

HEALTH CARE POLICY

HC 750.0

September 22, 2008

COURSE OVERVIEW AND FORMAT

Physicians play a critical role in shaping the U.S. health care system. The purpose of this course is to introduce students to the key features of the current U.S. health care delivery and financing system and to analytic concepts needed to evaluate current health policy issues. This course will: (1) provide an overview of how health care services are organized, delivered and financed in the U.S.; (2) cover political and economic concepts central to health policy debates; (3) compare the U.S. system to those of other developed nations; and (4) provide students with practice in critically evaluating pressing health policy problems.

Faculty from throughout Harvard University will lead discussions on specific health care policy topics, including recent changes in the health care market, physician payment arrangements, factors affecting quality of care, comparative health care systems, and approaches to expanding insurance coverage. The class will meet on Thursday afternoons from 1:30-3:30 p.m. Class sessions will include a variety of formats, including lectures, case studies, and debates. The first five sessions will be presented in lecture format in order to provide students with a foundation of basic concepts and factual information that will enable them to analyze cases that will be discussed during the rest of the course. In sessions marked "Lecture and Small Groups," students will first attend a 45-50 minute lecture in D Amphitheater and then meet in small groups of approximately 8-10 students led by faculty from across HMS and its affiliated hospitals to discuss the issues raised in the lecture and in case studies distributed in advance of the session.

COURSE DIRECTORS

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COURSE TEXTBOOK:

Feldstein, Paul J. *Health Policy Issues: An Economic Perspective* 4th Edition. AUPHA Press, Washington, DC: 2006.

Session 1 (September 4, 2008): Overview of the U.S. Health Care System – Haiden Huskamp, Ph.D. and Allan Goroll, M.D. This section will provide an overview of the U.S. health care system with an emphasis on its structure and financing. Topics will include:

- the history of the employment-based health insurance system in the U.S.;
- the uninsured population;
- U.S. health care expenditures and how they compare to expenditures by other developed nations; and
- the “value” the U.S. receives for its health care spending.

Dr. Allan Goroll will discuss how the practice of medicine has changed over the years in response to changes in health policy. **Format: Lecture.**

Required Reading:

- Kaiser Family Foundation “Trends in Health Care Costs and Spending” September 2007.

Optional Readings

- Caitlin A, C Cowan, M Hartmann, S Heffler (2008). “National Health Spending in 2006: A Year of Change for Prescription Drugs,” *Health Affairs* 27(1): 14-29.
- Cutler DM, AB Rosen, S Vijan (2006). “The Value of Medical Spending in the United States, 1960-2000,” *New England Journal of Medicine* 355(9): 920-7.
- Feldstein, Chapters 1, 3

Session 2 (September 11, 2008): Private Insurance in the U.S. – Ellen Meara, Ph.D. and Bruce Landon, M.D., M.B.A. Dr. Meara will describe characteristics of private insurance plans, the types of products offered, who gets private insurance, premium trends, and strategies/tools used by plans to try to control utilization and costs. Dr. Landon will then discuss how these strategies affect his practice of medicine. **Format: Lecture.**

Required Reading:

- Blumenthal D (2006). “Employer-Sponsored Insurance -- Riding the Health Care Tiger.” *New England Journal of Medicine* 355(2): 195-202.

Optional Readings

- Feldstein, Chapters 6 and 19.

Session 3 (September 18, 2008): Medicare, Medicaid, and the Uninsured – John Ayanian, M.D., M.P.P., Anne Fabiny M.D. and J. Michael McWilliams M.D., PhD
This session will provide an overview of the two major government insurance programs (Medicare and Medicaid), including who is eligible, which services are covered, how providers are paid, and how utilization and costs are managed. Characteristics of the uninsured and how the lack of insurance affects access to care and health outcomes will be discussed. In addition, two patients will join the class to discuss their health care experiences related to their insurance coverage or lack of coverage, respectively, including one who is covered by both Medicare and Medicaid and one who was uninsured for many years. **Format: Lecture and Discussion with Patients.**

Required Reading:

- Kaiser Family Foundation, “Medicare at A Glance,” February 2007.
- Kaiser Family Foundation, “The Medicaid Program at a Glance,” March 2007.
- Institute of Medicine (2002) “Executive Summary” in *Care Without Coverage: Too Little Too Late*.

