

PUBH 6555, Section 002

Topics in Health Economics
Fall 2018

COURSE & CONTACT INFORMATION

Credits: 2
Meeting Day(s): Tuesdays, September 4- December 11, 2018
Meeting Time: 9:05-11am
Meeting Place: Mayo D325

Instructor: Peter Huckfeldt
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Fax: (612) 624-2196
Office Hours: Wednesday 10:45-12 and by appointment.
Office Location: 15-226 Phillips-Wangensteen Building

Teaching Assistant: Zhiyou (Austin) Yang
T.A. Email: yang4594@umn.edu
T.A. Office Hours: By appointment

COURSE DESCRIPTION

This course applies the basic principles of microeconomics and industrial organization to the health care sector with special emphasis on issues relevant to managers of health care delivery organizations.

COURSE PREREQUISITES

You must be admitted to the University of Minnesota's Master in Healthcare Administration Program or have consent of the instructor.

There are no formal prerequisites; however, an understanding of economics principles and econometrics or statistics will be valuable in order to perform well in this course.

COURSE GOALS & OBJECTIVES

At the end of the course, students should achieve the following capabilities:

- Ability to use economic reasoning to analyze problems in health economics and policy;
- Familiarity with main research themes in health economics and methods used by health economists to answer research questions;
- Ability to evaluate and draw conclusions from empirical work in health economics.

METHODS OF INSTRUCTION AND WORK EXPECTATIONS

- **Weekly readings**
Students should complete the "required" readings on the syllabus each week.
- **In-class presentations of papers**
During each week's lecture (during Weeks 2-13), students will present selected articles (noted as "Discussion Readings" in the syllabus) either individually or in pairs. Students will select one discussion article to present prior to the second week of the class

(i.e., prior to September 11). For each presentation, the team will generate a PowerPoint slide deck of up to 15 slides (but could be less) that summarizes and critiques the article(s). In the presentation, the team should address the following:

- (1) What is the research question or objective being considered?
- (2) What is the underlying economic model or framework motivating the question or issue being investigated?
- (3) What data and methods are used to analyze the question or issue?
- (4) What are the key findings or take-away points of the analysis?
- (5) What are the implications of this study for healthcare delivery organizations?

The student team will have 15 minutes to make their presentation to the class. The quality of slide content and presentation will be the primary criteria for evaluation. This will count towards 15 points (i.e., 15%) toward the final grade. Student teams should submit their slides to the instructor and TA prior to each class.

- **Written homework assignments (4)**

There will be three written homework assignments during the course. These assignments should be completed individually (not as a group), but you may refer to the readings and lectures when completing the assignments.

Homework 1 (covers Weeks 1-4): **Due October 5**

Homework 2 (covers Weeks 5-7): **Due October 26**

Homework 3 (covers Weeks 8-10): **Due November 16**

Homework 4 (covers Weeks 11-13): **Due December 7**

Please complete the assignments as word documents and submit them to the course website (or email them to the TA). Each assignment is worth 15 points (i.e., 15%) towards your final grade.

- **Final research project**

The final research project is a PowerPoint presentation describing how one or more of the concepts we cover in the course is relevant and important to the institution where you completed your residency (or a prior workplace).

Your project should include the following:

Section 1: An overview of the topic, with a conceptual economic framework

- For example, there should be some discussion of the incentives facing consumers, physicians, or health care institutions

Section 2: How was this topic relevant to your residency (or past workplace), and specifically, how do these incentives lead to a suboptimal outcome?

Section 3: Outline a solution to the problem, with a focus on how it changes the incentives facing consumers/providers/ institutions.

You may work in groups (up to 4 or 5) or individually, and you may either pick experiences from each individual in your group (for example, contrasting differing experiences across workplaces pertaining to a single concept) or alternatively you could focus on one concept and workplace.

Please send a "project proposal" to the professor and TA by the end of Week 5 (i.e., **Friday, October 5**) that includes: (1) the members of your group, (2) the course topic, and (3) a description of how you will address each of the three Sections described above.

You will present your project to the class on **one of the last two sessions of the class**.

The final project counts towards 25% of the final grade

COURSE TEXT & READINGS

Text

- Bhattacharya J, Hyde T, Tu P (2013). Health Economics. New York, NY: Palgrave Macmillan, 2014.

