

Managing Health Care Organizations (HCMG 860X)

The Wharton School, University of Pennsylvania

Spring 2019

Instructor:

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Meeting times and locations:

Class times: Mondays & Wednesdays, 3:00-4:20 PM
Office hours and location: Weds., 4:30-5:30PM or appointment
at 3641 Locus Walk, Colonial Penn Center 207

Teaching Assistants:

To be named

To be named

Course Description:

This course aims to improve enrollees' ability to effectively manage and lead health care organizations (HCOs, including hospitals, medical groups, insurers, biopharmaceutical firms, etc.). The course is designed to integrate previous course work in general management, health care, and health policy to further participants' understanding of organizational, managerial, and strategic issues facing HCOs and the health care workforce. This is a management not economics course. The course will provide participants with a foundation for developing, implementing, and analyzing efforts to improve HCOs' performance. A major objective of the course is to sharpen the leadership, problem-solving, and presentation skills of those who aim to hold operational and strategic positions in health care organizations. Another objective is to introduce enrollees to leading HCOs. Through case studies, readings, in-class exercises and class discussions, participants will learn analytic frameworks, concepts, tools and skills necessary for leading and managing organizational learning, quality improvement, innovation, and overall performance in HCOs.

Intended Audience:

The course is for graduate students with an interest in the management of HCOs who have completed core courses in management, and thus are prepared to examine how multiple areas of management science are applied to solve problems in health care organizations. Because we will cover major issues for various types of HCOs, this course is for those who seek a capstone experience (they want a working knowledge of management issues across health industries) as well as those who desire a survey of key subjects before taking additional classes in specific industries. Students who are not enrolled in a Wharton graduate program should request the instructor's permission to enroll; evidence of relevant training or experience is required for permission to be granted. Undergraduates and auditors are not allowed.

Learning Objectives:

The objective of this course is to integrate previous course work in health care and in management to enhance problem-solving and analytical skills of students interested in careers and leadership in the health care industry.

By the conclusion of the course, participants will be able to:

1. identify and frame health care management problems;
2. define and choose among alternative strategies for addressing the identified problems;
3. develop plans for implementing chosen strategies;
4. articulate methods of evaluating implemented strategies;
5. apply leadership and teamwork skills in the multidisciplinary (managerial and clinical) environment of health care; and
6. work effectively in a team to formulate and present an action plan.

Course Format:

With the exception of student presentation sessions, each session will involve discussion of a case study or assigned readings. This class only works if students read the case. Study questions are offered for each session to guide students in critical evaluation of material. Thinking about the questions in advance of class should enhance ability to contribute to class discussion. Although most cases involve U.S. HCOs, the lessons may be applicable broadly. The lessons and theories conveyed by each case will be summarized at the conclusion of each session.

Course Materials: Cases and required readings are available on Canvas.

Course Requirements:	Due Date	% of Grade
Constructive classroom participation	Every class	20%
Midterm: Group case presentation	February ##	20%
Written case analysis (1)	February ## at # pm	20%
Final: Group project presentation	April ##	20%
Written case analysis (2)	April ## at # pm	20%

Course Requirements in Detail:

- Classroom participation: Students are expected to attend every class and participate in class discussion. Credit is awarded based on participation not attendance. If a student must miss a class, s/he should notify the instructor. If the student wishes to receive credit for the missed class, s/he should submit responses to the case questions (one paragraph per question) and a paragraph about each reading for that session that addresses how the author would respond to the case. This make-up assignment should be e-mailed to the TAs by #pm on the day of the missed class. No more than two make-up assignments may be submitted.
- Written case analysis (1) and (2): Without consulting with classmates and external sources (e.g., the internet, material from other classes or experiences), students will prepare two written case analyses in 6 double-spaced pages maximum (excluding references and exhibits of financial analysis) with 1-inch margins and text in 12-point font. The first written analysis should be completed for our Session 13 case (Narayana Hyudayalaya Heart Hospital); it is due on Feb #th at #pm. The final written case analysis will be announced at a later date. Questions to be answered in the case analysis will be assigned one week before the assignment is due. Your write-up should address each question asked. Arguments made in your analyses should be justified with evidence and/or logic. Please upload your analysis to Assignments folder on Canvas and deliver a paper copy in-class.
- Group midterm case presentations: Each student will join one case analysis group (5-7 members each). Groups will be formed to include students of diverse academic backgrounds if cross-registrants enroll. Each group will analyze and present a case (from a choice set) during Week 6 (Session 10 or 11). Presentations, including question-and-answer, will be 20 minutes. This assignment provides students with the opportunity to present their analysis, recommendations and implementation plans before an audience and receive feedback on content and individual presentation style. Groups should be prepared to answer questions throughout. In these sessions, participation credit is awarded for asking thoughtful questions of presenters as if an executive panel. Groups should provide a paper copy of their slides to Ingrid and TAs. To conserve paper, multiple slides per page is appreciated.
- Group capstone project presentation: Each group of students should choose an issue or dilemma faced by health care managers or entrepreneurs of personal interest as the subject of their project. The project should involve investigation of the chosen topic and reflect group analysis of the issue or dilemma and possible responses. Groups will present their project – topic and analysis to the class. Groups should be prepared to respond to questions from the audience. Non-presenting students will again serve as an executive panel.

Wharton MBA Grading System: Per the MBA Program requirements, grades will be based on the A, B, C, D, F system, with +/- distinctions, and the Class MBA grade-point average cannot exceed 3.33. The Wharton MBA Program recommends a distribution of 25-35% A's, 60% B's, and 5-15% C or below. This course will abide by this recommendation.

