US PAYER AND PROVIDER STRATEGY

HCMG 845
SPRING 2021

Instructors:

Atul Gupta, Ph. D., MBA  Assistant Professor, Health Care Management
CPC 306
atulgup@wharton.upenn.edu

Brad Fluegel, MPP  Lecturer, The Wharton School
Former Chief Strategy Officer @ Walgreens, Aetna
and Anthem
Bradley.Fluegel@gmail.com

Class Time / Location

Time:       Tuesday 4.30 – 7.30 p
Location:  Zoom TBD

Overview of Course

This course provides a thorough understanding of two key pillars of the US health care sector: payers and providers. We spend several classes on each segment, discussing the institutions, current trends, success factors and analyzing prevailing strategies. We shall consider:

- US healthcare costs overview
- Insurer landscape, interaction with drug cos, and competition
- Role of government health programs and employers
- Provider payment reform, competition, and consolidation
- Payer and provider growth strategies
- Investing strategies

The course will draw on a range of information sources: presentations by industry experts and executives, recent academic research in these areas, recent cases, and selected industry publications. The course will also ask students (in teams) to conduct focused investigations into payer and provider strategies that extend our knowledge of these topics. Student investigations will be shared with the class at the end of the semester.
Conduct of the Course

This course is co-taught by Atul Gupta and Brad Fluegel, as well as several guest lecturers from the industry. We will meet online every Tuesday. Students can meet online with Profs. Gupta/Fluegel by appointment.

Course Requirements

Students are expected to attend all lectures and participate actively in class discussions. There will be one individual assignment with short-essay questions based on the assigned readings and class discussions. In addition, there will be one or two in-class exercises. Students will be assigned to groups to work on a semester-long group project. Teams will present their work in the last class of the semester and submit a short project report (up to 5 pages) of findings. Groups will also be asked to submit a 1 page project proposal in early March so faculty can review and provide feedback. Each group will also be assigned as a “peer reviewer” for another group’s project. The peer group will formally respond to the project presentation with a brief critique/comments of their own. Peers can provide interim feedback during the semester as well.

Projects should be oriented around asking a question related to payer or provider strategy and work toward answering it. Please avoid preparing an industry landscape style report. For example, an interesting project topic would be, “Does managed care reduce costs or improve quality for Medicare?” In contrast, “Growth of managed care in Medicare” would not be a suitable topic. You should stake out a position with regard to your topic and present evidence/research supporting your position. Wherever relevant, cite references or discussions from the class. You should also discuss prevailing counter perspectives on the topic, and explain why you believe these arguments fail or succeed. Interviews with individuals knowledgeable about the topic are strongly encouraged.

Project groups will be assigned by the 3rd class since enrollment takes time to stabilize. The goal will be to create teams of students from a mix of backgrounds and programs.

Grading

Grades will be based on
- Group project and report (30%)
- Assignment and class exercise(s) (40%)
- Class attendance and participation (30%)

Required Readings

Instructors will usually assign 2-3 relevant articles for each class. Students are expected to read these in preparation for the class. Readings can usually be accessed off campus through Penn Libraries if you are on Wharton VPN or login through your Penn key.

Sequence of Topics and Readings

JAN 26 COURSE OVERVIEW AND HEALTH CARE COSTS
Class introduction and overview

**Guest Speaker:**

- Jeff Levin-Scherz, MD MBA FACP, Managing Director and Population Health Leader, Willis Towers Watson

**Learning Objectives:**

1. Review the long history of programs aimed to control the total cost of American health care
2. Describe commonly held misconceptions about what drives health care costs, and how to address health care cost inflation.
3. Illustrate how to evaluate initiatives that purport to lower health care costs
4. Examine the impacts of the COVID-19 pandemic on short term and longer term health care costs, including changes in utilization of preventive care and elective care.

**Readings:**

- Levin-Scherz, J "Myths and Realities about Controlling US Health Care Costs" Unpublished, 2019 [LINK](Unpublished manuscript)

**PART I: PAYERS**

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**FEB 2**

**INSURERS: LANDSCAPE AND ECONOMICS**

**Guest Speakers:**

- Rebecca Madson, Chief Consumer Officer, United Healthcare
- Kurt Wrobel, President, Geisinger Health Plan

**Readings:**


**FEB 9**

**INSURER STRATEGY**

**Guest Speakers:**

- Richard Montwill, Former SVP Corporate Strategy, Optum
- Maurice Smith, President and CEO, Health Care Service Corp.
Readings:

FEB 16  PAYER-PHARMA INTEGRATION

Guest Speaker:
- Amy Bricker, President, Express Scripts

Readings:

FEB 23  GOVERNMENT PROGRAMS: MEDICAID AND MEDICARE

Guest Speakers:
- Steve Wood, Co-founder and Partner, Clear View Solutions
- Charlene Frizzera, Co-founder and President CF Health Advisors, Former acting admin. of CMS

Readings:

MAR 2  INSURER COMPETITION

Deadline: Individual assignment due before class
Deadline: Group project proposals (1 page) due

Readings:

MAR 9  EMPLOYERS/CONSUMERS
Guest Speakers:

- Mike Taylor, SVP, Aon Hewitt
- Sally Wellborn, Advisor, Wellborn advisory services and former SVP Benefits, Walmart

Readings:


PART II: PROVIDERS

MAR 16 PROVIDERS: LANDSCAPE AND VALUE BASED MODELS

Guest Speakers:

- Dr. Allen Smith, Former President, Brigham and Woman’s Physician’s Organization
- Dr. Amol Navathe, Penn Medicine and MedPAC commissioner

Readings:


MAR 23 PROVIDER CONSOLIDATION AND ANTI-TRUST

Deadline: Students to submit 1-2 questions for startup panel discussion with Bob Kocher, Venrock Partners and Aaron Martin, Providence-St. Josephs

Guest Speaker:

- Subbu Ramanarayanan, Managing Director, NERA Consulting

Readings:

- Cooper, Zack et al. "Hospital Prices Grew Substantially Faster Than Physician Prices For Hospital-Based Care In 2007–14." Health Affairs 38, no. 2 (2019): 184-189.

MAR 30 Holiday. No class
APR 6 HEALTH SYSTEMS STRATEGY

Guest Speakers:
- Scott Powder, Chief Strategy Officer, Advocate Aurora Health
- Patrick Conway, CEO Care Solutions, Optum

Readings:

PART III: PUTTING IT ALL TOGETHER

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APR 13 HEALTH CARE STARTUPS CLASS EXERCISE

Deadline: Students to present on one healthcare startup of their choice

Preparation:
- Students to review video of panel discussion with Bob Kocher, Partner, Venrock and Aaron Martin, EVP and Chief Digital and Innovation Officer, Providence

APR 20 VERTICAL INTEGRATION AND COURSE SYNTHESIS

Guest Speaker:
- Tony Clapsis, VP Enterprise Strategy, CVS

Readings:
GROUP PROJECT PRESENTATIONS

**Deadlines:** (1) Submit project report and send presentation to peer group before class.
(2) Present project findings in class.
(3) Peer review group to prepare to respond in class.