

Boston University School of Public Health

**PM702 Introduction to Health Policy and Management**

Fall 2010

3 Credits

Tuesdays 6:00 – 8:45 PM

Bakst Auditorium

Alan Sager

[asager@bu.edu](mailto:asager@bu.edu)

617 638 4664

Office Hours and Location

**A. Aims and objectives**

The course's main, over-arching aim is to **empower** you to better understand the 308-million-person, \$2.6 trillion, 5,000-hospital, 19,000-nursing-home, 800,000-physician, 2.3 million-nurse (and other caregivers I don't mean to slight), and 46- to 60-million-uninsured world of U.S. health care delivery, finance, management, and policy. That \$2.6 trillion in projected spending for 2010 amounts to just over \$1,000,000,000 for each minute of class time in PM702—including breaks.

No matter where in public health you work in coming decades, you could be **blindsided** by the 18-wheel truck of changes in health care delivery and finance in the United States—if you don't watch out for those changes and understand how they might affect you. Many of these subjects can be complicated or confusing. Understanding them requires various combinations of facts, concepts, analysis, judgment, and belief/opinion.

The course's aim is **not** to persuade you that this answer or that answer to a big policy question is the right one, but rather to help you decide. It will fairly present both (or more) sides of the main policy debates in health care delivery and finance. While I will not hide my own views about some subjects, you will never be graded by whether you agree with them.

The course seeks to present all materials in ways that are interesting and relevant to those of you who care deeply about health care delivery and policy—and also to those of you whose interests point mainly in other directions.

After successfully completing PM702 Introduction to Health Policy and Management, you will be able to:

1. identify the four main problems of health care access, cost, caregiver configuration, and appropriateness/quality in the United States;
2. analyze policy, financing, care delivery, management, political, and other aspects of each of these problems;
3. analyze the main competing views of the causes of the four main problems;
4. assess main competing solutions to the four problems, and their strengths and weaknesses by applying concepts and skills and by identifying, filtering, and marshaling relevant data/evidence;

5. discuss the main political and economic forces influencing U.S. health care financing and delivery;
6. describe the main questions about the future of health care financing and delivery, and present reasonable responses to each contingency; and
7. trace interactions among the various problems and their solutions—the ways in which attacking one problem might exacerbate or ameliorate another.

The objectives of individual class sessions are spelled out in the notes for each class.

## **B. Methods**

In class, we will use a mixture of lecture, discussion, and cases. After most classes, you will complete a short exercise that provides practice in finding, using, and presenting data and other evidence that bear on health care problems, their causes, and their solutions. You will take exams that assess how much you have learned so far and that provide additional opportunities to learn.

This syllabus, notes for each class, links to readings, and a few other materials will be posted on the course's Blackboard site, which you can access here:  
[http://blackboard.bu.edu/webapps/portal/frameset.jsp?tab\\_id= 2\\_1&url=%2fwebapps%2fblackboard%2fexecute%2flauncher%3ftype%3dCourse%26id%3d\\_7870\\_1%26url%3d](http://blackboard.bu.edu/webapps/portal/frameset.jsp?tab_id= 2_1&url=%2fwebapps%2fblackboard%2fexecute%2flauncher%3ftype%3dCourse%26id%3d_7870_1%26url%3d).

All you need is a Boston University e-mail account with Kerberos password. (“The name Kerberos comes from Greek mythology; it is the three-headed dog that guarded the entrance to Hades,” according to Ken Hornstein of the Naval Research Laboratory, <http://www.cmf.nrl.navy.mil/CCS/people/kenh/kerberos-faq.html#intro>. Please don't confuse Kerberos with Fluffy, the three-headed dog guarding the trap door in *The Sorcerer's Stone*.)

While a little of the course material is abstract or esoteric, most of it is fairly accessible and even relevant to you as a student of public health. Much of it is reported in the news from time to time.

You will probably find it easier to assimilate the material if you embrace and personalize it. Therefore, when appropriate, you will be asked to take a position on a given question of health policy, finance, or delivery, and to offer arguments supporting and opposing that position.

## **C. Structure**

Many class sessions will follow this general structure:

- Introductory case
- Main problems and controversies in the field
- Background, evolution of problems
- Possible causes of problems
- Possible solutions to problems
- Concepts
- Skills
- Data, other evidence
- Case to apply data, other evidence, skills, or concepts

#### **D. Themes of the course—Integration across sessions**

While each week's topic(s) will be presented in ways that make sense on their own, the course will also integrate across topics. Here are 21 of the main integrative questions.

1. What are the main strengths and weaknesses of U.S. health care?
2. Why don't all Americans have financial protection against the cost of health care? What is the best way to address these causes and thereby protect everyone financially?
3. By what methods do we raise the money to pay for health care today? Are they fair? What are alternative methods, and how would they work?
4. By what methods do we pay hospitals, doctors, nursing homes, drug makers, and other caregivers? What are the effects of these methods? What are alternative methods, and how would they work?
5. Are ambulatory, acute, long-term, mental health, developmental, dental, and other health care services well-integrated and well-managed? How can integration and management be improved?
6. Why is U.S. health care so costly? Why have almost all past cost controls failed? What are the best ways to contain health care costs, and how can we do so without harming access or appropriateness/quality or caregiver configuration?
7. Which are the main caregivers? Where did they come from, how do they function, and where are they going? What is the right configuration of caregivers—the right total numbers, in the right locations, and of the right types and degrees of specialization? How can we protect and stabilize all needed caregivers at the lowest possible cost?
8. How much money do caregivers need to provide high-quality care to their patients?
9. To what extent has health care been crafted to benefit caregivers? Patients? Payers?
10. What are the possible roles of a free market and of government in health care? What are the strengths and weaknesses of each? To address which problems? Does a free market work in health care? Can government do something well? Can market forces and government action be blended? If neither generally works well in health care, are there workable alternatives to traditional market and government approaches?
11. At any one time, there are few absolutes in health care and many trade-offs because more of one good thing usually means less of another. Over time, though, can we change the terms of the trade-offs? For example, can we spur development of technologies that promote better health for more people at lower cost.
12. What should U.S. health care look like? What are the big choices, and how to make them?
13. Can we contain costs only by trying to contain costs—for example, by paying lower prices or offering financial incentives to give less care? Alternatively, does cost

containment require reforming the actual delivery of care? Can we cover everyone without containing costs or contain costs without covering everyone?

14. In the years ahead, do you think that U.S. health care will improve or deteriorate? If we solve today's problems, will things be better, or will new problems (possibly graver ones) replace today's?
15. What are the main controversies in health policy, management, and financing? In each, who are the main stakeholders, what are their publicly-stated concerns and their actual core interests? How great are their power and influence?
16. What are the roles of ideology, self-interest, and objective evidence/analysis in shaping health care policy, finance, delivery, and management?
17. What are real reasons for hope that the U.S. can achieve affordable and high-quality care for all who live here? And what are the real reasons to worry that we can't do this?
18. How might this course's material affect SPH students pursuing careers in (alphabetically) biostatistics, community health sciences (maternal and child health or social and behavioral sciences), environmental health, epidemiology, health law, or international health?
19. How can you strengthen and expand the framework of your facts/evidence, concepts, analysis, judgment, and even beliefs/opinions about health care—so that you can generate more power and energy to effectively attack the problems you care about, and to conserve the things you believe are good?
20. Health care swims in an ocean of economics. What are competing views of the U.S. economy's strength, the role of the free market in health care, and the role of insurance?
21. Health care swims in an ocean of politics. What are competing views of the role of government in health care? Most of the time, caregivers and insurers exert powerful influences on political decisions about health care. Will this persist?

## **E. Course materials**

Text. The course text is Bodenheimer and Grumbach, *Understanding Health Policy*, 5<sup>th</sup> edition. You can obtain it in two ways.

First, you can buy a new or used copy from the university bookstore in Kenmore Square or from another source. This way, you'll have everything in one compact soft cover book, suitable for reading, obtaining authors' autographs, and eventual bronzing. This traditional bound format runs about 200 pages.

Second, you can download the text and print using the following URL, <http://www.accessmedicine.com.ezproxy.bu.edu/resourceTOC.aspx?resourceID=56>.

This way, you'll probably save money (your cost will depend on your own cost per printed page \* about 330 pages). Printing will take a few minutes per chapter—and you'll have to print chapter-by-chapter. You will probably find the product perfectly readable, though a few charts may start at the bottom of one page and end at the top of another. You might want to print a chapter or two and see whether this works for you.

Class notes. Weekly notes will be posted on our Blackboard site under Course Documents. I'll e-mail you when they are ready for downloading. You will probably find it useful to read the notes before class and to annotate the notes during class.

Readings. You may access readings in two different ways. Please to choose the method that fits your learning style

The first is to download, read, and perhaps print the many individual readings. Its advantages include lower price (no copyright fees) and perhaps less paper (especially if you like reading on-screen). Its disadvantages less convenience in annotating readings plus time to download and—often—print many individual readings from two sources.

- a. The week-by-week section of this syllabus includes URL links for the great majority of individual readings, allowing you to access them on-line at no charge. Please read all of these items before class, either on-screen or on paper, as you prefer.
- b. The remaining readings are in the public domain. They will be posted as Adobe.pdf files, session-by-session, on our Blackboard site. Again, please read all of these items before class, either on-screen or on paper, as you prefer.

The second is to purchase a course reader through [www.universityreaders.com/students](http://www.universityreaders.com/students). Its advantages include convenience (all readings in one place and no need to download and print) and ability to annotate paper copies. Its disadvantages include higher price and a lot of paper.

## **E. Requirements and grading**

### Requirements

- Read the class notes and the assigned text chapters and readings before class. Please note that a number of assigned readings are **on-line only**. This means that they are not available in the reader that's available for purchase from University readers.
- Regularly attend class and review/annotate the weekly class notes.
- Use your fair share of class time to raise questions about items you don't understand.
- Send me an e-mail ([asager@bu.edu](mailto:asager@bu.edu)) if you aren't able to raise a question in class.
- Please don't use more than your fair share of class time.
- Complete about 9 brief exercises and take exams.
- Learn and enjoy.
- Assimilate course material for your subsequent professional use.

### Grading

- The first two exams are worth 25 points each and the third is worth 30 points.
- Completing the exercises will earn you up to 20 points.

### The Boston University School of Public Health's Information Regarding Academic Honesty

Academic honesty is essential for students to attain the competencies the University and School expect of graduates, and any action by a student that subverts these goals seriously undermines the integrity of the educational programs at the School. Students at the Boston University School of Public Health are expected to adhere to the highest standards of academic honesty.

