

**THE WHARTON SCHOOL**  
**University of Pennsylvania**  
**HEALTH CARE MANAGEMENT DEPARTMENT**

**HCMG 101 – HEALTH CARE SYSTEMS – Section 001**  
**SPRING 2011**  
**T/TH 12:00 – 1:20, SHDH 350**

Scott Harrington  
Alan B. Miller Professor  
Health Care Management  
E-mail: [harring@wharton.upenn.edu](mailto:harring@wharton.upenn.edu)  
Office: 206 Colonial Penn Center (office hours: Tues/Thurs 1:30-2:30)

**TAs (office hours held in Colonial Penn Center, ground floor):**  
Jigar Choksey: [jchoksey@wharton.upenn.edu](mailto:jchoksey@wharton.upenn.edu) (office hours: TBA)  
Jane Krymsky: [krymsky@wharton.upenn.edu](mailto:krymsky@wharton.upenn.edu) (office hours: TBA)  
(If you cannot make office hours, please make appointment with TAs or me)

### **OVERVIEW**

This course introduces and examines the main features of the U.S. health care system. It covers providers of care, the relationship between health and health care, private and public insurance and related financing mechanisms, health care reform, and the impact of health policy on key stakeholders. While developing an understanding of the U.S. health care system, you also will learn how to apply basic economic reasoning to examine health policy issues.

### **READINGS**

Required: Paul J. Feldstein, Health Policy Issues: An Economic Perspective, 4th ed., available at the PENN Bookstore.

Additional background articles for the lectures will be posted on the course's Wharton Web Café site: <http://webcafe.wharton.upenn.edu/hcmg/>. The readings may be supplemented or revised during the course of the semester. Non-Wharton students will need a Wharton ID to access the web site.

**Wharton IDs can be obtained by going to Wharton Computer Consulting in Room F35, Jon M. Huntsman Hall, or apply online at <http://accounts.wharton.upenn.edu/>.** If you experience problems obtaining an account or accessing Web Café, please contact my assistant, Allison Hedges, [ahedges@wharton.upenn.edu](mailto:ahedges@wharton.upenn.edu).

### **LECTURES**

Outlines/slides for lectures will be posted on the Web Café site prior to class. Speakers may expand or cover additional material beyond the slides.

### **EXAMS AND QUIZZES**

First midterm (March 3, in class)	100 pts
Second midterm (April 26, in class)	100 pts
Writing assignment (Due April 7)	40 pts
5 unannounced, bonus quizzes	≤ 25 pts

There is no final exam.

Exams will be a combination of multiple choice and short answer. *Exams must be taken when scheduled and can only be made up with an excused absence pursuant to University rules.*

Each quiz will have one true-false or multiple choice question based on either the reading assigned for the class or the previous class day's lecture. A correct answer earns 5 points; an incorrect answer earns 2.5 points. *Quizzes cannot be made up for any reason. If you are late or leave early, you will not get credit. (Don't ask.) I reserve the right to rescind any or all quiz points in response to any attempt to game the system.*

Your grade will be based on your total number of points. A+, A, A- range: 216 and above. B+, B, B- range: 192 – 215. C+, C, C- range: 168 – 191. D+, D, D- range: 144 – 167. Plus and minus cutoffs will depend on class performance, but will likely 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 a newspaper article dealing with the U.S. health care system in the form of a "letter to the editor." Candidate articles will be posted during the semester. **Due date: April 7.**

I will grade the assignment, equally weighting substance and exposition. Given the class size, it is infeasible for me to provide you with written or oral feedback apart from any brief written comments on your original assignment. 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. Any regrade can result in an increase, decrease or no change in points.

### CLASS PROTOCOL

Attendance is important. Class participation is encouraged. You should arrive on time and, unless you inform me prior to class or become ill during class, stay until the end. You should remain quiet unless answering or asking a question and abide by any rules established regarding electronics. *Failure to abide by the rules may result in one or more fines (point deductions) at my discretion.*

### LECTURERS

I will give about two-thirds of the lectures. The remaining classes will be taught by the following people:

- **Jeannie P. Cimiotti, DNSc, RN, CRNP**, Research Assistant Professor, Center for Health Outcomes and Policy Research
- **Guy David, PhD**, Assistant Professor of Health Care Management (Wharton).
- **Sean McElligott**, Health Care Management (Wharton) and School of Medicine.
- **Samuel Fager, MD, JD, MBA**, President, S.S. Fager Consulting
- **Jeffrey Silber, PhD, MD**, Director of the Center for Outcomes Research; Associate Professor of Pediatrics and Anesthesiology in the School of Medicine and Health Care Management (Wharton).
- **Erin Taylor**, Health Care Management (Wharton)
- **Kevin Volpp, MD, PhD, MA**, Associate Professor, School of Medicine.
- **Kurt Wrobel, FSA, MAAA**, Vice President, Underwriting and Pricing, Humana

## SCHEDULE

### Jan. 13 Course description and introduction

### Jan. 18 National health expenditures

- Feldstein Chapters 1-2
- Martin, et al. Recession contributes to slowest annual rate of increase in health spending in five decades. Health Affairs, 30 (1):11-22. Jan. 2011.
- B. Sommers, Why lowering health costs should be a key adjunct to slowing health spending. Health Affairs 29(9): 1651-1655. Sept. 2010.