Optional Readings

- Feldstein, Chapters 8, 9
- “What is PACE? (Program of All Inclusive Care for the Elderly?)” Available at <http://www.npaonline.org/website/article.asp?id=12>

Session 4 (September 25, 2008): The Politics of Health Care – Robert Blendon, Sc.D. This session will introduce students to the historical role of government in health care financing, the politics of health care reform, and the role played by major interest and advocacy groups. Discussion will focus on public values that shape health policy, and how and why policies that may eventually be adopted deviate from those predicted by “rational methods” to be those in the public’s best interest. **Format: Lecture.**

Required Reading:

- Blendon RJ (2006). “Americans’ Views about Health Care Costs, Access, and Quality,” *Milbank Quarterly* 84(4): 623-657.

Optional Readings

- Blendon RJ, E Drew, CD Altman, JM Benson, M Brodie, T Buhr (2008). “Health Care in the 2008 Presidential Primaries,” *New England Journal of Medicine* 358(4): 414-422.
- Feldstein, Chapter 36

Session 5 (October 2, 2008): The Economics of Insurance – Haiden Huskamp, Ph.D. This session will provide students the analytic tools to analyze important health policy issues from an economic perspective. The session will discuss key economic concepts in the health care marketplace, including moral hazard, adverse selection and the role of competition. A case study on Harvard University’s purchase of health insurance on

behalf of its employees and their dependents will provide students an opportunity to discuss these concepts. **Format: Lecture.**

Required Readings:

- Gladwell M, "The Moral Hazard Myth" *The New Yorker* August 29, 2005
- Feldstein pp 77-84

Optional Readings

- Feldstein, pp 57-59

Quiz #1 will be available at 5:00pm on October 2nd and due by 1:30 pm on Thursday, October 9 in MEC 158.

Session 6 (October 9, 2008): Changing Systems of Care to Prevent Medical Errors or to Enhance Performance – Lucian Leape, M.D. This session will explore how medical mistakes are identified and managed within clinical medicine and strategies for creating systems approaches to reducing errors in medicine. The session will also address questions of accountability in clinical medicine and sharing sensitive information with patients and peers. During the small group discussion session in the second hour, students will discuss these concepts using a case study of a medication error that resulted in the death of a sixteen-year-old patient admitted to a Wisconsin hospital for labor and delivery. **Format: Lecture and Small Groups.**

Required Reading:

- Leape L. (1994.) "Error in Medicine." *JAMA* 272 (23):1851-1857.
- Lockley Steven W., LK Barger, NT Ayas, JM Rothschild, CA Czeisler, CP Landrigan (2007) "Effects of Health Care Provider Work Hours and Sleep Deprivation on Safety and Performance" *The Joint Commission Journal on Quality and Patient Safety* 33 (11) Supplement: 7-18.
- Case Study: The Case of Julie Thao

Session 7 (October 16, 2008): How Health Care Providers Are Organized and Paid – Nancy Keating, M.D., M.P.H. This session will discuss trends in provider organization and payment and the implications of these arrangements for providers and patients. During the small group discussion in the second hour, students will discuss three mini case studies on physician payment arrangements and financial incentives. **Format: Lecture and Small Groups.**

Required Reading:

- Gawande A. "Piecemeal, Medicine's Money Problem," *The New Yorker*; April 4, 2005.
- 3 Mini-Case Studies on Physician Payment and Financial Incentives:
 - Case 1: The Challenges and Rewards of Solo Practice
 - Case 2: Capitation vs. Fee-for-service: the Experience of Group Health Associates

- Case 3: Should Doctors' Salaries be Tied to the Cost of Care They Deliver?

Optional Readings

- Bodenheimer T (2006). "Physicians and the Changing Medical Marketplace," *New England Journal of Medicine* 340(7): 584-588.
- Rosenthal M and R Adams Dudley (2007). "Pay for Performance Will the Latest Trend Improve Care?" *Journal of the American Medical Association* 297(7): 740-744.
- Goroll M et al. (2007). "Fundamental Reform of Payment for Adult Primary Care: Comprehensive Payment for Comprehensive Care" *Journal of General Internal Medicine*, 22(3): 410-415.
- Feldstein Chapters 10, 12