Academic misconduct is any intentional act or omission by a student which misrepresents his or her academic achievements, or attempts to misrepresent these achievements. While not an exhaustive list, the following acts constitute academic misconduct:

- Cheating on examinations. The use or attempted use of any unauthorized books, notes or other materials in order to enhance the student's performance in the examination, copying or attempting to copy from another student's examination, permitting another student to copy from an examination or otherwise assisting another student during an examination, or any other violation of the examination's stated or commonly understood ground rules.
- Plagiarism. Any representation of the work of another person as one's own constitutes plagiarism. This includes copying or substantially restating the work of another person in any written or oral work without citing the source, or collaborating with another person in an academic endeavor without acknowledging that person's contribution. [And if you use another person's words, you must place them in quotation marks.]
- Submitting the same work in more than one course without the consent of all the instructors
- Misrepresentation or falsification of data
- Allowing another student to represent your work as his or her own
- Violating the rules of an examination or assignment

Charges of academic misconduct will be brought to the attention of the Associate Dean for Education, who will review all such cases and decide upon the appropriate action. A student who is found guilty of academic misconduct may be subject to disciplinary action, up to and including dismissal from the School.

#### The Boston University School of Public Health's Policy on Minimum Grades

All MPH degree candidates must achieve a minimum grade of a B- in each core course. A degree student who fails to achieve the minimum grade in a core course must retake the course within one year and is allowed to do so at no cost, one time only, to remediate the failing grade. Ideally the course should be remediated the next semester in which it is offered so the student can make degree progress. Please contact the Registrar's Office as soon as possible to have a seat reserved. You SHOULD NOT register for the class again. The full grade change and minimum grade requirement policies are available at: <http://www.bu.edu/bulletins/sph/item09.html#anchor02>

I expect that each person who diligently reads course assignments and notes, studies, and completes weekly exercises will learn what is needed to earn a grade of B- or better in PM702, as required to complete the M.P.H. degree. This is an expectation, not a guarantee.

#### PM702 Exams

To help you prepare for each exam, I'll post a file that compiles your e-mailed questions along with my replies to them. I'll also post a few sample questions. Also, the week before each exam, we'll have an optional question and answer session from 5 PM to 6 PM in Bakst.

I do not see the exams as an adversarial process of students versus instructor (besides, you outnumber me). Rather, I believe that we are on the same side, aiming at your mastery of the material, and at your preparation to continue to use the material during your professional lives.

This semester, four of us will grade your exams. Rachel Sayko Adams, Erica Marshall, and Deborah Socolar are the course's T.A.'s. They and I will grade each exam according to standard templates. All groups will have the same median score, so your grade in the course will not depend on which person happens to grade your exams. (The person who grades your exams will also review your weekly exercises.)

Each of the three exams will focus on the topics covered in the previous third of the semester, but salient evidence, skills, concepts, and policy issues from earlier thirds of the course will reappear on subsequent exams.

Exams will test four main things: mastery of core facts and evidence, mastery of concepts and skills, understanding of policy questions and other debates in health policy and management, and application of evidence and concepts to address these questions.

Exams will employ a combination of multiple choice questions, definitions, other brief written answers, simple computations, and the like. Because policy problems do not have one simple, agreed answer, your responses to questions about policy will be graded by the thoroughness of your answer, including the use of relevant arguments and evidence from readings, lectures, and discussions.

Examples may help clarify this approach to the exams. Consider access to health care.

- Here, questions of fact include the share of the U.S. population lacking health insurance, both overall and by income or race/ethnicity, and the specific types of financial and non-financial barriers to care.
- Concepts include the underlying reasons for the lack of insurance, such as the regressivity of job-based insurance financing, and smaller businesses being more labor-intensive and having lower profit margins.
- One simple computation might be to calculate health insurance premiums' share of family income at different income levels. Data presentation might include preparing a bar chart showing changes in health care's share of the U.S. economy over time.
- Demonstrating mastery of a policy issue on access improvement might include discussing arguments for and against the proposition that improving access tends to raise costs, or of the arguments for and against single payer proposals or mandates to purchase insurance as vehicles for financing health coverage for all.

### Eight weekly exercises

About eight short exercises will be assigned. Topics covered in one week will be the main subjects for the exercise due at the following class.

Please submit each exercise in class when scheduled, printed and stapled. I'd like to be able to routinely accept exercises by e-mail but, unfortunately, there are too many to keep track of that way.

Late submissions can't be accepted except in case of prolonged illness, personal or family emergency, and the like. Please e-mail any late submissions to me along with a brief explanation. If accepted, I'll forward them to your T.A. for grading.

The ninth exercise. There is a ninth exercise. Please track a single health policy and management topic, theme, or controversy over the first dozen weeks of the semester by regular reading—mainly in newspapers. Please submit your analysis of the subject you've been tracking as this ninth exercise at our 13<sup>th</sup> class. It should be about 4 pages, double-spaced.

Please choose a topic early in the semester and track it regularly.

Describe the topic and its importance, explain what happened and why, and indicate what you think could have been done better and how to do so.

You will need to back up your statements by using one of the conventional methods of citation to identify your sources. I recommend endnotes, which Word (for example) will insert, number, and re-number for you if you use the Alt-i-n command.

You won't be graded on the quality of your writing, but short and crisp sentences are preferred. Semi-colons are seldom helpful. And please paginate.

This exercise will be worth about twice as many points as a typical exercise.

Illustrative topics for the ninth exercises, due at the 13<sup>th</sup> class, include new or ongoing efforts to

- improve financial protection against health costs in the United States,
- implement one of the main provisions of the 2010 U.S. health insurance reform laws,
- raise money to finance improved coverage,
- contain cost in various ways,
- improve quality or appropriateness of care,
- reform methods of paying doctors, hospitals, or other caregivers,
- obtain more primary care physicians, retain needed hospitals, or otherwise improve/protect the configuration of caregivers
- implement the Massachusetts health care law, c. 58 of the Acts of 2006, and
- enact or implement laws calling for minimum nurse staffing ratios, or other legislation

Please don't write about efforts to combat smoking, develop a vaccine against H1N1, design a study to measure efficacy of a new drug, global health initiatives, or other topics that are remote from health policy and management subjects covered in this course. If you're not sure whether your topic is appropriate, please e-mail me.

Data in health policy and management. Some exercises will include questions designed to give you practice in using and presenting data. Some of these questions may, for example, ask you to

- Interpret graphs (such as share of GDP going to defense, education, and health)
- Take data from a table to prepare a graph (such as MDs/1,000 people, 1980-2000)
- Distinguish fixed and variable costs, setting prices to cover costs, learning break-even quantities, preparing flexible budgets
- Calculate occupancy rates, length-of-stay, and case mix-adjusted cost per discharge
- Calculate needed beds from current patient-days/1,000 people and projected population
- Calculate operating margin and total financial margins for a caregiver
- Calculate medical loss ratios (care shares) for an HMO or insurer
- Identify instances of misleading data or its presentation



**F. List of topics and dates – include assignments due in this table as well.**

	Date	Topic(s)
1	7 Sept.	Introduction
2	14	Access to care
3	21	Raising money and paying caregivers
4	28	Hospitals—problems, numbers, money, solutions; <b>Q+A session 5-6PM</b>
5	5 Oct	Exam 1, and de-brief
--	12	No class—follow Monday schedule
6	19	Doctors/ambulatory care
7	26	A. Health professionals B. Prescription drugs
8	2 Nov.	A. Organization, coordination, and delivery of care B. Management questions, controversies, methods
9	9	Containing cost (with an eye to coverage and quality); <b>Q+A session</b>
10	16	Exam 2, and de-brief
11	23	A. Long-term care B. Mental health
12	30	A. Appropriateness, quality of care: measurement, promotion B. Technology: types, assessment, affordability
13	7 Dec.	A. Public health and prevention B. International differences <b>4-page exercise due</b>
14	14	Health care for all (with an eye to money, politics, cost, and quality); <b>Q+A</b>
15	21	Exam 3

## 1. 7 Sept. Introduction

**Please read the introductory case and other short assignments before our first class.** All are from your text, packet of course readings or URLs, or posted .pdf files.

**Introductory case:** Colin P. Kerr, “The Tragedy of Medi-Cal,” *HealthPAC Bulletin*, Vol. 16, No. 3, n.d. pp.7-8, *pdf*. A gravely ill teenager, a doctor, and a hospital confront the Medi-Cal (California Medicaid) program. What are the lessons for life and death, access, quality, financial incentives, cost control, mistrust, and paperwork?

### Concepts:

- costs versus charges, unit of payment, financial incentives
- What are the main health care problems, their causes, and their possible solutions?
- Access, cost, quality: complements or conflicts?
- Goals of health care: *why* do we spend \$2.6 trillion/year and *what* do we get?
- How to offer medical security for everyone at a price we can afford??
- Prevention versus treatment
- Roles of government and competition
- Cautions
  - This year’s received wisdom may be next year’s discredited myth
  - One solution often leads to new problems
  - Accidents powerfully shape health care—anticipate the unpredictable
  - Myths, lies, evidence, and facts

How this course’s material affects you even if you are not an HPM concentrator.

Data help to answer questions about health care policy, management, and finance  
Illustrate data/evidence, skill, concept, and policy question sequence

Course organization, requirements, grading, and size (rigidity, flexibility)

**Concluding case:** Select one specific health care problem that you care about (such as the high price of prescription drugs). Is it mainly a problem of access, cost, or quality—or a mixture? Identify its main causes. Propose a solution that attacks a cause.

**Data/evidence:** Please consider the pie chart and line chart in your first week’s notes, posted in Blackboard, Course Documents.

### Readings

Thomas Bodenheimer and Kevin Grumbach *Understanding Health Policy, 5<sup>th</sup> edition*, New York: Lange Medical Books, 2008 (subsequently, B+G), chapter 1.

Tim Jones, “Same State, but Worlds Apart,” *Chicago Tribune*, 2 April 2006, 5 pages, [http://www.chicagotribune.com/business/chi-0604020334apr02\\_0.6292318.story](http://www.chicagotribune.com/business/chi-0604020334apr02_0.6292318.story).

Cara S. Lesser, Paul B. Ginsberg, and Laurie E. Felland, “Stage Set for Growing Health Care Cost and Access Problems,” *Health Systems Change Issue*, Brief No. 97 (August 2005), 4 pages, <http://www.hschange.org/CONTENT/776/776.pdf>.

Lawrence D. Brown, “The Amazing Noncollapsing U.S. Health Care System—Is Reform Finally at Hand?” *NEJM*, Vol. 358, No. 4 (24 January 2008), pp. 325-327, <http://content.nejm.org.ezproxy.bu.edu/cgi/reprint/358/4/325.pdf>.

“A Shepherd Was Herding His Flock . . . .” no attribution, 1 page, *pdf*.

**On-line only (not in printed reader):** Ezekiel J. Emanuel, “What Cannot Be Said on Television about Health Care,” *Journal of the American Medical Association*, Vol. 297, No. 19 (16 May 2007), pp. 2131-3, <http://jama.ama-assn.org.ezproxy.bu.edu/cgi/reprint/297/19/2131.pdf>.

## 2. 14 Sept. Access to care

### Introductory cases

- “Declaration of Dr. Kate Savage,” Beilenson Administrative Record on Rancho Los Amigos, 24 Jan. 2003, 5 pages, *pdf*; and
- Julie Winokur, “Live Sicker, Die Younger,” 16 May 2003, 4 pages, [http://www.alternet.org/story/15913/live\\_sicker%2C\\_die\\_younger/](http://www.alternet.org/story/15913/live_sicker%2C_die_younger/).

