.
<http://content.healthaffairs.org/content/36/1/166.full.pdf+html>
- *Health Care Costs: A Primer*. Rep. Kaiser Family Foundation, 2012.
<https://kaiserfamilyfoundation.files.wordpress.com/2013/01/7670-03.pdf>
- Glied S, Ma S, Solis-Roman C. “Where The Money Goes: The Evolving Expenses Of the US Health Care System.” *Health Aff*, July 2016; 35(7): 1197-1203
<http://content.healthaffairs.org/content/35/7/1197.full.pdf+html>
- Polsky D. Grande D. “The Burden of Health Care Costs for Working Families - Implications for Reform.” *New England Journal of Medicine*. 2009; 361(5): 437-439.
<http://www.nejm.org/doi/full/10.1056/NEJMp0905297#t=article>

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September 5 Does the US get better health from more spending?

- “The Quality Cure” Chapter 2.
- Reinhardt U, Hussey P, Anderson G. “U.S. health care spending in an international context.” *Health Aff*, May/June 2004; 23(3):10-25.
<http://content.healthaffairs.org/content/23/3/10.full>
- E. C. Schneider, D. O. Sarnak, D. Squires, A. Shah, and M. M. Doty, Mirror, Mirror 2017: International Comparison Reflects Flaws and Opportunities for Better U.S. Health Care, The Commonwealth Fund, July 2017.
<http://www.commonwealthfund.org/publications/fund-reports/2017/jul/mirror-mirror-international-comparisons-2017>

September 7 The Value of Medical Spending

- Feldstein: Chapters 2 and 5. (For those with the 5th Edition also read chapter 21 “Comparative Effectiveness Research”)
- The Obscure Drug with a Growing Medicare Tab:
<http://www.nytimes.com/2014/08/05/upshot/the-obscure-drug-with-a-growing-medicare-tab.html?rref=upshot>
- Dealing with Opioid Abuse Would Pay for Itself:
<http://www.nytimes.com/2014/08/05/upshot/dealing-with-opioid-abuse-would-pay-for-itself.html?rref=upshot>
- The \$1,000 Hepatitis Pill Shows Why Fixing Health Costs Is So Hard:
<http://www.nytimes.com/2014/08/03/upshot/is-a-1000-pill-really-too-much.html?rref=upshot>

September 12 Do other countries do it better? Comparative health systems.

- Ellis RP. Chen T. Luscombe CE. “Comparisons of Health Insurance Systems in Developed Countries” <http://www.bu.edu/law/files/2016/01/EllisPaper.pdf>
- Papanicolas, I. Jha AK. :Challenges in International Comparison of Health Care Systems” JAMA. 2017. <http://jamanetwork.com/journals/jama/article-abstract/2646461>.

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September 14 Why is the Health Care System About Medical Care and Not Health? (Molly Candon)

- Feldstein: Chapter 3.
- Cawley J. “The economics of childhood obesity.” *Health Aff* (Millwood). 2010 Mar-Apr;29(3):364-71.
<http://content.healthaffairs.org/content/29/3/364.full>

II. Health Insurance

September 19 A brief introduction to Insurance

- Feldstein: Chapter 6

EXAM #1

September 21 Health Insurance and Moral Hazard

- Feldstein: Chapters 19 and 20.

September 26 Shopping for private health insurance

- 3 things to know before you pick a health insurance plan. HealthCare.gov.
<https://www.healthcare.gov/choose-a-plan/comparing-plans/>
- How to find the health insurance plan that's right for you. HealthCare.gov. March 2014.
<https://www.healthcare.gov/blog/how-to-find-the-health-insurance-plan-that-s-right-for-you/>
- How to pick a health insurance plan. ConsumerReports. September 2014.
<http://www.consumerreports.org/cro/2012/09/understanding-health-insurance/index.htm>

September 28 Case study

October 3 Medicare: How does gov't sponsored health insurance work?

- Feldstein: Chapter 8
- *Medicare: A Primer*. Rep. Kaiser Family Foundation, 2015.
<http://files.kff.org/attachment/report-a-primer-on-medicare-key-facts-about-the-medicare-program-and-the-people-it-covers>

October 10 Medicaid and Access to Care

- Feldstein: Chapter 9
- *Medicaid Pocket Primer*. <http://www.kff.org/medicaid/fact-sheet/medicaid-pocket-primer/>

October 12 The Uninsured and health reform

- - Feldstein: Chapters 32, 33, and 34
- Sered, S. "Faces of the Newly Insured." Commonwealthfund.org January 2015.
<http://features.commonwealthfund.org/faces-of-the-newly-insured>
- Majerol M, Newkirk V, and Garfield R. "The Uninsured: A Primer Key Facts About Health Insurance and The Uninsured In the Era of Health Reform." Kaiser Family Foundation, November 2015.
<http://files.kff.org/attachment/primer-the-uninsured-a-primer-key-facts-about-health-insurance-and-the-uninsured-in-the-era-of-health-reform>
- *Summary of New Health Reform Law*. Rep. Kaiser Family Foundation, 2010.
<http://healthreform.kff.org/Subsidycalculator.aspx>

October 17 Health Insurance Concepts: Adverse Selection

- Feldstein: Chapter 7

October 19 Coverage under Affordable Care Act

- Obama, B. "United States Health Care Reform Progress to Date and Next Steps." *The Journal of the American Medical Association*. August 2, 2016, 316(5): 525-532
<http://jama.jamanetwork.com/article.aspx?articleid=2533698>.