<p>Lecture 1 September 4</p>	<p>Week 1. Introduction to health economics and overview</p> <p><u>Topics:</u></p> <ul style="list-style-type: none"> • Course overview • Health care spending and health in the U.S. and other high-income countries • Economic theory for production of health • Social determinants of health and health disparities <p><u>Learning objectives:</u></p> <ul style="list-style-type: none"> • How do health care spending and health outcomes in the U.S. compare to other high-income countries? • What is the relationship between socio-economic status and health in the United States? • What are economic theories for health disparities? • To what extent are health disparities driven by access to health care versus other factors? <p><u>Required readings:</u></p> <p>Papanicolas I, Woski L.R., Jha AK (2018). "Health Care Spending in the United States and Other High-Income Countries." <i>JAMA</i> 319(10): 1024-1039.</p> <p>Chetty R, Stepner M, Abraham S, Lin S, Scuderi B, Turner N, Bergeron A, Cutler D (2018). "The Association Between Income and Life Expectancy in the United States, 2001-2014." <i>JAMA</i> 315(16): 1750-1766.</p> <p>Artiga S, Hinton E. "Beyond Health Care: The Role of Social Determinants in Promoting Health and Health Equity." <i>Kaiser Family Foundation Issue Brief</i> May 2018. http://files.kff.org/attachment/issue-brief-beyond-health-care</p> <p>Campbell F, Conti G, Heckman JJ, Moon SH, Pinto R, Pungello E, Pan Y (2014). "Early Childhood Investments Substantially Boost Adult Health." <i>Science</i> 343: 1478-1484</p> <p><u>Textbook chapters:</u></p> <p>Bhattacharya, Hyde, and Tu: Chapter 3 (Demand for health: the Grossman Model), Chapter 4 (Socioeconomic Disparities in Health)</p> <p><u>Other readings:</u></p> <p>Ludwig, Jens, Greg J. Duncan, Lisa A. Gennetian, Lawrence F. Katz, Ronald C. Kessler, Jeffrey R. Kling, and Lisa Sanbonmatsu. 2013. "Long-Term Neighborhood Effects on Low-Income Families: Evidence from Moving to Opportunity." <i>American Economic Review</i>, 103 (3): 226-31.</p> <p>Dzau V, McClellan MB, McGinnis JM, et al. (2017). "Vital Directions for Health and Health Care: Priorities From a National Academy of Medicine Initiative" <i>JAMA</i> 317 (14): 1461-1470.</p> <p>Olshansky SJ, Antonucci T, Berkman L, Binstock R.H., et al. (2012). "Differences In Life Expectancy Due To Race And Educational Differences Are Widening, And Many May Not Catch Up." <i>Health Affairs</i> 31(8): 1803-1813.</p>
<p>Lecture 2 September 11</p>	<p>Week 2. Economics of health behaviors</p> <p><u>Topics:</u></p> <ul style="list-style-type: none"> • Economic explanations for unhealthy behaviors • Empirical examples: obesity, smoking, and chronic diseases • Opioid crisis: trends, causes, and interventions • Workplace wellness and other disease management interventions <p><u>Learning objectives:</u></p> <ul style="list-style-type: none"> • What are theories from economics for why individuals engage in unhealthy behaviors? • What are factors leading to the rise in chronic, non-communicable diseases in lower and middle-income countries?

- What are potential explanations for the opioid epidemic in the US?
- How effective are interventions, such as workplace wellness programs, at improving behaviors and risk factors?

Required readings:

Ezzati M, Riboli E. (2013) "Behavioral and Dietary Risk Factors for Noncommunicable Diseases." *NEJM*. 369 (10): 954-964.

Case A, Deaton A (2015) "Rising morbidity and mortality in midlife among white non-Hispanic Americans in the 21st Century." *PNAS* 112(49): 15078-15083.

Jones D, Molitor D, Reif J (2018). "What do Workplace Wellness Programs Do? Evidence from the Illinois Workplace Wellness Study?" NBER Working Paper 24229

Cutler DM, Lleras-Muney A (2009). "Understanding differences in health behaviors by education." *Journal of Health Economics* 29:1-28.

Textbook chapters:

Bhattacharya, Hyde, and Tu: Chapter 22 (obesity). Further reading: Chapter 24 (Time inconsistency and health), and Chapter 23 (Prospect Theory)

Discussion readings:

Discussion 1: Opioid use for long-term pain

Belluz J (2018). "Finally, proof: opioids are no better than other medications for some chronic pain." *Vox* March 6, 2018.

<https://www.vox.com/science-and-health/2018/3/6/17082590/opioids-tylenol-chronic-pain-study>

Krebs E, Gravely A, et al. (2018). "Effect of Opioid vs Nonopioid Medications on Pain-Related Function in Patients With Chronic Back Pain or Hip or Knee Osteoarthritis Pain: The SPACE Randomized Clinical Trial." *JAMA* 319(9): 872-882.

Kertesz SG, Gordon A.J., Satel SL (2018). *Health Affairs Blog* "Opioid Prescription Control: When The Corrective Goes Too Far." January 19, 2018.

<https://www.healthaffairs.org/doi/10.1377/hblog20180117.832392/full/>

Discussion 2: Workplace wellness programs

Baicker K, Cutler D, and Song Z (2010). "Workplace Wellness Programs Can Generate Savings." *Health Affairs* 29(2): 304-311.