**Problems and controversies:** Evolution of methods of covering people. Some 52 million Americans entirely lack health insurance right now, dozens of millions are under-insured, and others face non-financial barriers to access. Who is more likely to lack coverage? Is access to health care a right? Are uninsured people served adequately? Why/how do other wealthy nations cover essentially all of their residents?

**Causes of problems:** High health costs, difficulty in containing costs, fear that expanding coverage could reduce care for those already insured, accidental reliance on private insurance, weak political commitment to access for all, fear of higher taxes, small business fears of mandate on employers to provide insurance. Non-financial barriers to care: geographic, cultural, linguistic, acceptability, others.

**Possible solutions:** Financial: national health insurance, single payer, employer mandates, individual mandates, and others. Non-financial: retain or attract needed caregivers in the right places, promote culturally appropriate care, and others.

**Concepts:** Financial and non-financial barriers to access, relation of access to cost and quality, counting the uninsured (point-in-time estimates versus annual estimates).

**Skills:** Calculating percent uninsured, running two- and three-year averages,

**Data/evidence:** Theme: many important numbers may be inaccurate (number of uninsured people, staffed hospital beds, physicians, poverty level, cost of reforms, and others).

*Health United States, 2009*, Table 140, *pdf*. (Subsequently “HUS-2009”.)

Current Population Survey, [People Without Health Insurance Coverage by State, 2008](http://www.census.gov/hhes/www/cpstables/032009/health/h06_000.htm), [http://www.census.gov/hhes/www/cpstables/032009/health/h06\\_000.htm](http://www.census.gov/hhes/www/cpstables/032009/health/h06_000.htm). 2 pages, *pdf*. (New estimates are usually available in September.) Questions of data quality.

David Hilfiker, “The Poor: They Can’t Eat Statistics,” *San Francisco Chronicle*, 9 February 2003, 3 pages, <http://www.sfgate.com/cgi-bin/article.cgi?file=/chronicle/archive/2003/02/09/IN90985.DTL>.

Jon R. Gabel, “Congress’s Health Care Numbers Don’t Add Up,” *New York Times*, 26 August 2009, 2 pp., [http://www.nytimes.com/2009/08/26/opinion/26gabel.html?\\_r=1&pagewanted=print](http://www.nytimes.com/2009/08/26/opinion/26gabel.html?_r=1&pagewanted=print).

Erica Werner, “Health Care Debate: How Many Actually Uninsured?” 6 August 2009, 1 p., [http://www.realclearpolitics.com/printpage/?url=http://www.realclearpolitics.com/news/ap/politics/2009/Aug/05/health\\_care\\_debate\\_how\\_many\\_actually\\_uninsured.html](http://www.realclearpolitics.com/printpage/?url=http://www.realclearpolitics.com/news/ap/politics/2009/Aug/05/health_care_debate_how_many_actually_uninsured.html).

**Concluding case:** Malcolm Gladwell, “The Moral-hazard Myth,” *The New Yorker*, 29 August 2005, 6 pages, [http://www.newyorker.com/archive/2005/08/29/050829fa\\_fact?printable=true](http://www.newyorker.com/archive/2005/08/29/050829fa_fact?printable=true).

**Readings continue on next page - - ->**

## Readings

B+G, chapter 3.

From the Kaiser Family Foundation,

- “Myths about the Uninsured,” 4 pages, <http://www.kff.org/uninsured/upload/Myths-about-the-Uninsured-Fact-Sheet.pdf>.
- “Massachusetts Health Reform Three Years Later,” September 2009, 2 pages, <http://www.kff.org/uninsured/upload/7777-02.pdf>.
- Karyn Schwartz and Tanya Schwartz, “How Will Health Reform Impact Young Adults?” May 2010, 9 pages, <http://www.kff.org/healthreform/upload/7785-03.pdf>.

Ian Morrison, “Explanation of Benefits,” *H+HN*, 2 September 2008, 2 pages, [http://www.hhnmag.com/hhnmag\\_app/jsp/articledisplay.jsp?dcrpath=HHNMAG/Article/data/09SEP2008/080902\\_HHN\\_Online\\_Morrison&domain=HHNMAG](http://www.hhnmag.com/hhnmag_app/jsp/articledisplay.jsp?dcrpath=HHNMAG/Article/data/09SEP2008/080902_HHN_Online_Morrison&domain=HHNMAG).

Meghan E. Irons, “Shuttering of Fernald Facility Will Force Thousands to Seek Care,” *Boston Globe*, 22 March 2010, 2 pages, [http://www.boston.com/news/local/massachusetts/articles/2010/03/22/thousands\\_of\\_disabled\\_patients\\_at\\_tufts\\_waltham\\_facility\\_must\\_find\\_care\\_elsewhere?mode=PF](http://www.boston.com/news/local/massachusetts/articles/2010/03/22/thousands_of_disabled_patients_at_tufts_waltham_facility_must_find_care_elsewhere?mode=PF).

**On-line only:** Bill Dedman, “Clinic with Two Doors, a Symbol of Two-tier Care,” MSNBC, 23 November 2009, 4 pages, [http://www.msnbc.msn.com/id/33863680/ns/health-health\\_care/](http://www.msnbc.msn.com/id/33863680/ns/health-health_care/).

Kevin Sack, “As Medicaid Payments Shrink, Patients Are Abandoned,” *New York Times*, 15 March 2010, 4 pages, <http://www.nytimes.com/2010/03/16/health/policy/16medicaid.html?pagewanted=print>

### 3. 21 Sept. Raising money and paying caregivers

**Introductory case:** Patient preferences versus services provided—how much do financial incentives influence care? Somogyi-Zalud and others, “The Use of Life-sustaining Treatments in Hospitalized Patients Aged 80 and Older,” *J. Am. Geriatrics Society*, abstract only, Vol. 50, No. 5 (May 2002), <http://pt.wkhealth.com/pt/re/jags/abstract.00004495-200205000-00023.htm?jsessionid=KtZS0K2rWK9v1gn3JXCR2GRVjtJ2h2BHNWNwnLRgfwjh0NRz3F4R!-1104825961!181195629!8091!-1>.

#### <http://www.rand.org/health/new/somogyi.html> **Background**

- Raising the money—where does it come from and how fair are the methods?
- Where does the money go?
- How are caregivers paid? Hospitals, doctors, long-term care (nursing homes and home care), prescription drugs, dentistry, other
- Evolution of payment methods (Payment methods are never designed in the abstract. Each is intended to accomplish certain things.)

#### **Problems and controversies**

- Caregivers: we are not paid enough
- Payers: we can't afford higher premiums, taxes, or out-of-pocket payments
- Everyone: paperwork and administrative burdens are excessive
- Patients: can we trust our caregivers, or are they being paid in ways that reward more care or reward less care? How can we pay caregivers in financially neutral ways that liberate them to marshal available clinical and financial resources to do as much good as possible for each patient they see?

#### **Causes of problems (many)**

##### **Possible solutions**

- Disclose financial incentives
- Counter each financial incentive with another so they offset one another
- Eliminate or minimize financial incentives—to liberate clinicians to think clinically

#### **Concepts**

##### Costs

- Fixed versus variable costs
- Direct versus indirect costs
- Operating versus capital costs

##### Payment

- Charges versus costs

##### For hospitals

- Cost-reimbursement (payment of costs—which costs?)
- Prospective payment (by formula)
  - ✓ Medicare prospective payment by Diagnosis Related Groups (DRGs)
  - ✓ Maryland flexible budget vs. Canadian static budget
  - ✓ Rochester regional budget
  - ✓ Capitation

##### For doctors

- Charges (unregulated fees)
- Usual, customary, and reasonable fees
- Resource-based relative value scale (Medicare fees)
- Capitation
- Salary

## Insurance

- Three requirements for insurability
- Does insurance work in health care?
  - Adverse selection
  - Moral hazard
  - Pre-existing condition exclusion
  - Community rating and experience rating
  - Underwriting death spiral
- OOPS: deductibles, co-insurance, and co-payment
- Employee Retirement Income Security Act of 1974 (ERISA)

## Balancing financial incentives

How to motivate provision of the right care? Pay for performance (p4p)?

## Skills

- Calculating case mix index (measure of severity of illness), 1 page, *pdf*.
- Comparing two hospitals' case mix-adjusted cost/discharge (efficiency), 1 page, *pdf*.

## Data/evidence

- U.S. Health Spending, CY2008, by object and source of money, 1-page, *pdf*.
- HUS-2009, Table 123, *pdf*.

## Readings

B+G, chapters 2 and 4.

Kaiser Family Foundation,

- "Trends in Health Care Costs and Spending," March 2009, [http://www.kff.org/insurance/upload/7692\\_02.pdf](http://www.kff.org/insurance/upload/7692_02.pdf).
- "Medicare Spending and Financing," August 2010, 2 pages, <http://www.kff.org/medicare/upload/7305-05.pdf>.
- "Dual Eligibles: Medicaid's Role for Low-income Medicare Beneficiaries," 2 pages, February 2009, [http://www.kff.org/medicaid/upload/4091\\_06.pdf](http://www.kff.org/medicaid/upload/4091_06.pdf).
- "Medicaid Program at a Glance, June 2010, 2 pages, <http://www.kff.org/medicaid/upload/7235-04.pdf>.
- **Three resources:** Optional. Not in reader—"How Private Health Coverage Works, (a valuable primer, often relevant to reform debates), <http://www.kff.org/insurance/upload/7766.pdf>; "Medicare: A Primer, 2010, <http://www.kff.org/medicare/upload/7615-03.pdf>; "Medicaid: A Primer, 2010, <http://www.kff.org/medicaid/7334.cfm>.

Aaron S. Kesselheim and Troyen A. Brennan, "Overbilling vs. Downcoding—The Battle between Physicians and Insurers, *NEJM*, Vol. 352, No. 9 (3 March 2005), pp. 855-857, <http://content.nejm.org.ezproxy.bu.edu/cgi/reprint/352/9/855.pdf>.

Daniel J. Costello, Lisa Girion, and Michael A. Hiltzik, "The Battle of the Medical Bills," *Los Angeles Times*, 23 October 2008, 3 pages, <http://articles.latimes.com/2008/oct/23/business/fi-insure23>.

Agency for Health Care Research and Quality, "Tax Subsidies for Employer-sponsored Health Insurance to Exceed \$200 Billion this Year," Press release, 14 Nov. 2006, 2 pp., <http://www.ahrq.gov/news/press/pr2006/taxsubpr.htm>.

**On-line only:** Gina Kolata, "Tackling the Mystery of How Much It Costs," *NYT*, 19 August 2009, 3 pages, <http://www.nytimes.com/2009/08/19/health/policy/19fees.html?pagewanted=print>.

Ezekiel J. Emmanuel and Victor R. Fuchs, "Who Really Pays for Health Care? The Myth of 'Shared Responsibility,'" *JAMA*, Vol. 299, No. 9 (5 March 2008), pp. 1057-1059, <http://jama.ama-assn.org.ezproxy.bu.edu/cgi/reprint/299/9/1057>.

