

(Syllabus updated 03/23/10)

Owen Graduate School of Management

VANDERBILT UNIVERSITY

**MGT 510**

**Contemporary and Classical Understanding of Health Care Reform**

Mod IV, Spring 2010

Tuesdays, 8:00-11:10 a.m.

Room 106

Senator Bill Frist

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**Note:** Please copy Suzanne on all communications with Senator Frist.

## I. Course Description

### Course Content

This course focuses on both contemporary and classical perspectives of health care reform. The course curriculum consists of approximately 40 papers – 20 of which are “the classics” in health economics and policy and 20 of which are the “best” papers published over the past year on current health reform initiatives.

The “classics” have helped shape past and present health care debates. Every serious health policy student and health manager/leader should know these works. In light of these classical perspectives, we will examine contemporary viewpoints as health care reform unfolds before our eyes during the course. As such, research articles and course materials may change to keep pace with current events.

### Course Structure

Students will form **groups of four to five** on their own, and one member of each group must e-mail the names of their team members **to Suzanne Reiss by Thursday, March 18 at 5PM**. Each group will be responsible for submitting three concise group papers and weekly slide decks for in-class presentations. Each student should be prepared to discuss the main points of all the assigned (required) articles, as well as suggest a few key insights within the articles, draw larger conclusions in the context of current health care reform, or compare/contrast the articles with other classic/contemporary viewpoints.

### Course Expectations

Special Note 1: All students will be prepared to discuss the required readings for each class. Every student will be expected to participate in every seminar. Please let me know before class if an emergency has made it impossible for you to be adequately prepared for or attend class that day [E-mail Suzanne Reiss.].

Special Note 2: In all written work and presentations, attention will be given to quality of presentation - clarity of ideas, sentence and paragraph construction, linkage of paragraphs, and effectiveness of slides/exhibits. Points will be deducted for quality of presentation as well as for deficiencies in content.

Special Note 3: Please do not use laptops in class except as a tool for the featured presentation. Please turn off cell phones, blackberries and pagers during class. Students will gain most from the class with attention focused entirely on discussion and student-to-student interaction.

Special Note 4: We will start and finish on time. Because of the seminar nature of this class, attendance is required and an attendance sign-in sheet will be circulated during each class. A missed class without prior approval will result in participation reduction of 5%. If absolutely necessary to miss a class, let me know in advance and appropriate arrangements will be made.

Special Note 5: I will customarily ask for volunteers to participate during class discussions, but I reserve the right to call on individual students specifically (i.e. “cold call”) as well as ask follow-up questions to test students’ analysis and to push them to dive deeper.

For these interactive discussions, students need to thoroughly prepare the course materials, guided by assignment questions (if relevant). Students should be familiar with the facts presented, relevant data, and the names of any organizations or individuals involved. Students should also be prepared to discuss their analysis, building on the contributions of others.

Special Note 6: All work completed for this course will be consistent with the Honor Code of the university.

Special Note 7: Fun. This class is meant to be engaging and fun. The topic is current and in the press daily and the outcome of reform will unfold over the course of the class. This course will give the student the opportunity to assimilate and “put together” much that you have learned, stretching you to think through the eyes of policy and industry leaders. The goal of analyzing the perspectives of both classical and contemporary health care experts in the classroom is to make this a one-of-a-kind experience.

## II. Assignments

### Article Presentations

Each group will create a slide deck that covers the main points of the required readings due that day (to be specified in advance for each class). Unless otherwise specified, groups should have three slides for each required reading assigned: (1) an executive summary, (2) detailed analysis/reactions, and (3) placement of the article in context of current health care reform or comparison/contrast of the article with other classic/contemporary viewpoints.

All students should be prepared to present the slides in class. Presentations are to be **e-mailed to Suzanne each Sunday by midnight**. On days when more than one article is assigned, each group should submit a single file that includes all of the slides (three for each article).