E-Policy: Cellphone use is not allowed in class. Laptops are not allowed except as needed for in-class exercises. Sending emails, texts, etc. during class is prohibited. Laptop and cellphone use will nullify participation credit for that session.

Honor Code: You may not talk or work with others on the written case analyses. You may not use material submitted for another class by you or another student, or seek information from the internet or other non-class sources. Plagiarism in any assignment is unacceptable. If there is evidence that these rules or the Penn-Wharton Honor Code are violated, the student will be referred to the Wharton honor committee. Please write the following on written cases and sign:

This assignment has been completed in accordance with the Wharton Honor Code. I have not given, received, or witnessed inappropriate exchange of information on this assignment, and I certify that this is my own original work."

Session	Topic, Goals & Cases
1	<p>Introduction: How Business with Clinical Processes Influence Health Care Delivery</p> <p><u>Goals:</u> Understand the roles of clinical and business processes in determining performance outcomes in health care. Appreciate the importance of integrative thinking. Compare and evaluate traditional approaches to managing health care delivery.</p> <p><u>Case:</u> Istituto Clinico Humanitas (A), 9-603-063</p>
2	<p>Operational Failures in Health Care & Strategic Problem-Solving *** SELECT MIDTERM GROUP</p> <p><u>Goals:</u> Use first steps in problem solving paradigm to address common operational failure. Identify first- vs. second-order problem-solving in health care, and implications for organizational management.</p> <p><u>Case:</u> Patient Flow at Brigham and Women’s Hospital (A), 608-171</p>
3	<p>Strategic Problem-Solving: The Implementation Challenge</p> <p><u>Goals:</u> Use later steps in problem solving paradigm: select strategy and design implementation and evaluation plans. Identify common pitfalls in implementation and underlying causes. Understand logic and practice of care paths. Differentiate programmed and non-programmed efforts.</p> <p><u>Case:</u> Massachusetts General Hospital: CABG Surgery (A), 9-696-015</p>
4	<p>The Cultural Challenge to Change in Health Care</p> <p><u>Goals:</u> Appreciate the various organizational cultures in health care delivery organizations and their implications for management. Identify factors that determine, sustain, and influence culture in HCOs</p> <p><u>Case:</u> None</p>
5	<p>Incentives, Motivation, and Changing Professional Behavior</p> <p><u>Goals:</u> Apply motivation theories to develop strategies for improving performance in health care Evaluate the use of financial incentives (i.e. pay-for-performance) in healthcare</p> <p><u>Case:</u> Bridges to Excellence: Bringing Quality Health Care to Life, 9-604-030</p>
6	<p>Strategies for Organizational Learning and Performance Improvement</p> <p><u>Goals:</u> Discuss the models of inter- and intra-organizational learning as approaches to improvement. Discuss the application of management models drawn from production industries.</p> <p><u>Case:</u> Collaborating to Improve, N9-608-054</p>
7	<p><u>Goals:</u> Gain an appreciation for the concept and challenges of organizational learning and developing learning health systems</p> <p><u>Guest:</u> Steve Joffe, MD, MPH, Emanuel and Robert Hart Professor of Medical Ethics and Health Policy, Principal Investigator, Governance of Learning Health Systems Study</p>
8	<p>Innovating in Health Care Delivery (Part 1: Insurers, Providers and Health Information Technology)</p> <p><u>Goals:</u> Understand the types of innovations possible, and the diffusion of innovations in health care Understand IT in health care. Discuss the notion of “disruptive innovation” to health care.</p> <p><u>Case:</u> American Well: The Doctor Will E-See You Now, 510-061</p>
9	<p>Innovating in Health Care Delivery (Part 2: New Roles for Health Care Professionals)</p> <p><u>Goals:</u> Understand the new roles for health professionals in health care: coordinators, virtualists, specialists, extensivist, etc., management problems intended to solve, and effectiveness</p> <p><u>Case:</u> None</p>
10	<p>Midterm Oral Case Presentations</p> <p><u>Goals:</u> Apply problem solving and present strategic recommendation with implementation and evaluation plans. Practice presentation skills, manage questions and receive feedback.</p> <p><u>Case:</u> To be assigned</p>
11	
12	<p>Innovating in Insurance and Care for Vulnerable Populations in the US</p> <p><u>Goal:</u> Examine the business management strategies needed for vulnerable populations</p> <p><u>Case:</u> Commonwealth Care Alliance: Elderly and Disabled Care, 9-708-502</p>
13	<p>Innovating in Health Care Delivery Globally ***WRITTEN CASE (1) DUE</p> <p><u>Goals:</u> Examine issues in health care management abroad, using an example from India. Consider the management and growth of health care providers and insurers in non-US settings. Discuss the globalization of health care delivery.</p> <p><u>Case:</u> Narayana Hyudayalaya Heart Hospital: Cardiac Care for the Poor, 505-078</p>