#### 4. 28 Sept. Hospitals

**Introductory case:** Felice Freyer, "A Night of Horror and Heroism," *Providence Journal*, 2 March 2003, 5 pages, [http://www.projo.com/words/20030806\\_st.htm](http://www.projo.com/words/20030806_st.htm).

**Landscape:** Rise and fall in share of health care delivered in hospitals. Types of hospitals by ownership—public, non-profit, and for-profit; and by type—teaching versus community; urban-suburban-rural; rich and poor

#### Problems and controversies

- Hospitals are demanding more money. Do they need it? How can we tell?
- What goals do we seek for hospital care?
  - ✓ Assuring that the right hospitals are available in the right place to serve all patients in need at the highest quality and the lowest possible cost.
  - ✓ Assuring provision of adequate emergency room/trauma care.
- Role of market and government in identifying and stabilizing needed hospitals, in protecting access, in containing cost, and in improving quality.
- Hospitals and doctors: competition and cooperation
- Others

#### Causes of problems

- Legacy of blank check financing shapes hospital expectations
- Weaker economy impairs ability to keep paying more
- Waste of huge sums already spent on hospitals: unnecessary care, administration, excess prices, theft?
- Failure to set priorities for what we expect from hospitals?
- Loss of less costly hospitals and growth of costlier hospitals?
- Others

#### Possible solutions

- More money across-the-board to all hospitals
- Targeted financial relief to needed but endangered hospitals
- Pay all needed hospitals enough to finance needed and efficiently-provided care
- Weed out unnecessary care to channel dollars to finance needed care
- Is comprehensive reform needed to protect hospitals?

#### Concepts

- supplier-driven demand
- facilities and use: beds, census, occupancy rate, patient-days, length-of-stay, outpatient and emergency visits, adjusted patient-days;
- finances: operating margin and total margin, fund balances
- capital: depreciation, principal, interest, amortization

#### Skills

- calculate occupancy rate, length-of-stay
- calculate total margin, capital amortization (Loan amortization table, 1 page, *pdf*.)
- calculate needed beds, given assumptions about use rates and population

### **Data/evidence:**

HUS-2009, Tables 99, 104, 115, 117, 118, and 136, *pdf*.

Elliot Hospital, Statement of Revenues and Expenses, Worksheet G-3, HCFA-2552, HFY 1995, 1 page, *pdf*.

The General Hospital, IRS Form 990, HFY 2005, p. 1, *pdf*.

Data on Massachusetts hospitals in American Hospital Association, *Guide to Hospitals, 2010 edition*, Chicago: American Hospital Association, 2010, codes and pp. 286-287, and American Hospital Association, *Hospital Statistics, 2010 edition*, Chicago: American Hospital Association, 2009, pp. 13, 93, 172, and 173—8 pages in total.

**For background—if you have time and interest (not in reader):** *Trends Affecting Hospitals and Health Systems*, Prepared for the American Hospital Association, 2010 updates, please glance through tables, <http://www.aha.org/aha/research-and-trends/chartbook/ch4.html>.

### **Concluding cases:**

Barbara Martinez, “Nonprofit Hospitals Leave the City for Greener Pastures,” *Wall Street Journal*, 14 October 2008, 4 pages.

Brigid Schulte, “Savings Lives, Losing Millions at Pr. George’s Hospital,” *Wash. Post*, 22 Dec. 2003, 8 pp., **on-line only**, <http://www.washingtonpost.com/ac2/wp-dyn/A20300-2003Dec21?language=printer>.

Ron Winslow, “Competitive Anomaly: Consumers Pay More in 2-Hospital Towns,” *WSJ*, 6 June 1990, 2 pages.

John Carreyrou, “Nonprofit Hospitals Flex Pricing Power,” *WSJ*, 28 Aug. 2008, 5 pages, <http://online.wsj.com/article/SB121986172394776997.html>.

Hospital Window,” no attribution, 2 pages, <http://www.wow4u.com/hospitalwindow/index.html>, *pdf*.

### **Readings:**

John K. Iglehart, “Community Hospitals,” *NEJM*, Vol. 329, No. 5 (29 July 1993), pp. 372-376, <http://content.nejm.org.ezproxy.bu.edu/cgi/content/full/329/5/372>.

John K. Iglehart, “Teaching Hospitals,” *NEJM*, Vol. 329, No. 14 (30 September 1993), pp. 1052-1056, <http://content.nejm.org.ezproxy.bu.edu/cgi/content/full/329/14/1052>.

David Armstrong, “A Surgeon Earns Riches, Enmity by Plucking Profitable Patients,” *Wall Street Journal*, 2 August 2005, 2 pages, [http://www.kellogg.northwestern.edu/course/opns430/modules/operations\\_strategy/WSJ.com%20-%20A%20Surgeon%20Earns%20Riches,%20Enmity%20By%20Plucking%20Profitab...pdf](http://www.kellogg.northwestern.edu/course/opns430/modules/operations_strategy/WSJ.com%20-%20A%20Surgeon%20Earns%20Riches,%20Enmity%20By%20Plucking%20Profitab...pdf).

**On-line only:** Reshma Kapadia, “10 Things Your Hospital Won’t Tell You,” *Smart Money*,” 4 pages, <http://www.smartmoney.com/spending/rip-offs/10-things-your-hospital-wont-tell-you-20059/>.

Carol Ann Campbell, “Health Outcomes Driving New Hospital,” *New York Times*, 19 May 2009, 2 pages, <http://www.nytimes.com/2009/05/19/health/19hosp.html?pagewanted=print>.



**5. 5 Oct. Exam 1, and de-brief**

Illustrative questions will be circulated during the week before the exam, along with my replies to your e-mailed questions.

We will re-convene after the exam to discuss additional cases and other aspects of the work covered during weeks 1-4.

---

**12 Oct. SPH Tuesday classes will not meet this day.**

**Please follow Monday course schedule instead.**

## 6. 19 Oct. Doctors/ambulatory care

**Introductory cases:** Donald A. Barr, "A Time to Listen," *Ann. Internal Medicine*, Vol. 140 (2004), p. 144, <http://www.annals.org.ezproxy.bu.edu/cgi/reprint/140/2/144.pdf>; and John K. Iglehart, "Spreading the Safety Net—Obstacles to the Expansion of Community Health Centers," *NEJM*, Vol. 358, No. 13 (27 March 2008), pp. 1321-1323, <http://content.nejm.org/cgi/reprint/358/13/1321.pdf>.

### Controversies and problems

- Too many physicians or too few? Primary care shortage
- Physician malconfiguration by specialty or location
- Are physicians' incomes too low or too high?
- Malpractice' cost and benefits? Resident physicians' sleep deprivation
- Complaints about insurers'/HMOs' paperwork and restriction of clinical freedom

### Causes

- Residency positions created by hospitals to meet own care needs, not nation's
- Doctors practice how and where they like, and shape demand for their care
- Legacy of blank check spending plus fee-for-service payments

### Policy and program solutions

- Assess need for physicians and train those who are needed
- Boost primary care doctors' relative pay; Franchise physician location
- Reward doctors for competence, effort, and kindness
- Meeting doctors' core needs and containing cost, covering all, boosting quality

**Concepts:** When/how should doctors think about money? P4P. Need/want/demand return.

**Skills:** Population-based planning of need for physicians; primary care panel size

**Data/evidence:** HUS-2009, Tables 91, 92, 107-109.

**Concluding case (On-line only):** Mark Murray and Donald M. Berwick, "Advanced Access: Reducing Waiting and Delays in Primary Care," *JAMA*, Vol. 289, No. 8 (26 February 2003), pp. 1035-1040, <http://jama.ama-assn.org.ezproxy.bu.edu/cgi/reprint/289/8/1035>.

**Readings:** B+G, chapter 7 (part).

Atul Gawande, "Piecemeal," *The New Yorker*, 4 April 2005, 8 pages [http://www.newyorker.com/archive/2005/04/04/050404fa\\_fact?printable=true](http://www.newyorker.com/archive/2005/04/04/050404fa_fact?printable=true), [http://www.newyorker.com/archive/2005/04/04/050404fa\\_fact?printable=true](http://www.newyorker.com/archive/2005/04/04/050404fa_fact?printable=true).

Gautam Naik, "Faltering Family M.D.s Get Technology Lifeline," *Wall Street Journal*, 23 February 2007, 5 pages, <http://www.rochesterchiro.com/FalteringFamilyMDsWSJ.pdf>.

Barbara Starfield, "The Primary Solution," *Boston Review*, Nov.-Dec. 2005, 7 pages, <http://bostonreview.net/BR30.6/starfield.html>.

David J. Rothman, "Medical Home? Not with These Doctors," *Health Affairs*, Vol. 29, No. 5 (May 2010), pp. 1076-1077, <http://content.healthaffairs.org/cgi/content/full/29/5/1076>.

Lawrence P. Casalino, "A Martian's Prescription for Primary Care: Overhaul the Physician's Workday," *Health Affairs*, Vol. 29, No. 5 (May 2010), pp.785-790, <http://content.healthaffairs.org/cgi/reprint/29/5/785>.

Thomas Bodenheimer and Hoangmai H. Pham, "Primary Care: Current Problems and Proposed Solutions," *Health Affairs*, Vol. 29, No. 5 (May 2010), pp.799-805, <http://content.healthaffairs.org/cgi/reprint/29/5/799>.

**On-line only:** Pauline W. Chen, "Primary Care's Image Problem," *New York Times*, 12 November 2009, 3 pages, <http://www.nytimes.com/2009/11/12/health/12chen.html>.

7. 26 Oct.                   A. Health professionals  
                                      B. Prescription drugs

7 A. Health professionals

**Introductory cases:** Kennard T. Wing, "Free: 375,000 Nurses," *H&HN*, 2 pages, [http://www.hhnmag.com/hhnmag\\_app/jsp/articledisplay.jsp?dcrpath=HHNMAG/Article/data/06JUN2009/090615HHN\\_Online\\_Wing&domain=HHNMAG](http://www.hhnmag.com/hhnmag_app/jsp/articledisplay.jsp?dcrpath=HHNMAG/Article/data/06JUN2009/090615HHN_Online_Wing&domain=HHNMAG).

**Problems and controversies**

- Income differences
- The painful shortage of dental care—relation to ability to pay
- Nursing shortage—is this one different? Where did it go?
- Pharmacists, x-ray techs, laboratory techs, and others seem to be in short supply
- Battles over who delivers babies, who prescribes medications

**Causes of problems**

- Working conditions—relations with management, physicians; greater stress associated with higher average patient acuity; mandatory overtime
- Inadequate pay, perhaps associated with hospitals' slower revenue growth
- Substitute less skilled workers for more skilled workers to save money

**Possible solutions that address actual causes**

**Concepts**

- Many years of training mean long lag between perception of problem—especially a shortage—and response/adjustment
- New nursing graduates fill many night/evening shifts, so small drop in new grads means big shortage on those shifts

**Skills**

- Across states, do RN shortages—unfilled jobs—correlate with supply/1,000 people?

