

**HCMG 101 – HEALTH CARE SYSTEMS  
SPRING 2017  
T/TH 1:30-2:50, JMHH F85**

Scott Harrington

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

TAs: Christine Casey ([chcasey@wharton.upenn.edu](mailto:chcasey@wharton.upenn.edu); office hours: Wednesdays, 4:30 PM – 6:00 PM) and Timothy Horvat ([Timothy.Horvat.wg18@wharton.upenn.edu](mailto:Timothy.Horvat.wg18@wharton.upenn.edu); office hours: Tuesdays, 4:30 PM – 6:00 PM); 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, 6th ed., available at the PENN Bookstore. (The 5<sup>th</sup> edition has the same chapters. It does not reflect recent changes in the health care system and has older data.)

Additional readings are posted on the course's Canvas site: <https://canvas.upenn.edu/courses/1347921>. If you experience problems accessing Canvas, please contact Tina Horowitz ([horowitt@wharton.upenn.edu](mailto:horowitt@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 23, in class)	100 pts
Exam 3 (April 25, in class)	100 pts
Writing assignment (April 4)	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 a newspaper 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 4.**

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**

- **Stephanie Douplik, MD, MSHP**, Faculty member, Center for Pediatric Clinical Effectiveness; Co-Director, CHOP inpatient Medical Behavioral Unit; Instructor of Pediatrics, School of Medicine
- **Samuel Fager, MD, JD, MBA**, President, S.S. Fager Consulting
- **Said A. Ibrahim, MD, MPH**, Professor of Medicine; Co-Director, CHERP, HSR&D Center of Innovation
- **Jeffrey Silber, PhD, MD**, Professor of Pediatrics and Anesthesiology and Health Care Management; Director of the Center for Outcomes Research
- **Julie Sochalski, PhD, FAAN, RN**, Associate Professor of Nursing, Associate Dean for Academic Programs, School of Nursing
- **Kevin Volpp, MD, PhD**, Professor of Medicine and Health Care Management; Director, Center for Health Incentives and Behavioral Economics, Leonard Davis Institute

### **SCHEDULE**

#### **Jan. 12 & 17: U.S. health care spending in a global context**

- Feldstein, Chapters 1-2
- Anderson, G. and B. Frogner. Health spending In OECD countries: Obtaining value per dollar. Health Affairs 27(6): 1718-1727. Nov/Dec 2008.
- 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.

#### **Jan. 19: Health, medical care, and the value of medical spending**

- Feldstein, Chapter 3, 5, 21
- The relative contributions of multiple determinants to health outcomes. Health Affairs Health Policy Brief. August 2014.

- Goodell, Sarah, Joshua Cohen, and Peter Neumann. Cost savings and cost-effectiveness of clinical preventive care. Robert Wood Johnson Foundation Policy Brief No. 18. Sept. 2009.
- Madison, Kristin M. The risks of using workplace wellness programs to foster a culture of health. Health Affairs 35(11): 2068-2074. November 2016.

**Jan. 24: Key Concepts in Health Insurance**

- Feldstein, Chapter 6
- Burman, Len, Surachai Khitatrakun, and Sarah 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 4, 2016.

**Jan. 26: Health and behavior (Kevin Volpp)**

- Volpp, Kevin, et al. Redesigning employee health incentives – Lessons from behavioral economics. New England Journal of Medicine 365(5). August 4, 2011.

**Jan. 31, Feb. 2 & 7: Private health insurance and ACA reforms**

- Feldstein, Chapters 7, 19, 36, Appendix
- Uninsurance rates and the ACA. Health Affairs Health Policy Brief. May 23, 2016.
- Risk adjustment in health insurance. Health Affairs Health Policy Brief. August 30, 2012.

**Feb. 9: Medicare – government insurance for the elderly and disabled**

- Feldstein, Chapter 8, 10
- An overview of Medicare. Kaiser Family Foundation Issue Brief. April 2016.
- Restructuring Medicare. Health Affairs Health Policy Brief. June 20, 2013.
- Premium support in Medicare. Health Affairs Health Policy Brief. March 22, 2012.

**Feb. 14: EXAM 1**

**Feb. 16: Medicaid – government insurance for the poor**

- Feldstein, Chapter 9
- Medicaid Moving Forward. Kaiser Family Foundation. August 2014.
- Overview of Medicaid per capita cap proposals. Kaiser Family Foundation Issue Brief. June 2016.

**Feb. 21: Poverty, health, and geographic variation in health care costs**

- Gawande, Atul. The cost conundrum: What a Texas town can teach us about health care. The New Yorker. June 1, 2009.
- Geographic variation in Medicare spending. Health Affairs Health Policy Brief. March 2014.

**Feb. 23: Introduction to the hospital sector**

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

**Feb. 28: Nursing (Julie Sochalski)**

- [Feldstein](#), Chapter 24
- Nurse practitioners and primary care. Health Affairs Health Policy Brief. May 15, 2013.

**Mar. 2: Hospitals, cont.**

- See Feb. 23 readings

**Mar. 14: The evolving role of physicians (Samuel Fager)**

- [Feldstein](#), Chapters 11, 23

**Mar. 16: More on physicians**

- Vaughn, B., S. DeVrieze, S. Reed, and K. Schulman. Can we close the income and wealth gap between specialists and primary care physicians? [Health Affairs](#) 29(5): 933-940. May 2010.
- Physician consolidation: Rapid movement from small to large group practices, 2013-2015. [Health Affairs](#) 35(9): 1638-1642. September 2016.

**Mar. 21: More on provider reimbursement and payment reforms**

- Pay-for-performance. Health Affairs Health Policy Issue Brief. October 11, 2012.
- Bundled payments for care improvement. Health Affairs Health Policy Brief. Nov. 23, 2015.

**Mar. 23: EXAM 2**

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

**Mar. 30 & April 4: Pharmaceuticals / biologics / medtech**

- [Feldstein](#), Chapters 25, 26, 27, 28
- Biosimilars. Health Affairs Health Policy Brief. October 10, 2013.

**April 6: Assessing health outcomes (Jeffrey Silber)**

- Variation in hospital mortality associated with inpatient surgery. [New England Journal of Medicine](#) 361: 1368-75. October 1, 2009.

**April 11: Improving medical care quality and safety (Samuel Fager)**

- [Feldstein](#), Chapters 4, 12

**April 13: Medical malpractice liability, insurance, and medical practice**

- [Feldstein](#), Chapter 13
- Mello, M., A. Chandra, A. Gawande, and D. Studdert. National costs of the medical liability system. [Health Affairs](#) 29(9): 1569-1176. September 2010.

**April 18: Disparities in health care (Said Ibrahim)**

- Eliminating racial/ethnic disparities in health care. Kaiser Family Foundation, October 2008.

**April 20: A brief look at health care financing in selected countries**

- [Feldstein](#), Chapter 32

**April 25: EXAM 3**