Session 8 (October 23, 2008): What is Good Quality Care? – Barbara McNeil, M.D., Ph.D. and Glenn D. Steele, Jr., M.D. This section will cover issues in health care quality from the perspectives of the patient, physician, hospital, and managed care organization. We will also discuss the pros and cons of recent "pay for performance" initiatives on patients and physicians. Finally, there will be a discussion on recent activities to publicize cost and/or quality data by individual physicians. What should an insurer or patient do with these data? Should these data ever play a role in the selection of physicians by insurers? How accurate do the data have to be? The first half of the session will be taught in lecture format. The second half will involve a case from Geisinger Health System, Danville, PA and will be led by its CEO Dr. Glenn D. Steele, formerly chief of surgery at the Deaconess Hospital in Boston. **Format: Lecture.**

Required Reading:

- McGlynn EA, SM Asch, J Adams, J Keesey, J Hicks, A DeCristofaro, EA Kerr (2003). "The Quality of Health Care Delivered to Adults in the United States," *New England Journal of Medicine* 348(26): 2635-2645.

Optional Readings

- Jha AK(2006). "Measuring Hospital Quality: What Physicians Do? How Patients Fare? OR Both?" *JAMA* 296(1): 95-97.
- Werner RM and DA Asch (2005). "The Unintended Consequences of Publicly Reporting Quality Information," *JAMA* 293: 1239-1244.

Session 9 (October 30, 2008): How Else Could the U.S. Organize and Finance Its Health Care System? – Katherine Swartz, Ph.D. This section will provide an overview of major approaches to expanding U.S. health insurance coverage, including a single-payer system, employer mandates to offer health insurance to employees, individual mandates, and consumer driven health care. During the small group discussion session in the second hour, students will discuss and debate the health care proposals of the Presidential candidates. **Format: Lecture and Small Groups.**

Required Readings:

- Oberlander J. (2008) “The Partisan Divide—The McCain and Obama Plans for U.S. Health Care Reform,” *NEJM* 359(8): 781-784.
- Swartz K. “Uninsured in America: New Realities, New Risks.” in *Health at Risk: America's Ailing Health System -- and How to Heal It*. Ed. Jacob Hacker (forthcoming)
- Case Study: Health Reform Proposals of McCain and Obama: a Debate
- "2008 Presidential Candidates Side By Side Summary,"
http://www.health08.org/sidebyside_results.cfm?c=5&c=16

Optional Readings

- Antos J., G. Wilensky, and H. Kuttner (2008). “The Obama Plan: More Regulation, Unsustainable Spending,” *Health Affairs* 27 (6): w462-w471.
- Buchmueller T., S.A. Glied, A. Royalty, and K. Swartz (2008). “Cost and Coverage Implications of the McCain Plan to Restructure Health Insurance” *Health Affairs* 27 (6): w472-481.
- Feldstein, Chapters 33, 34
- Newhouse JP and RD Reischauer (2004). “The Institute of Medicine Committee’s Clarion Call for Universal Coverage.” *Health Affairs* (web exclusive) W4:179-183.
- Pauly M.V.(2008). “Blending Better Ingredients for Health Reform,” *Health Affairs* 27 (6): w482-491.
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Session 10 (November 6, 2008): What Can the U.S. Learn from How Other Developed Countries Organize and Finance their Health Systems? This session will introduce students to a health system framework and use it to compare the US health system with health systems of other developed nations. The intent is for students to gain some insight into the implications of different system structures for the practice of medicine. During the small group discussion session in the second hour, students will discuss a case study on how care received by particular patients would likely vary in Ireland and Singapore. **Format: Lecture and Small Groups.**

Required Reading:

- TBD
- Case Study: Treating Patients in Ireland and Singapore

Optional Readings

- Feldstein, Chapters 32

Quiz #2 will be available by 5:00pm on November 6 and due by 1:30 pm on November 13 in MEC 158.