**Data/evidence:** HUS-2009, Tables 93, 110, 106, 111, 112, *pdf*.

**Concluding Case:** Mark Maremont, "Why Dentists Are Earning More," *Wall Street J.*, 10 Jan. 2005, 7 page; [http://www.directmedicalsolutions.com/Dentists\\_increase\\_revenue\\_by\\_dispensing\\_prescriptions\\_in\\_their\\_offices.pdf](http://www.directmedicalsolutions.com/Dentists_increase_revenue_by_dispensing_prescriptions_in_their_offices.pdf) and (**on-line only**) Mary Otto, "Hearing on Md. Child's Death Explores Dearth of Dental Care," *Washington Post*, 3 May 2007, [http://www.washingtonpost.com/wp-dyn/content/article/2007/05/02/AR2007050202539\\_pf.html](http://www.washingtonpost.com/wp-dyn/content/article/2007/05/02/AR2007050202539_pf.html).

**Readings:**

B+G, chapter 7 (part).

Cathy McCabe, "Nursing Grads No Longer in High Demand," *Boston Globe*, 6 June 10, 2 p, [http://www.boston.com/news/local/articles/2010/06/06/new\\_nursing\\_graduates\\_north\\_of\\_boston\\_confront\\_weak\\_job\\_market?mode=PF](http://www.boston.com/news/local/articles/2010/06/06/new_nursing_graduates_north_of_boston_confront_weak_job_market?mode=PF).

Susan Hodges and Henci Goer, "Effects of Hospital Economics on Maternity Care," *Citizens for Midwifery News*, Spring/Summer 2004, 5 pages, [http://www.collegeofmidwives.org/Citations\\_Studies\\_2008/Hospital-Economics\\_Maternity%20Care\\_2004.pdf](http://www.collegeofmidwives.org/Citations_Studies_2008/Hospital-Economics_Maternity%20Care_2004.pdf).

Mark O. Baerlocher and Allan S. Detsky, "Professional Monopolies in Medicine," *Journal of the American Medical Association*, Vol. No. 301, No. 8 (25 February 2009), pp. 858-860, <http://jama.ama-assn.org.ezproxy.bu.edu/cgi/reprint/301/8/858>.

Kaiser Family Foundation, "Community Health Centers," March 2009, 2 pages, <http://www.kff.org/uninsured/upload/7877.pdf>.

## 26 Oct. 7 B. Prescription Drugs

**Introductory case:** Don Colburn, "Coma Exemplifies Potential Toll from Budget Cuts," *Oregon Live*, 15 April 2003, 3 pages, [http://www.accessmylibrary.com/coms2/summary\\_0286-6088249\\_ITM](http://www.accessmylibrary.com/coms2/summary_0286-6088249_ITM).

### Problems and controversies

- one-fifth of nation uninsured
- soaring spending + highest prices in world
- are high prices justified by market forces or greater innovation?
- weak evidence on drugs' cost-effectiveness and safety

### Possible causes of problems

- drug makers' power? technological inevitability? market forces?
- weak imagination / weak analysis / stunted empathy

### Possible solutions

- suffer, pay more, or change
- the Medicare Part D drug benefit—origins, provisions, benefits, costs
- how to do better?
  - gimmicks: importing, generics, price controls, and subsidies?
  - financing: lower price + higher volume, or financing package deal
  - cut waste (marketing) and hike research
  - reward breakthrough drugs generously (including Orphan Drug Act )

### Concepts/Skills

- price-elasticity of demand; marginal (incremental cost) versus average cost

### Data/evidence

CBO, *Prices for Brand-name Drugs under Selected Federal Programs*, June 2005, p. 3, *pdf*.

Medicare Rights Center, *Closing the Doughnut Hole*, 2 April 2010, 2 pages, *pdf*.

Legislative language on "Closing the Medicare Prescription Drug 'Donut Hole,'" H.R. 4872, 2010, 4 pages, [http://www.healthreform.gov/documents/section1101\\_closingmedicaredonut.pdf](http://www.healthreform.gov/documents/section1101_closingmedicaredonut.pdf).

**Concluding case:** Lisa Mann, "Pick a Card!#?#!," *Wash. Post*, 18 May 2004, 5 pages, <http://www.washingtonpost.com/wp-dyn/articles/A34402-2004May17.html>. **On-line only.**

**Readings:** Kaiser Family Foundation, "The Medicare Prescription Drug Benefit," March 2009, 2 pages, <http://www.kff.org/medicare/upload/7044-09.pdf>.

James Surowiecki, "Push and Pull," *The New Yorker*, 20 Dec. 2004, 2 pages, [http://www.newyorker.com/archive/2004/12/20/041220ta\\_talk\\_surowiecki?printable=true](http://www.newyorker.com/archive/2004/12/20/041220ta_talk_surowiecki?printable=true).

Mark Lange, "A Landmark in Corporate Welfare," *Christian Science Monitor*, 18 July 2007, 2 pages, <http://www.csmonitor.com/2007/0718/p09s02-coop.html>.

Steve Morgan and Jae Kennedy, *Prescription Drug Accessibility and Affordability in the United States and Abroad*, Commonwealth Fund, June 2010, [http://www.commonwealthfund.org/~media/Files/Publications/Issue%20Brief/2010/Jun/1408\\_Morgan\\_Prescription\\_drug\\_accessibility\\_US\\_intl\\_ib.pdf](http://www.commonwealthfund.org/~media/Files/Publications/Issue%20Brief/2010/Jun/1408_Morgan_Prescription_drug_accessibility_US_intl_ib.pdf).

**On-line only:** Reed Abelson, "In Health Care Overhaul, Boons for Hospitals and Drug Makers," *NYT*, 21 March 2010, 4 pages, <http://www.nytimes.com/2010/03/22/business/22bizhealth.html>.

Gordon D. Schiff and William L. Galanter, "Promoting More Conservative Prescribing," *JAMA*, Vol. 301, No. 8 (25 February 2009), pp. 865-867, <http://jama.ama-assn.org.ezproxy.bu.edu/cgi/reprint/301/8/865>

8. 2 Nov. A. Organization, coordination, and delivery of care  
B. Management questions, controversies, methods

A. Organization, coordination, and delivery of care

**Introductory case:** David J. Shulkin, "Like Night and Day—Shedding Light on Off-hours Care," *NEJM*, Vol. 358, No. 20 (15 May 2008), pp. 2091-3, <http://content.nejm.org/cgi/reprint/358/20/2091.pdf>.

**Problems and controversies**

Fragmentation, discontinuity, and weak coordination plague health care.  
Is that bad, since it permits greater patient, caregiver choice (costly?)  
Do we have the caregivers we need, or the caregiving that caregivers prefer?

**Causes of problems**

- Units of payment and methods of payment
- Bad care configuration: too few primary care doctors and community hospitals
- Why isn't anyone in charge? Patient, caregiver, or payer preferences
- Failure of market and government mean anarchy, not organization/coordination

**Possible Solutions**

- Bundle payments
- Require coordination
- Organize care into competent systems—managed care for grown-up's?
- Overlay of chronic care case management—real fix or another costly band-aid
- Virtual coordination via EMR/EHR—solution or smokescreen for business as usual?
- Private patient advocacy firms and concierge medicine?

**Concepts:** Primary, secondary, tertiary, quaternary care; hierarchal/regional versus dispersed care

**Skill:** Analyzing competing claims about HER

**Concluding case:** Debra C. Cascardo, "Concierge Medicine and Patient Advocate Firms: New Horizons in Healthcare," 2005, [www.medscape.com/viewarticle/505311](http://www.medscape.com/viewarticle/505311).

**Readings**

B+G, chapters 5-6.

Thomas Bodenheimer, "Coordinating Care—A Perilous Journey through the Health Care System," *NEJM*, Vol. 358, No. 10 (6 March 2008), pp. 1064-1071, <http://content.nejm.org/cgi/reprint/358/10/1064.pdf>.

Richard Hellestad and others, "Can Electronic Medical Records Systems Transform Health Care?" *Health Affairs*, Vol. 24, No. 5 (Sept.-Oct. 2005), pp. 1103-1117, <http://content.healthaffairs.org/cgi/reprint/24/5/1103>.

Congressional Budget Office, *Evidence on the Costs and Benefits of Health Information Technology*, Summary, Washington: Congress of the United States, May 2008, pp. 1-4, <http://www.cbo.gov/ftpdocs/91xx/doc9168/05-20-HealthIT.pdf>.

**On-line only:** Stephen Shortell and Lawrence P. Casalino, "Health Care Reform Requires Accountable Care Systems," *JAMA*, Vol. 300, No. 1 (2 July 2008), pp. 95-97, <http://jama.ama-assn.org/cgi/reprint/300/1/95>.

Timothy S. Jost and Ezekiel J. Emanuel, "Legal Reforms Necessary to Promote Delivery System Innovation," *JAMA*, Vol. 299, No. 21 (4 June 2008), pp. 2561-2563, <http://jama.ama-assn.org.ezproxy.bu.edu/cgi/reprint/299/21/2561>.

## 2 Nov. 8 B. Management questions, controversies, methods

**Introductory case:** John Morrissey, "Stocking up on Savings," *Modern Healthcare*, 24 June 2002, 10 pages, [http://www.accessmylibrary.com/coms2/summary\\_0286-25565243\\_ITM](http://www.accessmylibrary.com/coms2/summary_0286-25565243_ITM).

### Problems and controversies

- How to contain cost through efficiency and weeding out unneeded care?
- Raising revenue, cutting cost, boosting quality? Where does management focus?
- Management's role and power (versus payers', trustees', and physicians')
- Squaring institutional imperatives with society's needs (trustees' duties?)
- Views of unionization

### Causes of problems

Unclear responsibilities and roles; doctors' roles as managers?

Peculiar financial environment—focus on boosting revenue, not cutting cost

### Possible solutions

#### Concepts

- Bad apples versus continuous quality improvement
- Theory X versus Theory Y, and pay for performance
- Traditional staff and line, product line, and matrix organization
- Informal organization
- Just-in-time inventory management—why and why not

**Skills:** Motivating employees, decision grid, PERT

**Concluding cases:** Henry Mintzberg, "No More Executive Bonuses!" *WSJ*, 30 Nov. 2009, <http://online.wsj.com/article/SB10001424052748703294004574511223494536570.html>; Emily Friedman, "The Next Generation of Health Care Leaders: Ten Challenges," *H+HN*, 7 April 2009, [http://www.hhnmag.com/hhnmag\\_app/isp/articledisplay.jsp?dcrpath=HHNMAG/Article/data/04APR2009/090407HHN\\_Online\\_Friedman&domain=HHNMAG](http://www.hhnmag.com/hhnmag_app/isp/articledisplay.jsp?dcrpath=HHNMAG/Article/data/04APR2009/090407HHN_Online_Friedman&domain=HHNMAG).

### Readings

Canoe Race, n.d., n.p., 1 page, *pdf*.

Stephen Kauffman, "Top 10 Things Bad Managers Do," *Boston Business J.*, 26 January 1996, 1 page, <http://www.applied-strategies.com/PDF/Bad%20Managers%20List%20GS.pdf>.