Session	Topic, Goals & Cases
14	<p>Decisions in the Pharmaceutical and Biotechnology Industries *** SELECT GROUP FOR FINAL</p> <p><u>Goals:</u> Develop an understanding of strategic issues facing start-up bio-pharmaceutical firms, and the commercialization of their technology.</p> <p><u>Case:</u> Sirtris Pharmaceutical: Living Healthier, Longer, 9-808-112</p>
15	<p>Primary Care Redesign: Models and Management</p> <p><u>Goals:</u> Learn about innovative primary care models, how funded, launched, managed, and progressing</p> <p><u>Guest:</u> Rushika Fernandopulle, Co-Founder and CEO, Iora Health</p>
16	<p>The Future of Health Care and the Management Challenges in Health Care Delivery</p> <p><u>Goals:</u> Discuss the future of healthcare and the management challenges.</p> <p><u>Case:</u> Readings on Accountable Care Organizations (ACOs)</p>
17	<p><u>Goals:</u> Obtain a first-hand look at efforts to respond to industry movement to value-based care</p> <p><u>Guest:</u> Diwen Chen, MPH, Executive Director, Payment Innovation & Accountable Care, Dignity Health (fifth largest health system in U.S.; largest in California)</p>
18	<p>The Future of Health Care: The Worlds of Contracting and Capital</p> <p><u>Goals:</u> Gain insights about how managed care contracting is changing for physician practices, surgery centers and health systems.</p> <p><u>Guest:</u> I. Naya Kehayes, MPH, Managing Principal & Founder, Eveia Health Consulting & Management - A Division of ECG Management Consultants</p>
19	<p><u>Goals:</u> Learn what and how private equity and venture capital firms think of health care's future</p> <p><u>Guest:</u> Sansank Aleti, MBA, Principal, LLP Partners</p>
20	<p>Patient-Driven Business: Managing Businesses Focused on Patient Engagement</p> <p><u>Goals:</u> Remember the patient side of the industry. Examine patient-driven businesses (e.g., patient social networks), their challenges, and management when patient engagement/activation is the core</p> <p><u>Case:</u> PatientsLikeMe: An Online Community of Patients, 9-511-093</p>
21	<p><u>Goals:</u> Learn first-hand about the launch of a patient experience focused business.</p> <p><u>Guest:</u> Anjali Kataria, MPP, Chief Executive Officer and Co-Founder, Mytonomy</p>
22	<p>The Future of Health Care: New Members of the Health Care C-Suite</p> <p><u>Guest:</u> Rick Evans, MA, Senior Vice President and Chief Experience Officer, New York Presbyterian Roy Rosin, MBA, Chief Innovation Officer, Penn Medicine Luke Hansen, MD, Vice President/Chief Medical Officer for Population Health, AMITA Health</p>
23	<p>Leadership: You are in Charge Now - - Going from Producer to Manager in Health Care</p> <p><u>Goal:</u> Discuss the challenges of being a new manager – managing up, down and across the organization – when you're a clinician and when you're not</p> <p><u>Case:</u> Alan Kendricks at Cardiology Associates, 9-407-067</p>
24	<p>Leadership and Organizational Transformation</p> <p><u>Goals:</u> Understand leadership, leadership theory and the job of a general manager in health care. Understand how an executive takes charge of and turns around a troubled organization.</p> <p><u>Case:</u> Paul Levy: Taking Charge of the Beth Israel Deaconess Medical Center, A Case 9-303-008 Paul Levy: Taking Charge of the Beth Israel Deaconess Medical Center, 9-303-058 (video case)</p> <p>**NOTE: This is a multi-media case. Showing up to class without reviewing the multi-media case is not acceptable. The session will not make sense.</p>
25	<p>Course Summary: Health Care Management in Review</p> <p><u>Goals:</u> Review course content and address lingering questions.</p> <p><u>Case:</u> None</p>
26	<p>Group "Capstone" Project Presentation</p> <p><u>Goals:</u> Demonstrate investigative, analytic, integrative and presentation skills around a managerial issue of your choice. Manage questions; communicate with leadership skill and capacity.</p>
27	<p><u>Case:</u> Your own</p>
28	<p>Final Written Case Analysis (2) Due</p>

Detailed Course Outline and Assignments

Session 1: Introduction to Leadership, Organizational Behavior and Improvement in Health Care

Objective: Introduce the course – its content, its approach and expectations.
Understand the roles of clinical and business processes in determining performance outcomes of health care organizations. Appreciate the importance of integrative thinking in health care management.
Compare and evaluate two approaches to managing health care delivery.

Case: Istituto Clinico Humanitas (A) 9-603-063

Also read: Sikka R, Morath JM & Leape, L. The quadruple aim: Care, health, cost and meaning in work. *BMJ Quality & Safety* 2015 24(10): 608-610.

Questions:

- By what metrics, should we evaluate performance in health care delivery?
- How well is Istituto Clinico Humanitas performing with respect to these metrics?
- How do they realize this level of performance?
- How would you describe the Istituto model? Why doesn't every hospital follow the Istituto model?
- Should Istituto affiliate with the University of Milan? Why or why not?

Supplemental readings – if you want to know more behind our discussion:

1. Asch D, Volpp KG. What business are we in? The emergence of health as the business of health care. *New England Journal of Medicine* 2012; 367:888-889
2. Institute of Medicine. *Crossing the Quality Chasm*. Washington, DC: National Academy Press, 2001. Executive Summary, pp. 1-22. (http://books.nap.edu/openbook.php?record_id=10027&page=1; also in Canvas).
3. Nadler DA, Tushman ML. A model for diagnosing organizational behavior. *Organizational Dynamics* 1980, 9(2): 35.

Session 2: Operational Failures in Health Care & Strategic Problem Solving

Objective: Use first steps in problem solving paradigm: defining problems and objectives, root causes analyses, setting strategic alternatives, and comparative analysis; analyze common pitfalls and underlying tensions of problem solving. Identify when different approaches to problem solving (1st vs. 2nd order) are more or less useful.