### Jan. 20 National health expenditures and quality – international context

- Anderson, G. and B. Frogner. Health spending In OECD countries: Obtaining value per dollar. Health Affairs, 27(6): 1718-1727. Nov/Dec 2008.
- Murray, C. and J. Frenk. Ranking 27<sup>th</sup> – Measuring performance of the U.S. health care system. New England Journal of Medicine. January 6, 2010.
- Wenger, Ronald. Does the U.S. have the best health care system in the world? Bulletin of the American College of Surgeons. July 2009.
- Reinhardt U., P. Hussey, and G. Anderson. U.S. health care spending in an international context. Health Affairs 23(3):10-25. May/June 2004.

### Jan. 25 Value of medical care spending

- Feldstein Chapter 3, 5
- Russell, Louise. Preventing chronic disease: an important investment, but don't count on cost savings. Health Affairs 28(1): 42-45. Jan/Feb 2009.

### Jan. 27-Feb. 1 Health risk and health insurance basics

- Feldstein Chapters 6-7
- Claxton, G., et al., Health benefits in 2010: Premiums rise modestly, workers pay more toward coverage. Health Affairs 29(10): 1942-1950. Oct. 2010.

### Feb. 3 Health reform

- Feldstein Chapters 33, 34
- McDonough, John, et al. Massachusetts Health Reform Implementation. Health Affairs 27: w285-w297. June 3, 2008.
- Harrington, Scott. The health insurance reform debate. November 2008. (For detailed background.)

### Feb. 8 Guest Speaker: Kurt Wrobel, Humana

- Feldstein Chapters 19-20

### Feb. 10 Health and behavior (Kevin Volpp)

- Harrington, Scott. Reform needs healthy life incentives. The Wall Street Journal. June 29, 2009.
- Schmidt, H., K. Voigt, and D. Wikler. Carrots, sticks, and health care reform – Problems with wellness incentives. New England Journal of Medicine. Jan. 6, 2010.

### Feb. 15 Physicians

- Feldstein Chapters 4, 11, 12, 23
- Gawande, Atul. Piecemeal. The New Yorker. April 4, 2005.

### Feb. 17 Guest Speaker: Dr. Samuel Fager, Improving medical care quality and safety

**Feb. 22            Medical safety and tort liability**

- Mello, M., A. Chandra, A. Gawande, and D. Studdert, National costs of the medical liability system. Health Affairs 29(9): 1569-1176. Sept. 2010.

**Feb. 24            Medical malpractice insurance and medical liability reform**

- Feldstein Chapter 13
- Carrier, E., J. Reschovsky, M. Mello, R. Mayrell, and D. Katz, Physicians' fears of malpractice lawsuits are not assuaged by tort reforms. Health Affairs 29(9): 1585-1592. Sept. 2010.

**Mar. 1             Comparative effectiveness and cost effectiveness**

- Garber, A. and H. Sox, The role of costs in comparative effectiveness research. Health Affairs 29(10): 1805-1811. Oct. 2010.

**Mar. 3             FIRST MIDTERM EXAM (in class)**

**Mar. 15            Medicare (Erin Taylor)**

- Feldstein Chapter 8, 10
- Medicare at a Glance, Kaiser Foundation.

**Mar. 17            Medicaid (Erin Taylor)**

- Feldstein Chapter 9
- Medicaid at a Glance, Kaiser Foundation.

**Mar. 22            Hospitals**

- Feldstein Chapters 15, 16, 17

**Mar. 24            For-profit vs. not-for-profit hospitals (Guy David)**

- Feldstein Chapter 14
- Reinhardt UE. The economics of for-profit and not-for-profit hospitals. Health Affairs 19(6):178-186. November/December 2000.
- David, Guy and Lorens Helmchen. An uncertain prescription. Regulation: Cato Review of Business and Government. Summer 2006.

**Mar. 29            Nursing (Jeannie Cimiotti)**

- Feldstein Chapter 24

**Mar. 31, April 5        Pharmaceuticals / biologics / devices**

- Feldstein Chapters 25, 26, 27, 28
- Danzon, Patricia and M. Furukawa. Prices and Availability of Pharmaceuticals: Evidence from Nine Countries. Health Affairs: w3-521-w3-536. October 29, 2003.

**April 7             Vaccines (Sean McElligott) (WRITTEN ASSIGNMENT DUE)**

**April 12            Regional variation in health costs**

- Gawande, Atul. The cost conundrum: What a Texas town can teach us about health care. The New Yorker. June 1, 2009.
- Gilden, Daniel. McAllen: A Tale of Three Counties. The Health Care Blog. June 25, 2009.
- Franzini, L., O. Mikhail, and J. Skinner, McAllen and El Paso revisited: Medicare variations no always reflected in under-sixty-five population. Health Affairs 29(12): 2302-2309. Dec. 2010.

**April 14            Assessing health outcomes (Jeffrey Silber)**

**April 19            Health care, income, and race**

- Eliminating Racial/Ethnic Disparities in Health Care: What are the Options? Kaiser Foundation, October 2008.

**April 21            Wrapup and review**

**April 26            SECOND MIDTERM (NO FINAL EXAM)**