Chuck Musfeldt, "10 Attributes of a Hassle-free Hospital," *Hospitals and Health Networks*, 20 August 1992, 1 page, *pdf*.

Bernard Wysocki, Jr. and Sarah Lueck, "Just-in-time Inventories Make U.S. Vulnerable in a Pandemic," 21 January 2006, 4 pages, <http://www.calnurses.org/media-center/in-the-news/2006/january/page.jsp?itemID=27523122>

Elizabeth H. Bradley and others, "Strategies for Reducing the Door-to-balloon Time in Acute Myocardial Infarction," *New England J. of Medicine*, Vol. 355, No. 22 (30 November 2006), p. 2308 (abstract only), <http://content.nejm.org/cgi/reprint/355/22/2308.pdf>.

"Administrative Managers, Not Scientists, Receive CDC Bonuses More Frequently," *Kaiser Daily Health Policy Report*, 18 September 2006, 1 page, [http://www.kaisernetwork.org/daily\\_reports/print\\_report.cfm?DR\\_ID=39856&dr\\_cat=3](http://www.kaisernetwork.org/daily_reports/print_report.cfm?DR_ID=39856&dr_cat=3).

**On-line only:** David Leonhardt, "Making Health Care Better," *NYT Magazine*, 8 Nov. 2009, 13 pages, [http://www.nytimes.com/2009/11/08/magazine/08Healthcare-t.html?\\_r=1&pagewanted=print](http://www.nytimes.com/2009/11/08/magazine/08Healthcare-t.html?_r=1&pagewanted=print).

Stephen M. Shortell, Thomas G. Rundall, and John Hsu, "Improving Patient Care by Linking Evidence-based Medicine and Evidence-based Management," *JAMA*, Vol. 298, No. 6 (8 August 2007), pp. 673-676, <http://jama.ama-assn.org/cgi/reprint/298/6/673.pdf>.



## 9. 9 Nov. Containing cost (with an eye to coverage and quality)

**Introductory case:** “Costs and Benefits of Massachusetts Health Care,” 12 Feb. 03, 1 page, *pdf*, Robert Keough, “Why the Bay State’s Growing Health Care Industry May Be Bad for the Economy,” *Boston Globe*, 20 June 2004, 2 pages,

[http://www.boston.com/business/articles/2004/06/20/health\\_care\\_conundrum/](http://www.boston.com/business/articles/2004/06/20/health_care_conundrum/); Uwe Reinhardt, “In Defense of a Giant (and Growing) Health Care Industry,” *NYT*, 26 September 2008, <http://economix.blogs.nytimes.com/2008/09/26/in-defense-of-a-giant-and-growing-health-care-industry/> (**Online only**); Daniel Polsky and David Grande, “The Burden of Health Care Costs for Working Families—Implications for Reform,” *NEJM*, Vol. 361, No. 5 (30 July 2009), pp. 437-439, <http://content.nejm.org.ezproxy.bu.edu/cgi/reprint/361/5/437.pdf>; and David Cutler and others, “The Value of Medical Spending in the United States, 1960-2000,” *NEJM*, Vol. 355, No. 9 (31 August 2006), p. 920 (abstract only), <http://content.nejm.org.ezproxy.bu.edu/cgi/reprint/355/9/920.pdf>.

### Problems and controversies

- Is higher spending essential to covering everyone and winning good outcomes?
- What ideas—enjoying good currency—remain in the cost control warehouse?

### Possible causes of problems

- Too much reliance on government and too little on markets—or the reverse?
- Powerful caregivers combined with weak constituency for cost control
- Higher costs seldom visible to ordinary people as voters, taxpayers, workers
- Payers are fragmented and compete with one another
- Failure to cut administrative waste, clinical waste, excess prices, and theft
- Failed cost controls: managed care, price competition, and hospital closings

**Possible solutions:** Market competition; shifting costs to employees or to patients; more (or different) government; single payer; ask doctors to spend money more carefully

### Concepts

- What do we mean by “cost control”? By painful or painless cost control?
- Containing cost versus shifting cost: defined contributions, MSAs, co-pays
- Inevitably, pathology is remorseless but resources are finite
- Informal bedside rationing vs. Oregon’s manifest public weighting of benefits, costs

**Data/evidence:** HUS – 2008, Table 148, *pdf* (not updated for HUS-2009).

**Concluding Case:** Atul Gawande, “The Cost Conundrum,” *New Yorker*, 1 June 2009, 11 pages, [http://www.newyorker.com/reporting/2009/06/01/090601fa\\_fact\\_gawande?printable=true](http://www.newyorker.com/reporting/2009/06/01/090601fa_fact_gawande?printable=true).

**Readings:** B+G, chapters 8, 9

“U.S. Health Care Costs: Background Brief,” Kaiser Family Foundation, updated July 2009, 4 pages, [http://www.kaiseredu.org/topics\\_im.asp?imID=1&parentID=61&id=358](http://www.kaiseredu.org/topics_im.asp?imID=1&parentID=61&id=358).

Karen Davis, “Slowing the Growth of Health Care Costs—Learning from International Experience,” *NEJM*, Vol. 359, No 17 (23 October 2008), pp. 1751-1755, <http://content.nejm.org/cgi/reprint/359/17/1751.pdf>.

James J. Mongan, Timothy G. Ferris, and Thomas Lee, “Options for Slowing the Growth of Health Care Costs,” *NEJM*, Vol. 358, No. 14 (3 April 2008), pp. 1509-1514, <http://content.nejm.org/cgi/reprint/358/14/1509.pdf>.

Peter R. Orszag, “Opportunities to Increase Efficiency in Health Care,” CBO, 16 June 2008, 7 pages, <http://www.cbo.gov/ftpdocs/93xx/doc9384/06-16-HealthSummit.pdf>.

→ more readings follow →

Kenneth E. Thorpe, "Cost Sharing, Caps on Benefits, and the Chronically Ill—A Policy Mismatch," *NEJM*, Vol. 354, No. 22 (1 June 2006), pp. 2385-2386, <http://content.nejm.org/cgi/reprint/354/22/2385.pdf>.

Robert A. Berenson, Paul B. Ginsburg, and Nicole Kemper, "Unchecked Provider Clout in California Foreshadows Challenges to Health Reform," *Health Affairs*, Vol. 29, No. 4 (April 2010), pp. 1-7, <http://content.healthaffairs.org/cgi/reprint/29/4/699>.

Henry J. Aaron, "Waste, We Know You Are out There," *NEJM*, Vol. 359, No. 18 (30 Oct. 2008), <http://content.nejm.org/cgi/reprint/359/18/1865.pdf>.

Jonathan Oberlander and Joseph White, "Systemwide Cost Control—The Missing Link in Health Care Reform," *NEJM*, Vol. 361, No. 12 (17 September 2009), pp. 1131-1133, <http://content.nejm.org.ezproxy.bu.edu/cgi/reprint/NEJMp0907487.pdf>.

**On-line only:** Claire Cain Miller, "Bringing Comparison Shopping to the Doctor's Office," *NYT*, 10 June 2010, 4 pages, <http://www.nytimes.com/2010/06/11/technology/11cost.html?tnemail0=y&emc=tnt&pagewanted=print>.

Susan Okie, "Teaching Physicians the Price of Care," *NYT*, 3 May 2010, 4 pages, <http://www.nytimes.com/2010/05/04/health/04cost.html?pagewanted=print>.

David Armstrong, "New Hips Gone Awry Expose U.S. Kickbacks in Doctors' Offices," *Bloomberg BusinessWeek*, 11 June 2010, 4 pages, <http://www.businessweek.com/news/2010-06-11/new-hips-gone-awry-expose-u-s-kickbacks-in-doctors-conflicts.html>.

Debra A. Paterniti and others, "Getting to 'No': Strategies Primary Care Physicians Use to Deny Patient Requests," *Arch. Int. Med.*, Vol. 170, No. 4 (22 Feb. 2010), pp. 381-388, <http://archinte.ama-assn.org.ezproxy.bu.edu/cgi/reprint/170/4/381>.



**10. 16 Nov. Exam 2, and de-brief**

We will reconvene after the exam to discuss additional aspects of material covered during sessions 6 – 9.

11. 23 Nov.           A. Long-term care  
                          B. Mental health

11 A. Long-term care

**Introductory case:** Carol Levine, "The Loneliness of the Long-term Caregiver," *NEJM*, Vol. 340, No. 20 (20 May 1999), pp. 1587-1590, <http://content.nejm.org/cgi/content/full/340/20/1587>.

**Problems and controversies**

- Finding the money and caregivers to protect an aging population
- Quality, decency problems in nursing homes and home care
- 80-90 percent of elders prefer to remain at home, yet about three-fourths of public LTC dollars finance nursing home care

**Causes of problems**

- Near-dearth of new ideas—a vast desert with a few struggling plants and animals
- More people in need, but declining availability, ability, and willingness of family help
- Many purported solutions would move the problem without really addressing it
- Lack of money and time
- How to sustain caregiver kindness in face of apparent ingratitude or resentment?

**Possible solutions**

- More public money? Prescription drugs displaced LTC for new Medicare benefit
- More private money—long-term care insurance? RAMs? Marketing abuses?
- Housing solutions: continuing care retirement communities, and assisted living
- S/HMOs, technology, and innovations like time banking

**Concepts**

- De-institutionalization, other parallels between LTC and mental health services
- Dependency ratio—who's dependent? Who's disabled? (many non-elders!)
- Compression of morbidity?
- "Money follows the person"

**Data/evidence**

- HUS-2009, tables 105 and 119, *pdf*.
- Kaiser Family Foundation, "Medicaid and Long-term Care Services and Supports," March 2009, 2 pages, [http://www.kff.org/medicaid/upload/2186\\_06.pdf](http://www.kff.org/medicaid/upload/2186_06.pdf).

**Concluding cases:** Alan Sager, "A Proposal for Promoting More Adequate Long-term Care for the Elderly," *The Gerontologist*, Vol. 23, No. 1 (February 1983), pp. 13-17, *pdf*.

**Readings**

B+G, Chapter 12

John K. Iglehart, "A New Era of For-profit Hospice Care—The Medicare Benefit," *NEJM*, Vol. 360, No. 26 (25 June 2009), pp. 2701-2703, <http://healthcarereform.nejm.org/?p=593#printpreview>.

Mark Merlis and Paul N. Van de Water, "Long-term Care Financing: Models from Abroad," NASI, Nov. 2005, 6 pages, [http://www.nasi.org/usr\\_doc/Health\\_and\\_Income\\_Security\\_Brief\\_No\\_9.pdf](http://www.nasi.org/usr_doc/Health_and_Income_Security_Brief_No_9.pdf).

Janemarie Mulvey and Kirsten J. Colello, "Community Living Assistance Services and Supports (CLASS) Provision in the Patient Protection and Affordable Care Act (PPACA)," Congressional Research Service, 4 June 2010, 15 pp. <http://www.hcbs.org/files/184/9163/CRSReportCLASS.pdf>.