### Current Event Presentation

Each week we will spend 40 minutes in a focused interactive discussion on a current event. **One group will be assigned to lead the discussion each week. The specific group assigned for a particular week will lead the discussion in class and should use slides to do so. (Please submit slide pack to Suzanne by email on day of class.** Students may choose an article from some current periodical (Health Affairs, Kaiser Health News, WSJ or NYT, NEJM, Financial Times) to present and discuss (can also be an event of the week such as a hearing or policy statement from Washington). The issues must be current (newsworthy within 14 days of the class) and significant. For

this presentation, summarize the events, in context of today’s health care reform initiatives, and project the event’s future impact on health care legislation, including any implementation concerns as well as impact on whether a bill (or portion thereof) will pass or fail as a result. **Slide presentations for current events should be four to eight slides. The “Current Events Group” does not need to present a “required reading slide pack” that week.**

For current events, your best immediate resource is [www.kff.org](http://www.kff.org).

### **Memos**

Each group will prepare three concise memos or papers of **approximately 1000 +/- 100 words**. Please include a word count on the title page. You are allowed an additional two pages of exhibits (no more than two per page). Exhibits should be clearly labeled. The subjects of each memo will be given two weeks in advance of the due date. The case reports will be graded on both form and content. **Papers should be emailed to Suzanne on the day of the class.**

Students are asked to be consistent in their citing of sources. Please use **endnotes format** [*Consider using the “references tab,” APA-style endnotes in Microsoft Word 2007.*], and make sure all website links are preserved so they can be checked.

### **Final Exam**

There will be no final exam for this course.

## **III. Grading**

**Class Participation:** 25% (including peer evaluations)

**Memos:** 3 @ 15% each (total of 45%)

**Presentations:** 6 @ 5% each (total of 30%)

## **IV. Schedule at a Glance (subject to change)**

<b>Class</b>	<b>To Turn in</b>
1. Discussion of Atul Gawande, The Cost Conundrum, <i>New Yorker</i> June 1, 2009.	<i>None</i>
2. Economic Theory and Health Care Markets	Presentation #1 ( <i>e-mailed to Suzanne Reiss by Sunday, March 21</i> )  Presentation of Current Events #1 by Group A
3. Financing	<b>Memo #1 (email to Suzanne Reiss on day of class.</b> Presentation #2 ( <i>e-mailed to Suzanne Reiss by Sunday, March 28</i> )  Presentation of Current Events #2 by Group B
4. Cost Containment	Presentation #3 ( <i>e-mailed to Suzanne Reiss</i> )

	<p><i>by Sunday, April 4)</i></p> <p>Presentation of Current Event #3 by Group C</p>
5. Access to Care	<p><b>Memo #2 (e-mailed to Suzanne Reiss on day of class.</b></p> <p>Presentation #4 (e-mailed to Suzanne Reiss by Sunday, April 11)</p> <p>Presentation of Current Events #4 by Group D</p>
6. Delivery System and Quality of Care	<p>Memo #3 (e-mailed to Suzanne Reiss by Sunday, April 18)</p> <p>Presentation #5 (e-mailed to Suzanne Reiss by Sunday, April 18)</p> <p>Presentation of Current Events #5 by Group E</p>
7. Politics and Public Opinion	<p>Presentation #6 (e-mailed to Suzanne Reiss by Sunday, April 25)</p> <p>Presentation of Current Events #5 by Group F</p>

**FORMAT FOR CASE WRITE-UP**

Memos should begin with an executive summary that highlights the major issues and clearly states your recommendation(s) based on your thorough analysis of the key issues (this should be one paragraph). The next paragraph should specifically state the purpose and the plan of the paper. What follows should be the detail of the analysis which supports your conclusions/recommendation.

For some topics, I may provide discussion questions. The role of the discussion questions is to highlight the key contemporary aspects. You should also identify other factors that you feel are relevant to the situation at hand. Inject your own thoughts and originality. Be sure to use data and supporting sources when appropriate.

**EFFECTIVE WRITING**

Some general guidelines for preparing an effective memo include:

1. Provide a coherent, well-organized analysis, not simply a set of notes pieced together.
2. Be concise. Keep the sections short, and provide a strong logical flow for your recommendations. Cut all the fat from your paper: for every sentence, ask yourself "does this specific phrase advance my argument?" If the answer is no, remove it. Write crisply.