Case: Patient Flow at Brigham and Women's Hospital (A), 608-171

Also read: Banaszak-Holl J, Nembhard IM et al. Leadership Framework for Action. In: Burns L, Weiner B, Bradley EH, eds. *Health Care Management*, 6th ed., Delmar.

Questions:

- Why do you think that several people didn't follow the official procedure for requesting ICU beds that day? Do you think this is a big problem? Why or why not?
- What are the possible levers for improvement in patient flow?
- What would you recommend that the hospital do to improve patient flow to the ICUs?
- What do you think of the chain of emails, including Dr. Rogers' original email? If you were in the C-suite for the hospital, how would you respond to the situation?

Supplemental readings – if you want to know more behind our discussion:

1. Rakich et al., ch 10, pp. 383-406. (Posted online)
2. Kaplan RS, Norton DP. The balanced scorecard – measures that drive performance. *Harvard Bus Rev* 1992; Jan-Feb:71-79.
3. Bohn R. Stop fighting fires. *Harvard Business Review* 2000,78(4): 82-91.

Session 3: Strategic Problem Solving: The Implementation Challenge

Objective: Use later steps in problem solving paradigm: select strategy and design implementation and evaluation plans.
Identify common pitfalls in implementation in health care and underlying causes. Critique process specification as an approach to care management. Differentiate programmed and non-programmed efforts to organize care

Case: Massachusetts General Hospital: CABG Surgery (A), 9-696-015

Also read: Gawande, A. The Checklist. The New Yorker, December 10, 2007.
(http://www.newyorker.com/reporting/2007/12/10/071210fa_fact_gawande)

Questions:

- What are the primary challenges in improving operating processes in HCOs such as MGH?
- What implementation approach should Bohmer and Torchiana select? Where you would start, what resources would you use, what performance would you expect, and what timeline you would follow?
- How should MGH balance the tension between process standardization and process customization?
- Who benefits from well-implemented care paths?

Supplemental readings – if you want to know more behind our discussion:

1. Pfeffer, J., & Sutton, R. I. 2000. *The Knowing-Doing Gap*. Boston, MA: Harvard Business School Press. Chapter 1. Pp. 1-28. (Posted online)
2. Alexander, JA et al. The Science of Quality Improvement Implementation: Developing Capacity to Make a Difference. *Medical Care* 2010, 48(12): 1-15.
3. Pascale RT, Sternin J. Your company's secret change agents. *Harvard Business Review* 2005, 83(5):72-81, 153.
4. Repenning, NP. A simulation-based approach to understanding the dynamics of innovation implementation. *Organization Science* 2002, 13(2): Read pp. 109-top of 114 and 124 (Implications) -126.
5. Damschroder LJ, Aron DC, Keith RE, Kirsh SR, Alexander JA, Lowery JC. Fostering implementation of health services research findings into practice: a consolidated framework for advancing implementation science. *Implementation Science* 2009, 4(1):50.
6. A tool for your future: Chaudoir SR, Dugan AG, Barr CH. Measuring factors affecting implementation of health innovations: a systematic review of structural, organizational, provider, patient, and innovation level measures. *Implementation Science*. 2013, 8(1):22.

Session 4: The Cultural Challenge to Change in Health Care

Objective: Appreciate the various organizational cultures in HCOs and their implications for management
Identify factors that determine, sustain, and influence an organization's culture in HCOs
Identify functional/dysfunctional effects of organizational culture on staff and the organization

Case: *These readings serve as our case*

- Schein EH. Coming to a new awareness of organizational culture. *Sloan Management Review* 1984, 25(2):3-16.
- Nembhard IM, Singer SJ, Shortell SM, Rittenhouse D, Casalino LP. The cultural complexity of medical groups. *Health Care Management Review* 2012, 37(3):200-13. (read enough to know results)
- Jacobs R, Mannion R, Davies HT, Harrison S, Konteh F, Walshe K. The relationship between organizational culture and performance in acute hospitals. *Social Science & Medicine* 2013, 76:115-25. (read enough to know results)
- Chatman J, Cha SE. 2003. Leading by leveraging culture. *California Management Review*, 45(4): 20-34.
- Scott TI, Mannion R, Davies HT, Marshall MN. Implementing culture change in health care: theory and practice. *International Journal for Quality in Health Care* 2003, 15(2):111-8.

Questions:

- What is organizational culture? How do you know the culture of an organization?
- What 3-5 questions would you ask to assess the culture of an HCO? Are these different from what you would ask in another industry?
- What was the culture of the last organization in which you worked? What were the virtues of that culture? What were the challenges posed by that culture for organizational priorities (or should be priorities)?

Session 5: Incentives, Motivation and Changing Professional Behavior

Objective: Apply motivation theories/concepts to develop strategies for improving performance in health care
Evaluate the use of financial incentives (i.e. pay-for-performance) in healthcare

Case: Bridges to Excellence: Bringing Quality Health Care to Life, 9-604-030

Also read: Frolich A, et al. A behavioral model of clinician responses to incentives to improve quality. *Health Policy* 2007, 80: 179–193.

Questions:

- How would you evaluate BTE? By what metrics would you assess success?
- If you were/are a physician, would you participate in BTE?
- Is BTE an effective way of improving the quality of health care? How scalable is BTE?
- Is pay for performance a threat to medical professionalism? What does it imply about the future of the medical profession?
- In keeping with pay-for-performance, a CMS regulation eliminates payfor healthcare acquired conditions (e.g. infections). What would Herzberg say about this incentive as a motivator compared to BTE?