Session 11 (November 13, 2008): The Massachusetts Health Care Reform Experiment – Jon Kingsdale, Ph.D. This session will give students the opportunity to discuss the health reform legislation passed by the Massachusetts legislature, its

implications for health care provided in the state, and lessons from early implementation. Dr. Jon Kingsdale, the Executive Director of Massachusetts Commonwealth Health Insurance Connector Authority, will first provide an overview of implementation issues encountered to date. During the small group discussion session in the second hour, students will discuss the Massachusetts experiment and its implications for national health reform. **Format: Lecture and Small Groups.**

Required Readings:

- Massachusetts Health Care Reform Plan: An Update” June 2007. Kaiser Family Foundation
- Steinbrook R (2008). “Health Care Reform in Massachusetts – Expanding Coverage, Escalating Costs,” *New England Journal of Medicine* 358(26): 2757-60.
- Case Study: The Massachusetts Experiment in Health Care Reform

Optional Reading

- 2006 Health Reform in Massachusetts Case Study. (*A Case Study on how the Mass health reform came to pass, including implementation issues faced*)

Session 12 (November 20, 2008): Consumerism in Health Care – Meredith Rosenthal, Ph.D. This session will discuss the changing role of the consumer in the health care system, new health insurance benefit designs that attempt to engage consumers in making health care more efficient, and changes in the information available for patients to make informed decisions regarding providers and treatment options.. During the small group discussion session in the second hour, students will discuss implications of new consumer-driven health care products and the role of the physician in consumerism using a case study of a patient diagnosed with breast cancer. **Format: Lecture and Small Groups.**

Required Readings:

- Beeuwkes Buntin M, C Damberg, A Haviland, K Kapur, N Lurie, R McDevitt, and MS Marquis (2006). “Consumer-Direct Health Care: Early Evidence about Effects on Cost and Quality,” *Health Affairs* (web exclusive) W516-530.
- Case Study: The Physician Role in Consumerism

Optional Readings

- O’Connor AM, HA Llewellyn-Thomas, and AB Flood (2004). “Modifying Unwarranted Variations in Health Care: Shared Decision Making Using Patient Decision Aids,” *Health Affairs* (Web Exclusive): W61-72.
- Robinson JC (2003). “Hospital Tiers in Health Insurance: Balancing Consumer Choice with Financial Incentives,” *Health Affairs* (web exclusive) W3: 135-146.
- Rosenthal M, C Hsuan, and A Epstein (2005). “A Report Card on the Freshman Class of Consumer Directed Health Plans,” *Health Affairs* 24(6): 1592-1600.

Session 13 (December 4, 2008): Drug/Device Policy and Regulation – Haiden Huskamp, Ph.D. This session will describe the rapid increases in prescription drug expenditures in recent years, discuss the forces driving the increases, and explore approaches used to control rising drug costs. The session will provide an overview of the pharmaceutical industry, the process of bringing a new drug to market, and the U.S. Food and Drug Administration’s role in establishing and monitoring the safety of prescription medicines. During the small group discussion session in the second hour, students will discuss two case studies – the first focused on rosiglitazone and issues of medication safety, and the second focused on regulation of medical devices. **Format: Lecture and Small Groups.**

Required Readings:

- Feldstein, Chapters 25-26
- “The FDA’s Drug Review Process: Ensuring Drugs are Safe and Effective” http://www.fda.gov/Fdac/features/2002/402_drug.html
- 2 Mini-Case Studies:
 - Case 1: Rosiglitazone: A Cautionary Tale of Drug Regulation
 - Case 2: Should FDA Approval of a Medical Device Preempt Lawsuits against the Device Manufacturer?

Optional Readings

- Brandt AM(2008). “FDA Regulation of Tobacco – Pitfalls and possibilities,” *New England Journal of Medicine* 359(5):445-448.
- Cutler DM (2007). “The Demise of the Blockbuster?” *New England Journal of Medicine* 356(13): 1292-1293.
- Feldstein, Chapters 27-28
- Government Accounting Office “Effect of User Fees on Drug Approval Times, Withdrawals, and Other Agency Activities” September 2002
- Kaiser Family Foundation, “Prescription drug trends,” May 2007.
- Krumholz HM, and TH Lee (2008). “Redefining Quality: Implications of Recent Clinical Trials.” *New England Journal of Medicine* 358(24):2537-2539.
- Stafford RS (2008). “Regulating Off-label Drug Use – Rethinking the Role of the FDA,” *New England Journal of Medicine* 358(14):1427-1429.

Group policy memos due by 12:00 pm emailed to small group leader and Tara Sussman (see assignment sheet)

Session 14 (December 11, 2008): Discussion Session: Presentation of Group Projects. The four groups in each discussion section will present group project memos on a pressing health policy topic and debate the issues presented. **Format: Small Groups.**

Quiz #3 will be available by 5:00pm on December 1st and due by 5:00 pm on December 15th.