- Health Insurance Coverage and Health — What the Recent Evidence Tells Us Benjamin D. Sommers, M.D., Ph.D., Atul A. Gawande, M.D., M.P.H., and Katherine Baicker, Ph.D. *N Engl J Med* 2017; 377:586-593 August 10.
<http://www.nejm.org/doi/full/10.1056/NEJMs1706645>

October 24 EXAM #2

III. The Evolving Health Care workforce

October 26 Physicians (Samuel Fager)

- Feldstein Chapters 4 and 12
- Weeks WB, Wallace AE, Wallace MM, Welch HG. A comparison of the educational costs and incomes of physicians and other professionals. *NEJM* 330(18): 1280-1286.
<http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.202.69&rep=rep1&type=pdf>

October 31 Nursing (Julie Sochalski)

- Feldstein Chapter 24

November 2 Hospitals (Guy David)

- Feldstein: Chapters 14 and 17.

November 7 Pharmaceuticals and Biotech (Sean McElligott)

- Feldstein: Chapter 25, 26, 27, and 28

IV. The evolving payment models for health care

November 9 How Providers are paid and how it is changing

- McWilliams JM, Hatfield LA, Chernew ME, Landon BE, Schwartz AL. “Early Performance of Accountable Care Organization in Medicare.” *The New England Journal of Medicine*. April 13, 2016
<http://www.aahs.org/medstaff/wp-content/uploads/ACOPerformNEJM2016.pdf>
- Song Z, Rose S, Safran DG, Landon BE, Day MP, Chernew ME. “Changes in Health Care Spending and Quality 4 Years into Global Payment.” 2014;371:1704-14.
<http://www.nejm.org/doi/pdf/10.1056/NEJMs1404026>
- Rajukumar R, Press MJ, Conway PH. “The CMS Innovation Center- A Five-Year Self Assessment.” *The New England Journal of Medicine*; 372: 1981-1983. May 21, 2015.
<http://www.nejm.org/doi/pdf/10.1056/NEJMp1501951>

November 14 Hospital perspective of changing payment models (Gregory Kruse)

- Feldstein: Chapters 15 and 16

November 16 Value innovations enabled through aligned incentives

- Payment Reform for Better Value and Medical Innovation: A Vital Direction for Health and Health Care <https://nam.edu/wp-content/uploads/2017/03/Payment-Reform-for-Better-Value-and-Medical-Innovation.pdf>

November 21 Physician perspective on changing payment models (Amol Navathe)

- Feldstein Chapters 10, 11, and 23
- Vaughn BT, DeVrieze SR, Reed SD, Schulman KA. “Can we close the income and wealth gap between specialists and primary care physicians?” *Health Aff* (Millwood). 2010 May;29(5):933-40.
<http://content.healthaffairs.org/content/29/5/933.full>
- “The Tangled Hospital-Physician Relationship” by Jeff Goldsmith, Nathan Kaufman, and Lawton Burns. <http://healthaffairs.org/blog/2016/05/09/the-tangled-hospital-physician-relationship/>
- “The Net Present Value and Other Economic Implications of a Medical Career” Reinhardt, Uwe E. PhD *Academic Medicine*: July 2017 - Volume 92 - Issue 7 - p 907–911.http://journals.lww.com/academicmedicine/Citation/2017/07000/The_Net_Present_Value_and_Other_Economic.25.aspx
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IV. Special topics

November 28 Innovation: Health as the Business of Health Care: What is digital/connected health? Will my FitBit make me healthier? (Mitesh Patel)

- New York Times: Apps Alert the Doctor When Trouble Looms.
<http://well.blogs.nytimes.com/2012/10/08/apps-alert-the-doctor-when-trouble-looms/>
- New York Times: The Doctor’s Bag for the New Millennium.
<http://well.blogs.nytimes.com/2012/10/08/the-doctors-bag-for-the-new-millennium/>

November 30 The Future of Health Care.

December 5 Opioid Crisis (Abby Alpert)

- Short Answers to Hard Questions About the Opioid Crisis.
<https://www.nytimes.com/interactive/2017/08/03/upshot/opioid-drug-overdose-epidemic.html?mcubz=0>
- Drug Deaths in America Are Rising Faster Than Ever.
<https://www.nytimes.com/interactive/2017/06/05/upshot/opioid-epidemic-drug-overdose-deaths-are-rising-faster-than-ever.html?mcubz=0>

December 8 EXAM #3