Supplemental readings – if you want to know more behind our discussion:

1. Cassel CK, Jain SH. Assessing individual physician performance: Does measurement suppress motivation?. *JAMA*. 2012, 307(24):2595-2596.
 3. Herzberg F. One more time: How do you motivate employees? *Harvard Business Review* 2003, 81(1): 86-96.
 4. Kerr S. On the folly of rewarding, A while hoping for B. *Academy of Management Executive*, 1995: 9(1): 7-14
 5. Gawande A. Annals of medicine: the bell curve: what happens when patients find out how good their doctors really are? *The New Yorker*. December 6, 2004.
 6. Werner RM, et al. The effect of pay-for-performance in hospitals: lessons for quality improvement. *Health Affairs* 2011; 30(4):690-698.
- For those interested in the WSJ article in the case: Landro L. A new way to get doctors to take better care of patients: bribe them, *WSJ* April 10, 2003, p D1. (<http://online.wsj.com/article/0,,SB104992671027242000,00.html>)

Session 6: Strategies for Organizational Learning and Performance Improvement in Health Care (Part 1)

Objective: Discuss intra- and inter-organizational approaches to improving quality and performance in health care
Discuss the application of management models drawn from production industries – e.g., Total Quality Management, Toyota Production System, Six Sigma - to health care delivery.
Understand organizational learning and its implications for health care

Case: Collaborating to Improve, 9-608-054

Also read: Nembhard IM, et al. Why does the quality of health care continue to lag? Insights from management research. *Academy of Management Perspectives* 2009, 23(1): 24-42.

Questions:

- What are the strengths and weaknesses of the various approaches to improvement?
- Why do results vary across institutions?
- What would you want to know about Mandison Hospital before you chose an approach?
- What criteria should be used to make the choice of improvement strategy?

Supplemental readings – if you want to know more behind our discussion:

1. Tucker AL, Edmondson, AC. Why hospitals don't learn from failures: Organizational and psychological dynamics that inhibit system change, *California Management Review* 2003, 45(2): 55-72.
2. Spear S. Fixing healthcare from the inside, today. *Harvard Business Review*, 2005, 83(12):78-91.

Session 7: Strategies for Organizational Learning and Performance Improvement in Health Care (Part 2)

Objective: Gain an appreciation for the concept and challenges of becoming a learning health system

Guest: Steve Joffe, MD, MPH, Emanuel and Robert Hart Professor of Medical Ethics and Health Policy, Professor of Pediatrics, Perelman School of Medicine; Principal Investigator, Governance of Learning Health Systems Study

Questions: - What do you want to know about learning health systems?

Supplemental readings – if you want to know more behind our discussion:

1. Senge P. The leader's new work: Building learning organizations. *Sloan Management Review*, 1990, 32(1): 7-23.
2. James BC, Savitz LA. How Intermountain trimmed health care costs through robust quality improvement efforts. *Health Affairs* 2011, 30(6):1185-91.
 - Leonhardt D. Making Health Care Better. *New York Times*, November 3, 2009. (Intermountain Health Care) (<http://www.nytimes.com/2009/11/08/magazine/08Healthcare-t.html>)
3. Desai V. Learning through the distribution of failures within an organization: Evidence from heart bypass surgery performance. *Academy of Management Journal* 2015, 58(4):1032-50.
4. Garvin DA. et al. Is yours a learning organization? *Harvard Business Review* 2008 (Mar): 109-116.

Session 8: Innovating in Health Care Delivery (Part 1: Insurers, Providers and Health Information Technology)

Objective: Understand IT in health care. Appreciate factors that affect the pace of diffusion of innovation in health care.
Understand the types of innovations possible, and the diffusion of innovations in health care
Discuss the application of the model of “disruptive innovation” to health care

Case: American Well: The Doctor Will E-See You Now, 510-061

Also read: Magretta J. Why business models matter. *Harvard Business Review*, 2002, 80(5): 86-92.
Christensen CM et al. Will disruptive innovations cure health care? *Harvard Business Rev* 2000, 78(5):102-112.

Questions: - What is American Well's business model?
- Do you agree with the founders regarding the potential of Online Care to revolutionize health care delivery?
- What value does Online Care offer to insurers? What are the financial economics of the BCBS Hawaii deal for American Well and BCBS? Who wins?
- If you were in the shoes of American Well management, would you pursue any of the next-generation options (products or markets) in 2010, or would you focus on the core platform with the core target market?

Supplemental readings – if you want to know more behind our discussion:

1. Kenagy J et al. Service quality in health care. *JAMA* 1999, 281(7): 661-665.
2. Varkey P, Horne A, Bennet KE. Innovation in health care: a primer. *American J Medical Quality* 2008, 23(5):382-8.
3. Berwick D. Disseminating innovations in health care. *JAMA* 2003, 289(15):1969-1975.

Session 9: Innovating in Health Care Delivery (Part 2: New Roles for Health Care Professionals)

Objective: Understand new roles for clinical professionals: coordinators, virtualist, specialists, extensivist, etc., the management problems intended to solve, and effectiveness, if evaluated

Case: *These readings will serve as our case.*

1. Nochomovitz M, Sharma R. Is it time for a new medical specialty? the medical virtualist. *JAMA* 2018, 319:437-8.
2. Powers BW, Milstein A, Jain SH. Delivery models for high-risk older patients: Back to the future? *JAMA*. 2016, 315(1):23-4.
3. Conway A, O'Donnell C, Yates P. The effectiveness of the Nurse Care Coordinator role on patient-reported and health service outcomes: A systematic review. *Evaluation & the health professions*, 2017 pub ahead of print
4. Edmondson AC. The kinds of teams health care needs. *Harvard Business Review* 2015, 16:2-5.