3. Make your assumptions explicit whenever necessary.
4. Recommendations should be cost-effective and appropriate to the timing (short-term or long-term) of the problem at hand.
5. Be sure you have considered the appropriate tradeoffs when formulating suggestions or recommendations.
6. Tie your exhibits to the text of the report by explicit reference. Clearly label and explain the figures/exhibits. They should add or explain information.
7. The first two paragraphs are critical. The purpose and plan of the paper need to be explicitly stated. This is critical to memo writing, case papers, and reviews.
8. In life, form and neatness matter. Presentation of the written word in format and form is too often today ignored. Please put page numbers in upper right corner and include a title page for each memo with word count indicated.

## **WEEK ONE**

Atul Gawande, The Cost Conundrum, *New Yorker* June 1, 2009.

[http://www.newyorker.com/reporting/2009/06/01/090601fa\\_fact\\_gawande](http://www.newyorker.com/reporting/2009/06/01/090601fa_fact_gawande)

## **WEEK TWO - ECONOMIC THEORY AND HEALTH CARE MARKETS**

### **CLASSICS-REQUIRED:**

Kenneth J. Arrow, Uncertainty and the Welfare Economics of Medical Care, *The American Economic Review*, Vol. 53, No. 5. (Dec., 1963), pp. 941-973.

<http://www.who.int/bulletin/volumes/82/2/PHCBP.pdf> (9 pages)

Incremental Steps Toward Health System Reform, by Mark V. Pauly and John C. Goodman; Judith Feder, and Larry Levitt; Stuart M. Butler; David M. Cutler; and Gail R. Wilensky, 1995, <http://content.healthaffairs.org/cgi/reprint/14/1/125.pdf> [piece with Mark Pauly](#), (classic on market-based) (15 pages)

### **CLASSICS-SUGGESTED:**

Joseph P. Newhouse, "Medical Care Costs: How Much Welfare Loss?" *Journal of Economic Perspectives*, 6:3, Summer 1992, pp. 3-21.

This paper distinguishes the margin of costs at a point in time from that of costs over time and argues that the growth in costs over time is justified by the growth in the benefits. A considerably more extensive and rigorous demonstration of this is in the Cutler book that is in the optional reading. (19 pages)

Mark V. Pauly, The Economics of Moral Hazard: Comment, *The American Economic Review*, Vol. 58, No. 3, Part 1. (Jun., 1968), pp. 531-537. (7 pages)

<http://links.jstor.org/sici?sici=0002-8282%28196806%2958%3A3%3C531%3ATEOMHC%3E2.0.CO%3B2-A>

Thomas H. Rice, Ph.D. "Can Markets Give Us the Health System We Want?" *Journal of Health Politics, Policy and Law*, Vol. 22, No. 2. (44 pages)

### **CONTEMPORARY-REQUIRED:**

John Holahan, Bow Garrett, *Rising Unemployment, Medicaid and the Uninsured*, KCMU, January 2009. (22 pages) <http://www.kff.org/uninsured/upload/7850.pdf>

David M. Cutler, "Health Care Modernization Will Reduce the Deficit" (Washington: Center for American Progress Action Fund, May 2009). (6 pages)

[http://www.americanprogressaction.org/issues/2009/05/health\\_modernization.html](http://www.americanprogressaction.org/issues/2009/05/health_modernization.html)

Economists letter to President Obama on Health Reform. (3 pages)

<http://economix.blogs.nytimes.com/2009/11/17/economists-letter-to-obama-on-health-care-reform/>

**CONTEMPORARY-SUGGESTED:**

Drew Altman, *Pulling it Together: Health IN the Economy*, Kaiser Family Foundation, 2008. (2 pages) [http://www.kff.org/pullingittogether/healthineconomy\\_altman.cfm](http://www.kff.org/pullingittogether/healthineconomy_altman.cfm)

**WEEK THREE – FINANCING****CLASSICS-REQUIRED:**

William C. Hsiao, Peter Braun, Daniel Dunn, et al., “Resource Based Relative Values: An Overview,” *Journal of the American Medical Association*, 260(16), October 28, 1988, 2347-2353. (5 pages)

David Mechanic, Lynn B. Rogut, David C. Colby, James R. Knickman, “Policy Changes in Modern Health Care,” 2005, (12 pages)

**CLASSICS-SUGGESTED:**

Kaiser Family Foundation, *Medicare and Medicaid at 40: Key Medicare and Medicaid Statistics*, 2005. (37 pages) <http://www.kff.org/medicaid/40years.cfm>

John Rawls, *A Theory of Justice*, 1999.

