

**HCMG 101 – HEALTH CARE SYSTEMS
SPRING 2019
T/TH 1:30-2:50, SH-DH 1206**

Scott Harrington

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Office hours: Thursdays, 3:30-5:00, 206 Colonial Penn Center

TAs: Jordan Brown (jobrown@wharton.upenn.edu; office hours: Wednesday, 4:30-6:00) and Chase Culbertson (chculb@wharton.upenn.edu; office hours: Tuesday, 4:30-6:00); TA 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, 7th ed., available at the PENN Bookstore. (The 7th edition has two new chapters versus the 6th edition. The 6th edition does not reflect recent changes in the health care system and has older data. The 5th edition has the same chapter numbers as the 6th edition and very old data.)

Additional readings are posted on the course's Canvas site: <https://canvas.upenn.edu/courses/1438235>. If you experience problems accessing Canvas, please contact Jennifer Gray, jengra@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 14, in class)	100 pts
Exam 2 (March 26, in class)	100 pts
Exam 3 (April 30, in class)	100 pts
Writing assignment (April 11)	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: 315 and above; B+, B, B- range: 280 – 314; C+, C, C- range: 245 – 279; D+, D, range: 210 – 244. 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 an 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 11.**

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

- **Molly Candon, PhD**, Postdoctoral fellow, Penn Center for Mental Health, School of Medicine
- **Stephanie Doupnik, MD, MSHP**, Assistant Professor of Pediatrics, School of Medicine
- **Samuel Fager, MD, JD, MBA**, President, S.S. Fager Consulting
- **Greg Kruse, MSc, MPH**, Special Assistant to CEO, University of Pennsylvania Health System
- **Claudio Lucarelli, PhD**, Associate Professor of Health Care Management, The Wharton School
- **Sean McElligott**, Director of Market Access, Scientific and External Strategy, Janssen Pharmaceuticals
- **Ingrid Nembhard, PhD**, Associate Professor of Health Care Management, The Wharton School
- **Mitesh Patel, MD, MBA, MS**, Assistant Professor of Medicine and Director of Penn Medicine Nudge Unit
- **Julie Sochalski, PhD, FAAN, RN**, Associate Professor of Nursing, Associate Dean for Academic Programs, School of Nursing

SCHEDULE

Jan. 17 & 22: U.S. health care spending in a global context

- Feldstein, Chapters 1-2
- 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. Sept. 2011.
- Anderson, G., Hussey, P. and V. Petrosyan. It’s still the prices, stupid: why the US spends so much on health care. Health Affairs 38(1): 87-95. January 2019.

Jan. 24: The value of medical spending

- Feldstein, Chapter 22 (21 in 6th ed.)
- Goodell, S., Cohen, J., and P. Neumann. Cost savings and cost-effectiveness of clinical preventive care. Robert Wood Johnson Foundation Policy Brief No. 18. Sept. 2009.

Jan. 29: Health vs. health care (Molly Candon)

- Feldstein, Chapter 3

Jan. 31 & Feb. 5: Key concepts in health insurance

- Feldstein, Chapter 6
- Burman, L., Khitatrakun, S., and S. Goodell. Tax subsidies for private health insurance: Who benefits at what cost? Robert Wood Johnson Foundation Update. July 2009.
- High-deductible health plans. Health Affairs Policy Brief. February 2016.

Feb. 7 & 12: Private health insurance and ACA reforms

- Feldstein, Chapters 7, 20 (19 in 6th ed.), 38 (36 in 6th ed.)
- Explaining health care reform: questions about health insurance subsidies. Kaiser Family Foundation Issue Brief. November 2018.
- Risk adjustment in health insurance. Health Affairs Policy Brief. August 2012.
- Uninsurance rates and the ACA. Health Affairs Policy Brief. May 2016.

Feb. 14: EXAM 1**Feb. 19 & 21: Medicare**

- Feldstein, Chapter 8
- An overview of Medicare. Kaiser Family Foundation Issue Brief. November 2017.
- The facts on Medicare spending and financing. Kaiser Family Foundation Issue Brief. June 2018.
- Restructuring Medicare. Health Affairs Policy Brief. June 2013.

Feb. 26: Medicaid

- Feldstein, Chapter 9
- 10 things about Medicaid: setting the facts straight. Kaiser Family Foundation Issue Brief. April 2018.
- Overview of Medicaid per capita cap proposals. Kaiser Family Foundation Issue Brief. June 2016.

Feb. 28 & Mar. 12: Hospital and health system basics and reimbursement

- Feldstein, Chapters 15, 16 (14 and 15 in 6th ed.), 17 (16 in 6th ed.), 18 (17 in 6th ed.)
- A review of the evidence on hospital cost-shifting. Changes in Health Care Financing & Organization Findings Brief 14(3). May 2011.

Mar. 14: Hospital perspectives of changing payment models (Greg Kruse)**Mar. 19: The evolving role of physicians (Samuel Fager)**

- Feldstein, Chapter 11, 12 (23 in 6th ed.), 13 (12 in 6th ed.)

- Mulhестein, D. and N. Smith. Physician consolidation: Rapid movement from small to large group practices, 2013-2015. Health Affairs 35(9): 1638-1642. September 2016.

Mar. 21: More on physician/provider reimbursement and value-based care

- Feldstein, Chapter 10
- Vaughn, B., et al. Can we close the income and wealth gap between specialists and primary care physicians? Health Affairs 29(5): 933-940. May 2010.
- Payment reform for better value and medical innovation. National Academy of Medicine Discussion Paper. March 2017.

Mar. 26: EXAM 2

Mar. 28: Physician academic career paths (Stephanie Douppnik)

April 2: Nursing (Julie Sochalski)

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

April 4: Quality of care and medical malpractice liability

- Feldstein, Chapter 14 (13 in 6th ed.)
- Mello, M., et al. National costs of the medical liability system. Health Affairs 29(9): 1569-1176. September 2010.

April 9 & 11 (Letter to editor due April 11): Pharmaceuticals & biotech (Sean McElligott)

- Feldstein, Chapters 25, 26, 27, 28
- Biosimilars. Health Affairs Policy Brief. July 2017.

April 16: Innovating in health care delivery (Ingrid Nembhard)

- Ofek, E. and R. Laufer. American Weil—the doctor will E-see you now. HBS Case 510-061. Revised April 2014. **PLEASE READ BEFORE CLASS!**

April 18: More on innovation, digital, and connected Health (Mitesh Patel)

April 23: A brief look at health care financing in selected countries (Claudio Lucarelli)

- Feldstein, Chapter 34 (32 in 6th ed.)

April 25: Toward the future

- Feldstein, Chapters 32 (not in 6th ed.) and 36 (34 in 6th ed.)
- Medicare-for-All and public plan buy-in proposals. Kaiser Family Foundation Issue Brief. October 2018.

April 30: EXAM 3