Sessions 10 & 11: Midterm Oral Case Presentations

Objective: Apply problem solving and present strategic recommendation with implementation and evaluation plans. Manage questions; communicate with leadership skill and capacity. Use evidence and persuasion to support recommendations. Practice presentation skills and receive feedback.

Case: To be assigned.

Optional: Preston P. Nonverbal communication: Do you really say what you mean? *Journal of Healthcare Management* 2005; 50:83-84.

Session 12: Innovating in Insurance and Care for Vulnerable Populations in the US

Objective: Examine the business management strategies needed to care for vulnerable populations

Case: Commonwealth Care Alliance: Elderly and Disabled Care, 9-708-502

Also read: Herzlinger R. Why innovation in health care is so hard. *Harvard Business Review*, 2006, 84(5): 58-66.
Bradley EH, Canavan M, Rogan E, Talbert-Slagle K, Ndumele C, Taylor L, Curry LA. Variation in health outcomes: the role of spending on social services, public health, and health care, 2000–09. *Health Affairs* 2016, 35(5):760-8.

Questions:

- Why is CCA targeting a population that most insurers try to avoid?
- How does the Senior Care Plan differ from other insurance models and why?
- What is the rationale for CCA's approach to providing care and contracting for care delivery?
- Evaluate CCA's overall model for elderly and disabled care. How can it be improved?
- What do you view as the top three challenges and constraints that for CCA? What recommendations would you make to Dr. Master?

Supplemental readings – if you want to know more behind our discussion:

1. Ndumele CD, Cohen MS, Cleary PD. Association of state access standards with accessibility to specialists for Medicaid managed care enrollees. *JAMA Internal Medicine* 2017, 177(10):1445-51.

Session 13: Innovating in Health Care Delivery Globally

*****WRITTEN CASE DUE**

Objective: Examine issues in health care management abroad, using an example from India. Consider the management and growth of health care providers and insurers in non-US settings. Discuss the globalization of health care delivery.

Case: Narayana Hyudayalaya Heart Hospital: Cardiac Care for the Poor, 505-078

Questions: TBA

Readings: TBA

Session 14: Decisions in the Pharmaceutical and Biotech Industries (Part 1)

Objective: Develop an understanding of strategic issues facing pharmaceutical firms.
Develop an understanding of start-up biotechnology firms, and the commercialization of technology.

Case: Sirtris Pharmaceutical: Living Healthier, Longer, 9-808-112

Also read: Skim for overview of industry: Loo, J. Standard and Poor's Industry Surveys: Pharmaceuticals, June 2018?

- Questions:
- At the time Westphal joins Sirtris, what is your assessment of the odds that the company will ever generate substantial revenues? If you were Westphal, would you have left Polaris for Sirtris?
 - Should Sirtris launch a SRT501 nutraceuticals business? Why or why not? If you had to launch this business, how would you proceed?
 - Should Sirtris diversify its technological base? If so, how – by in-licensing a new compound or investing in the development of SIRT2-7?
 - Should Sirtris do the deal with the pharmaceutical company? Why or why not? If you do recommend a deal, which equity stake (20% or 51%) would you prefer and why?
 - What lessons have you derived from Sirtris's experience?

Supplemental readings – if you want to know more behind our discussion:

1. Growing pains; the drug industry. (2016, Sep 17). *The Economist*, 420, 66-62.
2. Hoang HA & Rothaermel FT. Leveraging internal and external experience: exploration, exploitation, and R&D project performance. *Strategic Management Journal* 2010, 31(7), 734-758.
3. Carden C. The brave new world of valuing life sciences and healthcare enterprises. *Business Horizons* 2010, 53: 183-197.
4. Stuart TE et al. Interorganizational endorsements and the performance of entrepreneurial ventures. *Administrative Science Quarterly* 1999, 44(2): 315-349.
5. Tollman P, Morieux, Y, Murphy JK, & Schulze U. Identifying R&D outliers. *Nature Reviews Drug Discovery* 2011, 10(9): 653-654.

Session 15: Primary Care Redesign: Models and Management

Objective: Learn about innovative primary care models, how funded, launched, managed, and progressing

Guest: Rushika Fernandopulle, Co-Founder and CEO, Iora Health

Read: Porter ME, Pabo EA, Lee TH. Redesigning primary care: a strategic vision to improve value by organizing around patients' needs. *Health Affairs* 2013 32(3):516-25.

- Fernandopulle R. Primary care needs a complete rebuilding and not just more renovations. *The Journal of Ambulatory Care Management* 2017 40(2):121-4.

Question: What do you want to know about primary care redesign efforts?