David Smith and others, "Racial Disparities in Access to Long-term Care," Abstract, Commonwealth Fund, 2008, 2 pages, [http://www.commonwealthfund.org/~media/Files/Publications/In%20the%20Literature/2008/Nov/Racial%20Disparities%20in%20Access%20to%20Long%20Term%20Care%20%20The%20Illusive%20Pursuit%20of%20Equity/1197\\_Barton\\_Smith\\_Racial\\_Disparities\\_in\\_LTC%20pdf.pdf](http://www.commonwealthfund.org/~media/Files/Publications/In%20the%20Literature/2008/Nov/Racial%20Disparities%20in%20Access%20to%20Long%20Term%20Care%20%20The%20Illusive%20Pursuit%20of%20Equity/1197_Barton_Smith_Racial_Disparities_in_LTC%20pdf.pdf).

**On-line only:** Anemona Hartocollis, "Change in Medicaid Rules May Pose Stark Choice for the Chronically Ill," *NYT*, 24 January 2009, 3 pp., <http://www.nytimes.com/2009/01/24/nyregion/24spouse.html>.

## 23 Nov. 11 B. Mental health

**Introductory case:** Gary Fields, "In Brooklyn Court, A Route out of Jail for the Mentally Ill," *WSJ*, 21 Aug. 2006, 6 pages, <http://sentencing.nj.gov/downloads/pdf/articles/2006/Aug2006/news02.pdf>.

### Problems and controversies

- Endemic shortage of care and access inequalities
- De-institutionalization: from snakepit to homelessness
- Over-selling reforms: "anything's got to be better than this"
- Talking versus chemical therapies
- Medicaid's exploding cost of psychopharmacology

### Causes of problems

- Lack of money—causes of that?
- Difficulty of sustaining continuing care to vulnerable people
- Insurers' fear that "need" could be limitless
- Treatments' efficacy often hard to assess
- Professional preference for certain treatments?
- Hard to integrate societal, educational, and medical resources to help a person
- Diverse dollars: families, health, education, social services, criminal justice+youth
- Social instability, poverty, and other underlying causes

### Possible solutions

- More money: investing in earlier diagnosis and more aggressive treatment
- Invest to address underlying causes
- Mental health parity legislation
- Develop and test lower-cost forms of care? (Is this possible?)

**Concepts:** Mental health parity, de-institutionalization, mental health and LTC parallels

**Data/evidence:** HUS-2009, Tables 97 and 116, *pdf*.

Check a few states in, NAMI, *Grading the States: Report on America's Health Care System for Serious Mental Illness*, 1 March 2006, **on-line-only**, [http://www.nami.org/gtstemplate.cfm?section=grading\\_the\\_states&lstid=701](http://www.nami.org/gtstemplate.cfm?section=grading_the_states&lstid=701).

**Concluding case:** Claudia Gold, "Backed into a Treatment Corner," *Boston Globe*, 30 March 2009, 1 p., [http://www.boston.com/bostonglobe/editorial\\_opinion/oped/articles/2009/03/30/backed\\_into\\_a\\_treatment\\_corner/](http://www.boston.com/bostonglobe/editorial_opinion/oped/articles/2009/03/30/backed_into_a_treatment_corner/)

### Readings

U.S. Department of Health and Human Services, *Mental Health: A Report from the Surgeon General*, Rockville, Maryland: The Department, 1999, chapter 6, Organizing and Financing Mental Health Services, 32 pages, <http://www.surgeongeneral.gov/library/mentalhealth/pdfs/c6.pdf>.

Mark Ghaly, "Executive Summary," *Children's Mental Health in the Commonwealth*, Massachusetts Health Policy Forum Issue Brief No. 14, May 2002, 2 pages, *pdf*.

Eileen Salinsky and Christopher Loftis, *Shrinking Inpatient Psychiatric Capacity: Cause for Celebration or Concern?* NHPF Issue Brief No. 823 (1 August 2007), 19 pages, [http://www.nhpf.org/library/issue-briefs/IB823\\_InpatientPsych\\_08-01-07.pdf](http://www.nhpf.org/library/issue-briefs/IB823_InpatientPsych_08-01-07.pdf).

"Effects of State Mental Health Parity Laws on Insurance Coverage and Access to Care," *Community Update*, Issue 18 (April 2005), 2 pages.

Erica Noonan, "Push on for Insurers to Share Autism Costs," *Boston Globe*, 16 Sept. 2008, [http://www.boston.com/news/health/articles/2008/09/16/push\\_on\\_for\\_insurers\\_to\\_share\\_autism\\_costs?mode=PF](http://www.boston.com/news/health/articles/2008/09/16/push_on_for_insurers_to_share_autism_costs?mode=PF).

**On-line only:** President Bush's New Freedom Commission on Mental Health, *Achieving the Promise: Transforming Mental Health in America*, Summary, 22 pages. Please skim from <http://www.mentalhealthcommission.gov/reports/FinalReport/downloads/ExecSummary.pdf>.

**12. 30 Nov. A. Appropriateness and quality of care: measurement and promotion  
B. Technology: types, assessment, affordability**

**12A. Appropriateness and quality of care** (the order is important, I think)

**Introductory case:** “Lynn Payer’s *Medicine and Culture Revisited*,” *Health Care News*, Harris Interactive, Vol. 1, Issue 34 (20 December 2001), 4 pages,  
[http://www.harrisinteractive.com/news/newsletters/healthnews/HI\\_HealthCareNews2001Vol1\\_iss34.pdf](http://www.harrisinteractive.com/news/newsletters/healthnews/HI_HealthCareNews2001Vol1_iss34.pdf).

**Problems and controversies**

- How many treatments are of proven value? What is the standard of proof?
- Should all care be provided in teaching hospitals?
- Malpractice debate: a lightning rod—but what if a tornado’s the problem?

**Causes of problems**

- Insufficient evidence on what care works or who needs it
- Weak standards of training and weak public/private monitoring
- Less competent caregivers cluster together out of the spotlight
- Caregivers fail to compete by quality, even when evidence is disseminated

**Possible solutions**

- Provide better data so payers and patients can shop by quality
- Enhanced regulatory, private, or legal (malpractice) oversight; Leapfrog
- Instigate internal professional TQM/CQI approach to quality in each organization

**Concepts**

- Measuring inputs, process, outcomes
- Overt drama of quality vs. invisible inappropriateness
- Shopping by quality and price—but what care’s appropriate? (and who knows?)
- Severity-adjusted death or illness rates
- Individual heroism/stardom versus system appropriateness/quality
- Retail and wholesale (clinical and systems) problems and solutions

**Data/evidence**

NCQA, HEDIS. Does evidence help? New York State cardiac surgery studies.

AHRQ state health quality snapshots,

<http://statesnapshots.ahrq.gov/snaps08/dashboard.jsp?menuId=4&state=MA&level=0>.

U.S. Department of Health and Human Services, Hospital Compare site,

<http://www.hospitalcompare.hhs.gov/hospital-search.aspx?AspxAutoDetectCookieSupport=1>

**Concluding case:** Gail Wilensky, “The Mammography Guidelines and Evidence-based Medicine,” *Health Affairs Blog*, 12 Jan. 2010, 3 pp., <http://healthaffairs.org/blog/2010/01/12/the-mammography-guidelines-and-evidence-based-medicine/>; Gardiner Harris, “U.S. Inaction Lets Look-alike Tubes Kill Patients,” *NYT*, 20 Aug. 2010, 5 pages, **on-line only**,  
[http://www.nytimes.com/2010/08/21/health/policy/21tubes.html?\\_r=1&ref=gardiner\\_harris&pagewanted=print](http://www.nytimes.com/2010/08/21/health/policy/21tubes.html?_r=1&ref=gardiner_harris&pagewanted=print).

**Readings**

B+G, chapter 10.

J. Bruce Moseley and others, “A Controlled Trial of Arthroscopic Surgery for Osteoarthritis of the Knee,” *NEJM*, Vol. 347, No. 2 (11 July 2002), abstract, 1 page,  
<http://content.nejm.org/cgi/reprint/347/2/81.pdf>.

Maggie Mahar and Niko Karvounis, “The Silence Surrounding Diagnostic Errors,” parts 1 and 2, 6 and 9 June 2008, 8 pages, <http://www.healthbeatblog.org/2008/06/the-silence-sur.html> and <http://www.healthbeatblog.com/2008/06/the-silence-s-1.html>.

Atul Gawande, “The Bell Curve,” *The New Yorker*, 6 December 2004, 11 pages,  
[http://www.newyorker.com/archive/2004/12/06/041206fa\\_fact?printable=true](http://www.newyorker.com/archive/2004/12/06/041206fa_fact?printable=true).

**On-line only:** Lee Ann Runy, “25 Things You Can Do to Save Lives Now,” *H&HN*, April 2005, 7 pp,  
[http://www.hhnmag.com/hhnmag\\_app/hospitalconnect/search/article.jsp?dcrpath=HHNMAG/PubsNewsArticle/da/0504HHN\\_Cover\\_Story&domain=HHNMAG](http://www.hhnmag.com/hhnmag_app/hospitalconnect/search/article.jsp?dcrpath=HHNMAG/PubsNewsArticle/da/0504HHN_Cover_Story&domain=HHNMAG).

## 12 B. 30 Nov. Technology: assessment, source of higher cost?

**Introductory case:** Alex Berenson and Reed Abelson, “Weighing the Costs of a CT Scan’s Look Inside the Heart,” *NYT*, 20 June 2008, 9 pages, **on-line only**,

[http://www.nytimes.com/2008/06/29/business/29scan.html?\\_r=1&hp=&oref=slogin&pagewanted=print](http://www.nytimes.com/2008/06/29/business/29scan.html?_r=1&hp=&oref=slogin&pagewanted=print); Jill Bernstein and others, “Basing Health Care on Empirical Evidence,” *Mathematica Issue Brief*, May, 2010, 4 pages, [http://www.mathematica-mpr.com/publications/pdfs/health/reformhealthcare\\_IB3.pdf](http://www.mathematica-mpr.com/publications/pdfs/health/reformhealthcare_IB3.pdf); and Kristin L. Carman and others, “Evidence that Consumers Are Skeptical about Evidence-based Health Care,” *Health Affairs*, Vol. 29, No. 7 (July 2010), pp. 1-7, <http://content.healthaffairs.org/cgi/reprint/hlthaff.2009.0296v1?ijkey=JtUHLpFXh2Rtq&keytype=ref&siteid=healthaff>.

### Problems and controversies

- Weak evidence on efficacy and on cost of diagnostic and therapeutic interventions. Should new and old technologies be evaluated publicly?
- Should payers cover only the more cost-effective therapies (as proposed for meds)?
- Should physicians be encouraged to weed out the less cost-effective treatments?

### Causes of problems

- Insurance coverage = blank check (pay for “medically necessary care”)
- Physicians have sometimes fought public evaluation of technology—motives?