[http://books.google.com/books?id=kvpby7HtAe0C&dq=john+rawls+health++Theory+of+Justice&lr=&source=gbs\\_navlinks\\_s](http://books.google.com/books?id=kvpby7HtAe0C&dq=john+rawls+health++Theory+of+Justice&lr=&source=gbs_navlinks_s)

**CONTEMPORARY-REQUIRED:**

Holahan, J., Bowen, G., Headen, I., and Lucas, A. May 2009. [Health Reform: The Cost of Failure](#). The Urban Institute. (28 pages)

**CONTEMPORARY-SUGGESTED:**

Congressional Budget Office, *Key Issues in Analyzing Major Health Insurance Proposals*, December 2008. (196 pages) <http://www.cbo.gov/ftpdocs/99xx/doc9924/12-18-KeyIssues.pdf>

Drew Altman, *Pulling it Together: The "Third School" for Controlling Health Care Costs?*, Kaiser Family Foundation, October 2009 (2 pages)  
[http://www.kff.org/pullingittogether/102909\\_altman.cfm](http://www.kff.org/pullingittogether/102909_altman.cfm)

**WEEK FOUR – COST CONTAINMENT****CLASSICS-REQUIRED:**

Gerard F. Anderson, Uwe E. Reinhardt, Peter S. Hussey, and Varduhi Petrosyan, *It's the Prices, Stupid*, *Health Affairs*, 2003. (17 pages)  
<http://content.healthaffairs.org/cgi/reprint/22/3/89?maxtoshow=&HITS=10&hits=10&RESULTFORMAT=&fulltext=prices+stupid&andorexactfulltext=and&searchid=1&FIRSTINDEX=0&resourcetype=HWCIT>

Counterpoint: “Health Care Reform: Do Other Countries Have the Answers” (a defense of U.S. system) (20 pages) [international comparison](http://www.ncpa.org/pdfs/sp_Do_Other_Countries_Have_the_Answers.pdf)  
[http://www.ncpa.org/pdfs/sp\\_Do\\_Other\\_Countries\\_Have\\_the\\_Answers.pdf](http://www.ncpa.org/pdfs/sp_Do_Other_Countries_Have_the_Answers.pdf)

### **CLASSICS-SUGGESTED:**

Altman D and L. Levitt., The Sad History of Health Care Cost Containment as Told in One Chart, *Health Affairs*. 2002. (2 pages)  
<http://content.healthaffairs.org/cgi/content/full/hlthaff.w2.83v1/DC1>

Enthoven, Alain C., “The History and Principles of Managed Competition”, *Health Affairs*, 12(1), Supplement 1993, 24-48. (23 pages)

Counterpoint: John Goodman Chapter: “Is Managed Competition the Answer?” (14 pages) <http://www.ncpa.org/pdfs/livesatrisk/Ch22.pdf>

### **CONTEMPORARY-REQUIRED:**

[Vladeck BC](#), [Rice T](#). Market failure and the failure of discourse: facing up to the power of sellers. [Health Aff \(Millwood\)](#). 2009 Sep-Oct;28(5):1305-15. (11 pages)

### **CONTEMPORARY-SUGGESTED:**

Sheila Smith, Joseph P. Newhouse, and Mark S. Freeland  
**Income, Insurance, And Technology: Why Does Health Spending Outpace Economic Growth?** *Health Affairs*, September/October 2009; 28(5): 1276-1284. (9 pages)

Gary Claxton, Bianca DiJulio, Heidi Whitmore, Jeremy Pickreign, Megan McHugh, Benjamin Finder, and Awo Osei-Anto. **Job-Based Health Insurance: Costs Climb At A Moderate Pace** *Health Affairs*, November/December 2009; 28(6): w1002-w1012. (11 pages)

Counterpoint to “bending the cost curve” from the payer side of the market Goodman’s  
**Can an Independent Medicare Commission Control Health Care Costs?** (7 pages)  
<http://www.john-goodman-blog.com/can-an-independent-medicare-commission-control-health-care-costs/>