Session 16: The Future of Health Care and the Management Challenges in Health Care Delivery

Objective: Discuss the future of healthcare, particularly for health care delivery systems, and the management challenges
Evaluate Accountable Care Organizations (ACOs): aims to achieve the triple aim and patient-centered care

Case: Fact Sheets from CMS on ACOs

- [Fact Sheet: Finalized Changes to the Medicare Shared Savings Program Regulations \[PDF, 312KB\]](#) (June 2015)
- Final Medicare Shared Savings Program Rule (CMS-1644-F; June 2016)
<https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2016-Fact-sheets-items/2016-06-06.html>
- Pioneer ACO Fact Sheet: <https://innovation.cms.gov/initiatives/Pioneer-ACO-Model/PioneerACO-FactSheet.html>
- Pioneer ACO & Next Generation ACO Comparison Table (PDF)
<https://innovation.cms.gov/initiatives/Pioneer-ACO-Model/PioneerACO-FactSheet.html>
<https://innovation.cms.gov/Files/fact-sheet/nextgenaco-comparefactsheet.pdf>;
- 2018 Press Release on Medicare Shared Savings Program Results (link to be added when released)

Questions: - Do you think ACOs will address the current challenges in health care delivery? What are the strengths and weaknesses of ACOs as they are currently structured?

- What is required for successful ACOs? What are the three most important factors?
- Are ACOs and other value-based reimbursement schemes sufficient to redefine competition in health care according to Porter?
- What impact do you expect ACOs/reform to have on various health care stakeholders and industries?
- Are ACOs essentially managed care return? Why or why not? What does healthcare look like in 2029?

Readings: **Some may become required and updated depending on health policy changes

1. Porter M et al. Redefining competition in health care. *Harvard Business Review*, 2004, 82(6): 64-76.
2. Burwell S. Building a system that works: the future of health care. *Health Affairs Blog*, December 12, 2016
3. Lawton B, Pauly MV. Accountable Care Organizations may have difficulty avoiding the failures of integrated delivery networks of the 1990s. *Health Affairs*, 2012; 31(11): 2407-2416.
4. Fisher ES, Shortell SM, Kreindler SA, Van Citters AD, Larson BK. A framework for evaluating the formation, implementation, and performance of accountable care organizations. *Health Affairs* 2012, 31(11):2368-78.
5. D'Aunno T, Broffman L, Sparer M, Kumar SR. Factors that distinguish high-performing accountable care organizations in the Medicare Shared Savings Program. *Health Services Research* 2018, 53(1):120-37.
6. Vogus TJ, Singer SJ. Creating highly reliable accountable care organizations. *Medical Care Research and Review* 2016, 73(6):660-72.

Session 17: The Future of Health Care and the Management Challenges in Health Care Delivery (Part 2)

Objective: Obtain a first-hand look at efforts to respond to industry movement to value-based care

Guest: Diwen Chen, MPH, Executive Director, Payment Innovation & Accountable Care, Dignity Health (fifth largest health system in U.S.; largest in California)

Read:

- Porter ME & Kaplan R. How to pay for health care. *Harvard Business Review*, 2016, 94(7-8):88-98, 100, 134.
- Clough JD & McClellan M. Implementing MACRA: implications for physicians and for physician leadership. *JAMA* 2016;315(22):2397

Question: What do you want to know about how health systems think about accountable care, value and payment?

Supplemental readings – if you want to know more behind our discussion:

1. Porter ME, & Lee TH. Why strategy matters now. *New England Journal of Medicine*, 2015, 372(18), 1681-1684
2. Bates D, Sheikh A, Asch D. Innovative environments in health care: where and how new approaches to care are succeeding. *Health Affairs* 2017, 3(3): 400-407.

Session 18: The Future of Health Care: The Worlds of Contracting and Capital (Part 1)

Objectives: Gain insights about managed care contracting is changing for physician practices, surgery centers and health systems from an expert. Learn basic principles, negotiation tactics, challenges in contracting.

Guest: I. Naya Kehayes, MPH, Managing Principal & Founder, Eveia Health Consulting & Management - A Division of ECG Management Consultants

Question: What do you want to know about managed care contracting?

Session 19: The Future of Health Care: The Worlds of Contracting and Capital (Part 2)

Objective: Learn what and how private equity and venture capital firms think of health care's future

Guest: Sansank Aleti, MBA, Principal LLR

Question: What do you want to know about private equity and venture capital in the health care industry?

Session 20: Patient-Driven Business: A New Set of Businesses Focused on Patient Engagement (Part 1)

Objective: Remember the patient side of the industry. Examine patient-driven businesses (e.g., patient social networks), their challenges, and management when patient engagement/activation is the core

Case: PatientsLikeMe: An Online Community of Patients, 9-511-093

Questions:

- Does the value that patients derive from PLM extend to all diseases? Given the value, do you think that physicians/medical groups would encourage their patients' use of PLM?
- Would you have advised PLM to launch the General Platform? Does it help the business model?
- If you would have advised the launch of the General Platform, what would you recommend PLM do to ensure that it is as successful in engaging patients as its current platform? If you are against the launch, what would you recommend PLM do to grow?
- So far, PLM has generated revenues by providing market research to pharmaceutical companies. Should it expand its business model to insurance companies and research institutions? Does it have the potential of becoming the "Bloomberg of medical data"?

Session 21: Patient-Driven Business: A New Set of Businesses Focused on Patient Experience (Part 2)

Objective: Understand the concept of patient care experience. Learn first-hand about the launch of a patient experience focused business

Guest: Anjali Kataria, MPP, Chief Executive Officer and Co-Founder, Mytonomy

Questions: What do you want to know about patient experience and businesses focused on that aspect of service?