### Possible solutions

- Greater public financing of cost-effectiveness studies
- Neutralizing financial incentives on physicians and hospitals
- Electronic medical records (EMR)

### Concepts

- Pharmaceutical, mechanical/electrical, surgical, and other technologies
- Cost-effectiveness analysis (which is the cheaper way to add one QALY?)
- Benefit/cost analysis (which has a higher ratio of benefits to costs?)
- Quantifying benefits and costs: direct, indirect, intangible
- Preparing a budget to quantify costs of achieving benefits
- Present value of future costs and benefits

### Skills

- Computing a QALY and a simple benefit/cost ratio

**Concluding case:** Rick Weiss, “A Tale of Politics: PET Scans’ Change in Medicare Coverage,” *Washington Post*, 14 October 2005, 4 pages, **on-line only**,

<http://www.washingtonpost.com/ac2/wp-dyn/A30847-2004Oct13?language=printer>; and Ana Wilde Mathews and Thomas M. Burton, “After Medtronic Lobbying Push, The FDA had Change of Heart,” *WSJ*, 9 July 2004, 5 pages, <http://www.irbforum.org/forum/read/2/79/79>.

**Readings:** Richard A. Deyo, “Marketing, Media, Wishful Thinking, and Conflicts of Interest: Inflating the Value of New Medical Technology,” *Permanente Journal*, Vol. 13, No. 2 (Spring 2009), pp. 71-76, <http://xnet.kp.org/permanentejournal/spr09/technology.pdf>.

**On-line only:** Donald M. Berwick, “Disseminating Innovations in Health Care,” *JAMA*, Vol. 289, No. 15 (16 April 2003), pp. 1969-1975, <http://jama.ama-assn.org.ezproxy.bu.edu/cgi/reprint/289/15/1969.pdf>.

Robert O’Harrow, Jr., “The Machinery Behind Health-Care Reform,” *Wash. Post*, 16 May 2009, 4 pp, [http://www.washingtonpost.com/wp-dyn/content/article/2009/05/15/AR2009051503667\\_pf.html](http://www.washingtonpost.com/wp-dyn/content/article/2009/05/15/AR2009051503667_pf.html).

Ezekiel J. Emanuel, Victor R. Fuchs, and Alan M. Garber, “Essential Elements of a Technology and Outcomes Assessment Initiative,” *JAMA*, Vol. 298, No. 11 (19 September 2007), pp. 1323-1325, <http://jama.ama-assn.org.ezproxy.bu.edu/cgi/reprint/298/11/1323>.

13. 7 Dec.                   A. Public health  
                                  B. International differences

### 13 A. Public health

**Introductory cases:** Value of prevention: CDC, “An Ounce of Prevention: What Are the Returns?” 8 pp., *pdf*, David Hemenway, “Why We Don’t Spend Enough on Public Health,” *NEJM*, Vol. 362, No. 18 (6 May 2010), pp. 1657-1658, <http://content.nejm.org/cgi/reprint/362/18/1657.pdf>; Pauline W. Chen, “Why Patients Aren’t Getting the Shingles Vaccine,” *NYT* 10 June 2010, 4 pages, **on-line only**, [http://www.nytimes.com/2010/06/10/health/10chen.html?ref=doctor\\_and\\_patient](http://www.nytimes.com/2010/06/10/health/10chen.html?ref=doctor_and_patient).

#### Problems and controversies

- Publicly financed preventive services for populations separated from privately—and more adequately—financed curative services for individuals.
- Does prevention save money (why set a higher standard for it)? Do curative services?

#### Causes of problems

- Preventive activities tend to be public and under-budgeted; curative activities tend to be private and financed more generously by public and private insurance.
- Privately practicing physicians did not want competition from public clinics

#### Possible solutions

##### Concepts

- Elements of the local-state-federal public health infrastructure
- statistical life versus identified life
- community-oriented primary care
- primary, secondary, tertiary prevention

##### Data/evidence

Ford, Earl J. and others, “Explaining the Decrease in U.S. Deaths from Coronary Disease, 1980-2000,” *New England Journal of Medicine*, Vol. 356, No. 23 (7 June 2007), p. 2388 (abstract only), <http://content.nejm.org/cgi/reprint/356/23/2388.pdf>; Pieter H.M. van Baal and others, “Lifetime Medical Costs of Obesity: Prevention No Cure for Increasing Health Expenditure,” *PLoS Medicine*, Vol. 5, No. 2 (February 2008) (abstract and editor’s summary only), 3 pages, <http://www.plosmedicine.org/article/info:doi/10.1371/journal.pmed.0050029>.

**Concluding case:** “U.S. Unprepared for Emergencies,” *Kaiser Daily Health Policy Report*, 13 December 2006, 2 pages, <http://www.medicalnewstoday.com/articles/58950.php>.

**Readings:** B+G, chapter 11

Joshua T. Cohen, Peter J. Neumann, and Milton C. Weinstein, “Does Preventive Care Save Money? Health Economics and the Presidential Candidates,” *NEJM*, vol. 358, No. 7 (14 February 2008), pp. 661-663, <http://content.nejm.org/cgi/reprint/358/7/661.pdf>.

National Health Policy Forum, *The Public Health Service*, 20 July, 2005, [http://www.nhpf.org/library/the-basics/Basics\\_PHS.pdf](http://www.nhpf.org/library/the-basics/Basics_PHS.pdf)

Governor Patrick’s Budget Recommendation, FY2011, H. 2, Department of Public Health, 9 pages, [http://www.mass.gov/bb/h1/fy11h1/brec\\_11/dpt\\_11/hldph.htm](http://www.mass.gov/bb/h1/fy11h1/brec_11/dpt_11/hldph.htm). See also the Health Overview section of the governor’s 2111 budget, [http://www.mass.gov/bb/h1/fy11h1/prnt\\_11/exec\\_11/pbuddevhc.htm](http://www.mass.gov/bb/h1/fy11h1/prnt_11/exec_11/pbuddevhc.htm).

**On-line only:** Shannon Brownlee, “The Perils of Prevention,” *NYT*, 16 March 2003, 5 pages, <http://query.nytimes.com/gst/fullpage.html?sec=health&res=9502E5D8163EF935A25750C0A9659C8B63>.

Ian Urbina, “In the Treatment of Diabetes, Success Often Does Not Pay,” *New York Times*, 11 January 2006, 7 pages, <http://www.nytimes.com/2006/01/11/nyregion/nyregionspecial5/11diabetes.html?ei=5088&en=fde99fd512099c16&ex=1294635600&partner=rssnyt&emc=rss&pagewanted=print>.



## 7 December 13 B. International differences

**Introductory case:** Barbara Starfield, “Is US Health Really the Best in the World?” *JAMA*, Vol. 284, No. 4 (26 July 2000), pp. 483-485, <http://jama.ama-assn.org.ezproxy.bu.edu/cgi/reprint/284/4/483>.

### Problems and controversies

- What are the strengths and weaknesses of other nations’ health care?
- Are the experiences of other wealthy nations—in raising money for health care, paying caregivers, covering people, or improving quality—relevant to the U.S.?
- What are the main differences among German, Canadian, British, Japanese, and American methods of covering people and containing costs?

### Causes of problems

- Why do other nations finance and deliver care in such different ways?
- How do the UK and Canada spend so much less? Roles of finance and delivery of care, quality, and other factors.

### Possible solutions: Lessons from other nations for—

- Covering people
- Providing (organizing, delivering) care
- Paying caregivers
- Containing cost
- Promoting quality, appropriateness

### Concepts

- Level of spending on care versus method of organizing or financing care (the importance of comparing apples with apples)
- Sickness fund
- Single payer versus coordinated or pooled multiple payers
- Reference pricing

### Data/evidence:

- OECD Health Data, Frequently Requested Data, 2010, Excel table, **on-line only**, [http://www.oecd.org/document/16/0,3343,en\\_2649\\_34631\\_2085200\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/16/0,3343,en_2649_34631_2085200_1_1_1_1,00.html).
- HUS-2009, Table 121-122, *pdf*.

### Readings:

B+G, chapter 14.

**On-line only:** Abigail Zuger, “One Injury, 10 Countries: A Journey in Health Care,” *NYT*, 15 Sept. 2009, <http://www.nytimes.com/2009/09/15/health/15book.html?pagewanted=print>.

**Optional and not in reader**—but recommended for its detailed and knowledgeable narrative of four nations’ multi-decade evolutions toward coverage and cost control: William Glaser, “How Other Nations Do It,” <http://www.healthpaconline.net/rekindling/Articles/Glaser.htm>.

## 14. 14 Dec. Winning affordable health care for all: people, money, politics

**Introductory case:** Richard D. Lamm, "Marginal Medicine," *JAMA*, Vol. 280, No. 10 (9 September 1998), pp. 931-933, <http://jama.ama-assn.org.ezproxy.bu.edu/cgi/reprint/280/10/931>.

### Problems and controversies

- Incremental versus comprehensive reform
- Why did the Clintons fail in 1993? What was different/same in 2009-2010?
- Must improved coverage be joined to cost controls, financing reforms, and delivery reforms? If so, how can we do all that at once?
- Mass. + U.S.A.—coverage first and cost controls—when?

### Causes of problems

- Natural conservatism/change is hard/it's easy to make things worse
- Causes of Clintons' failure? Lack of evidence/experience, inter-state differences in health, lack of effective cost controls, politics and also politics.
- Paradox: when things go well, there is little pressure for reform, but when problems grow and pressure for reform grows as well, will we have the resources and will we know what to do?
- "The bill that can pass can't work and the bill that would work won't pass."

### Possible solutions

- Single payer, employer or individual mandates, subsidies and how to pay for them
- Contingency planning: get ready to seize different opportunities
- State or federal action? Roles of each

**Concluding case:** Raising revenue from cigarette tax. "Tobacco Products -- Production, Consumption, and Expenditures: 1990 to 2006," *Statistical Abstract of the United States, 2009*, Table 981, *pdf*.

**Readings:** B+G, chapters 13, 15, 16, 17, and 18.

Lewis Sandy, "Homeostasis without Reserve—the Risk of Health System Collapse," *NEJM*, Vol. 347, No. 24 (12 December 2002), pp. 1971-1975, <http://content.nejm.org/cgi/reprint/347/24/1971.pdf>.

Herbert Denenberg, "Health Care for All: The Wasteland," *The Progressive*, April 1974, 6 pages, [www.progressive.org/archive/1974/april/healthcare](http://www.progressive.org/archive/1974/april/healthcare).

**On-line only:** "Proposal of the Physicians' Working Group for Single-Payer National Health Insurance," *JAMA*, Vol. 290, No. 6 (13 August 2003), pp. 798-805, <http://jama.ama-assn.org.ezproxy.bu.edu/cgi/reprint/290/6/798>.

William A. Glaser, "The United States Needs a Health System Like Other Countries," *JAMA*, Vol. 270, No. 8 (25 August 1993), pp. 980-984, <http://jama.ama-assn.org.ezproxy.bu.edu/cgi/reprint/270/8/980>.

**Optional and not in reader:** Umut Sarpel, Bruce C. Vladeck, Celia M. Divin, and Paul E. Klotman, "Fact and Fiction: Debunking Myths in the US Healthcare System," *Annals of Surgery*, Vol. 247, No. 4 (April 2008), pp. 563-569, [http://www.medscape.com/viewarticle/573877\\_print](http://www.medscape.com/viewarticle/573877_print).