## **WEEK FIVE – ACCESS TO CARE**

### **CLASSICS-REQUIRED**

Karen Davis and Diane Rowland, “Uninsured and Underserved: Inequities in Health in the United States,” *Milbank Memorial Fund Quarterly*, 1983. (29 pages)

RAND Health Insurance study

Joseph P. Newhouse and the Insurance Experiment Group, *Free for All? Lessons from the RAND Health Insurance Experiment*, Harvard University Press, 1993, pp. 8-17, p. 41, Chapter 11. (45 pages)

### **CLASSICS-SUGGESTED**

Andersen, Ronald M. 1995. "Revisiting the Behavioral Model and Access to Medical Care: Does it Matter?" *Journal of Health and Social Behavior*, 36(1), March: 1-10. (10 pages)

Institute of Medicine, National Academy of Sciences, *Consequences of Uninsurance Project*, 2004. In this multi-year effort, the Institute of Medicine (IOM) undertook a comprehensive study of lack of health insurance and its implications for uninsured individuals, their families, their communities, and the nation.

[Coverage Matters: Insurance and Health Care](#), 2001(8 pages)

[Insuring America's Health: Principles and Recommendations](#), 2004 (8 pages)

RAND Health Insurance study

Joseph P. Newhouse and the Insurance Experiment Group, *Free for All? Lessons from the RAND Health Insurance Experiment*, Harvard University Press, 1993, pp. 8-17, p. 41, chapter 5 (29 pages)

### **CONTEMPORARY-REQUIRED**

Blendon, Robert J. and John M. Benson. 2001. Americans' Views on Health Policy: A Fifty-Year Historical Perspective." *Health Affairs*, 20(2), March/April: 33-46. (14 pages)

Jacob S. Hacker. December 2008. "The Case for Public Plan Choice in National Health Reform," Institute for America's Future. (21 pages)

<http://institute.ourfuture.org/report/2008125116/case-public-plan-choice-national-health-reform>

### **CONTEMPORARY-SUGGESTED**

Counterpoint to universal coverage:

1. "Does Lack of Insurance Cause Premature Death? John Goodman [Health Affairs post](#) (2 pages)

2. [Goodman/Gorman critique Health Alert:](#) | [Does Lack of Insurance Cause Premature Death? Probably Not.](#), Nov 2, 2009, Linda Gorman and John Goodman (4 pages)

## **WEEK SIX – DELIVERY SYSTEM AND QUALITY OF CARE**

### **CLASSICS-REQUIRED**

Donabedian, Avedis. 1988. "The Quality of Care: How Can It Be Assessed?," *JAMA*, 260(12), September 23, pp. 1743-48.

IOM, Crossing the Quality Chasm, 2001.  
[http://www.nap.edu/catalog.php?record\\_id=10027#toc](http://www.nap.edu/catalog.php?record_id=10027#toc)

Lucian L. Leape, "Error in Medicine," *JAMA*, 272, December 21, 1994, 1851-1857. Error in medicine is a serious enough problem to have merited a Presidential press conference in 1999 when the well known Institute of Medicine monograph *To Err is Human* was released; this paper is a precursor to that monograph.

### **CLASSICS-SUGGESTED**

Wennberg, JE and Gittleman, A. "Small Area Variations in Health Care Delivery." *Science* 182 (1973): 1102 – 1108. (7 pages)  
<http://www.sciencemag.org/cgi/content/abstract/182/4117/1102>

Michael Porter and Elizabeth Teisberg, Redefining Competition in Health Care, *Harvard Business Review*, 2004. (this article was a precursor to the book) (16 pages)  
<http://hbr.org/hbr-main/resources/pdfs/comm/philips/redefining-competition-health.pdf>

### **CONTEMPORARY-REQUIRED**

Congressional Budget Office, Research on the Comparative Effectiveness of Medical Treatments, December 2007. <http://www.cbo.gov/ftpdocs/88xx/doc8891/12-18-ComparativeEffectiveness.pdf> (48 pages)