Supplemental readings – if you want to know more behind our discussion:

1. Berwick D. What patient-centered should mean: confessions of an extremist. *Health Affairs* 2009; 28(4): 555-565.
2. Cleary P. Evolving concepts of patient-centered care and the assessment of patient care experiences: optimism and opposition. *Journal of Health Politics, Policy and Law* 2016, 41(4): 675-696.
3. Radick L. Improving the patient experience: every interaction matters. *Healthcare Executive* 2016; 31(6): 33-38
4. Warriach H, Robbins A, Goldman D, Pourat N. Room for debate: hospitals that feel like hotels. *The New York Times*. August 22, 2016.
5. van der Heijden R, Deichmann D. How design thinking is improving patient-caregiver conversations. HBR Web Article, November 3, 2017

Session 22: The Future of Health Care: New Members of the Health Care C-Suite

Objective: Learn about new members of the C-suite in health care organizations

Guest: Rick Evans, MA, Senior Vice President and Chief Experience Officer, New York Presbyterian
Roy Rosin, MBA, Chief Innovation Officer, Penn Medicine

Question: What do you want to know about these roles?

Session 23: Leadership: You are in Charge Now - - Going from Producer to Manager in Health Care

Objective: Discuss the challenges of being a new manager – managing up, down and across the organization, when you're a clinician and when you're not

Case: Alan Kendricks at Cardiology Associates (9-407-067)

Also read: Gabarro J, Kotter, J. Managing your boss. *Harvard Business Review*, 2005, 83(1): 92-99.
Drucker P. Managing oneself. *Harvard Business Review*, 1999, 65-74.

- Questions: - How well has Alan Kendricks done in his new job? Was he a good choice for the position?
- What changes is Kendricks trying to make and why?
 - What obstacles is he running into in making these changes? How do you categorize them?
 - How can he best overcome these obstacles?
 - In what order should Alan address the challenges/obstacles and why?

Supplemental readings – if you want to know more behind our discussion:

1. Heifetz, RA, M Linsky. A survival guide for leaders. *Harvard Business Review*, June 2002, 65-74.
2. Schaeffer LD. 2002. The leadership journey. *Harvard Business Review*, 80(10): 42-47.
3. Weeks H. Taking the stress out of stressful conversations. *Harvard Business Review* 2001, 79(7): 112-120.
4. Interview: Knowledge @ Wharton. "Physician and Administrator: How Surgeon Larry Kaiser Navigates Two Different Worlds." March 13, 2008. The Wharton School of the University of Pennsylvania.
5. Daake D, Anthony W. 2000. Understanding stakeholder power and influence gaps in a health care organization: An empirical study. *Health Care Management Review*, 25(3): 94-107.
6. Pfeffer J. 1992. Understanding power in organizations. *California Management Review*, 34(2): 29-50.

Session 24: Leadership and Organizational Transformation

Objective: Understand leadership, leadership theory, and the job of a general manager in a hospital.
Understand how a talented executive takes charge of and turns around a troubled organization.

Case: Paul Levy: Taking Charge of the Beth Israel Deaconess Medical Center, A Case 9-303-008
Paul Levy: Taking Charge of the Beth Israel Deaconess Medical Center, MultiMedia Case 9-303-058 ****NOTE: This is a multi-media case. This session will only make sense if you review the multi-media case.**

Read: Kotter J. Leading change: Why transformation efforts fail. *Harvard Business Review* 2007(Jan): 97-103.

- Questions:
- How would you describe the situation Levy inherited at the BIDMC? What challenges did he face? Why did previous turnaround efforts fail?
 - How did Levy get started in his new job? In particular, what were his Objectives and what did he accomplish: prior to his first day at work? on his first day? during his first week?
 - What (if anything) was distinctive about the way Levy formulated, announced, and implemented the restructuring plan? What is your evaluation of his approach to staffing the task forces?
 - How did Levy tackle the problem of the BIDMC's "curious inability to decide?"
 - In describing his leadership style, Levy speaks of the "CEO as teacher." How has he defined that role? Why has he chosen to focus on it? What skills does it require? In what settings is it likely to be useful?
 - What is your evaluation of Levy's leadership style? What lessons about leading organizational transformation do you derive from Levy?

Supplemental readings – if you want to know more behind our discussion:

1. Cialdini RB. Harnessing the science of persuasion. *Harvard Business Review* 2001, 79(9): 72-81.
2. Kotter J. 2001. What leaders really do. *Harvard Business Review*, 79(11): 85-96. (A Best of HBR)
3. The VA: Young GJ. Managing organizational transformations: lessons from the Veterans Health Administration. *California Management Review* 2000, 43(1): 66-82.
4. Lukas CV, Holmes SK, Cohen AB, Restuccia J, Cramer IE, Shwartz M, Charns MP. Transformational change in health care systems: an organizational model. *Health Care Management Review* 2007 32(4):309-20.

Session 25: Course Summary: Health Care Management in Review

Objective: Review course content and address lingering questions

Supplemental readings – before we end, some ideas to keep in mind:

1. Ramanujam R, Rousseau DM. 2006. The challenges are organizational not just clinical. *Journal of Organizational Behavior*, 27: 811-827.
2. Gawande, A. / TED Talks (2012). How do we heal medicine? [Video File]. Retrieved from:
https://www.ted.com/talks/atul_gawande_how_do_we_heal_medicine/transcript?language=en
3. Berwick, DM. Escape Fire: Lessons for the future of health care. The Commonwealth Fund, 2003
4. Berwick DM. To Isaiah. *JAMA* 2012, 307(24):2597-2599.

Sessions 26 & 27: Group “Capstone” Project Presentations

Objective: Demonstrate investigative, analytic, integrative and presentation skills around a managerial issue of your choice. Manage questions; communicate with leadership skill and capacity.

Case: Your own

“Session 28”: Final Written Case Analysis (2) Due