Elliot Fisher et al. (2009). Health Care Spending, Quality, and Outcomes: More Isn't Always Better. A Dartmouth Atlas Project Issue Brief. Dartmouth Institute for Health Policy and Clinical Practice. (6 pages)  
[http://www.dartmouthatlas.org/atlases/Spending\\_Brief\\_022709.pdf](http://www.dartmouthatlas.org/atlases/Spending_Brief_022709.pdf)

### **CONTEMPORARY-SUGGESTED**

[Reed Abelson](#). (2009) MONTHS TO LIVE: Weighing Medical Costs of End-of-Life Care, *The New York Times* December 22, 2009. (6 pages)  
[http://www.nytimes.com/2009/12/23/health/23ucla.html?\\_r=1](http://www.nytimes.com/2009/12/23/health/23ucla.html?_r=1)

Commonwealth Fund, The Path to a High Performance U.S. Health System: A 2020 Vision and the Policies to Pave the Way, February 2009. (122 pages)  
<http://www.commonwealthfund.org/Content/Publications/Fund-Reports/2009/Feb/The-Path-to-a-High-Performance-US-Health-System.aspx>

Steinbrook, R., Easing the Shortage in Primary Care – Is it All About the Money?, *NEJM*, June 25, 2009. <http://healthcarereform.nejm.org/?p=564> (6 pages)

Ewe E. Reinhardt, 2007. The Potential Role of Private Markets and Private Health Insurance in China's Health Reform. (40 pages)

## **WEEK 7 – POLITICS AND PUBLIC OPINION**

### **CLASSICS-REQUIRED**

Blendon, Robert J. and John M. Benson. 2001. Americans' Views on Health Policy: A Fifty-Year Historical Perspective." *Health Affairs*, 20(2), March/April: 33-46. (27 pages)

Oberlander, J. The Politics Of Health Reform: Why Do Bad Things Happen To Good Plans? *Health Affairs*, 2003. (14 pages)

<http://content.healthaffairs.org/cgi/reprint/hlthaff.w3.391v1.pdf>

### **CLASSICS-SUGGESTED**

Drew Altman and Mollyann Brodie. **Opinions On Public Opinion Polling** *Health Affairs* Web Exclusive, August 14, 2002. (4 pages)

Colin Gordon, 2003. Dead on Arrival, The Politics of Health Care in Twentieth-Century America.

Theodor J. Litman, Ph.D., Leonard S. Robins, Ph.D., *Health Politics and Policy*, 1984.

### **CONTEMPORARY-REQUIRED**

Victor R. Fuchs, Health Reform: Getting The Essentials Right. *Health Affairs*, March/April 2009; 28(2): w180-w183. (4 pages)

"Goodman's "Designing Ideal Health Insurance," [my own proposal](#) for converting health insurance into casualty insurance (18 pages).

### **CONTEMPORARY-SUGGESTED**

Reforming America's Health Care System: A Call to Action 2009. November 12, 2008. U.S. Senator Max Baucus (D-Mont.) Chairman, Senate Finance Committee. (3 pages) <http://finance.senate.gov/healthreform2009/finalwhitepaper.pdf>

Ezra Klein, Wealth Care Reform, *American Prospect*, June 2009. (4 pages) [http://www.prospect.org/cs/articles?article=wealth\\_care\\_reform](http://www.prospect.org/cs/articles?article=wealth_care_reform)

Partnership for Prevention, The Economic Argument for Disease Prevention: Distinguishing Between Value and Savings, February 2009. (15 pages) <http://www.prevent.org/images/stories/PolicyPapers/prevention%20cost-effectiveness.pdf>

Market-Based Insurance Reform proposals:

1. John Cochrane, Health-Status Insurance: How Markets Can Provide Health Security, [Cochrane's proposal](#) (12 pages)
2. Goodman: [proposal](#) for specialty insurance for chronic patients. (8 pages)

A Better Way to Health Reform, Martin Feldstein, *Washington Post* , Thursday, October 8, 2009, [Marty Feldstein's proposal reform](#). (2 pages)

Brownstein, R., A Milestone in the Health Care Journey, *The Atlantic*, November 21, 2009. (6 pages)  
[http://politics.theatlantic.com/2009/11/a\\_milestone\\_in\\_the\\_health\\_care\\_journey.php](http://politics.theatlantic.com/2009/11/a_milestone_in_the_health_care_journey.php)