Lewis A, Khanna V, and Montrose S (2014). "Workplace Wellness Produces No Savings." *Health Affairs Blog* November 25, 2014. <http://healthaffairs.org/blog/2014/11/25/workplace-wellness-produces-no-savings/>

Other readings:

(Economics of health behaviors)

Cawley J, Ruhm CJ. "The Economics of Risky Health Behaviors." Chapter 3 in: Thomas G. McGuire, Mark V. Pauly, and Pedro Pita Barros (editors), *Handbook of Health Economics, Volume 2*. (Elsevier: New York), pp. 95-199. 2012.

Christakis NA, Fowler JH (2007). "The Spread of Obesity in a Large Social Network over 32 Years." *NEJM* 357: 370-379.

(Chronic diseases)

NCD Risk Factor Collaboration (2016). "Trends in adult body-mass index in 200 countries from 1976 to 2014: a pooled analysis of 1698 population-based measurement studies with 19.2 million participants." *Lancet* 387: 1377-1396.

NCD Risk Factor Collaboration (2016). "Worldwide trends in diabetes since 1980: a pooled analysis of 751 population-based studies with 4.4 million participants." *Lancet* 387: 1513-30.

Jha P, Peto R (2014). "Global Effects of Smoking of Quitting, and of Taxing Tobacco." *NEJM* 370:60-68.

(Opioid crisis)

Bao Y, et al. (2016) "Prescription Drug Monitoring Programs Are Associated With Sustained Reductions in Opioid Prescribing By Physicians." *Health Affairs* 35(6): 1045-1051.

Barnett M, et al. (2017). "Opioid-Prescribing Patterns of Emergency Physicians and Risk of Long-Term Use." *NEJM* 376: 663-673.

Buchmueller T, Carey C (2017). "The Effect of Prescription Drug Monitoring Programs on Opioid Utilization in Medicare." *American Economic Journal: Economic Policy* 10(1): 77-112.

Chiu AS, Jean RA, Hoag JR, Freedman-Weiss M, Healy JM, Pei KY (2018). "Association of Lowering Default Pill Counts in Electronic Medical Record Systems With Postoperative Opioid Prescribing." *JAMA Surgery* Forthcoming.

Delgado MK, et al. (2018). "Association between Electronic Medical Record Implementation of Default Opioid Prescription Quantities and Prescribing Behavior in Two Emergency Departments." *Journal of General Internal Medicine*. Forthcoming.

Patrick SW, et al. (2016). "Implementation of Prescription Drug Monitoring Programs Associated With Reductions in Opioid-Related Death Rates." *Health Affairs* 35(7): 1324-32.

(Workplace wellness)

Caloyeras J, et al. (2014). "Managing Manifest Diseases, But Not Health Risks, Saved PepsiCo Money Over Seven Years." *Health Affairs* 33(1): 124-131.

Goetzel, R. et al (2012). "Ten Modifiable Health Risk Factors Are Linked To More Than One- Fifth Of Employer-Employee Health Care Spending." *Health Affairs*. 31(11): 2474-2484.

Horwitz JR, Kelly, BD, Dinardo JE (2013). "Wellness Incentives in the Workplace: Cost Savings Through Cost Savings Through Cost Shifting to Unhealthy Workers." *Health Affairs*. 32(3): 468- 476.

Nyman J, Abraham J, et al. (2012). "The Effectiveness of a Health Promotion Program After 3 Years: Evidence From the University of Minnesota." *Medical Care* 50(9): 772-778.

<p>Lecture 3 September 18</p>	<p>Week 3. Demand for medical care</p> <p><u>Topics:</u></p> <ul style="list-style-type: none"> • Economic theory on demand for medical care • Empirical evidence on demand for medical care • High deductible health plans • Price transparency in health care <p>(On economic theory of demand for medical care)</p> <ul style="list-style-type: none"> • What does the "law of demand" predict is the relationship between the quantity of medical care demanded and price? • What does the "own price elasticity of demand" measure? • What is "moral hazard", particularly as it relates to health insurance? • How does economic theory predict that moral hazard will vary across medical services with differing price elasticities of demand? <p>(On empirical studies of demand for health care)</p> <ul style="list-style-type: none"> • What is especially unique about the RAND Health Insurance Experiment? • What were the key empirical findings of the RAND Health Insurance Experiment?
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- To what extent does the RAND Health Insurance Experiment support theoretical predictions on cost sharing and health care utilization?
- What has empirical research shown regarding potential adverse health effects of cost sharing, and what are implications for total health care costs?
- How do high deductible health plans affect health care spending?
- How do high deductible plans affect consumer debt?

(On price transparency)

- How “transparent” are health care prices for consumers?
- How effective are price transparency initiatives for health care services?

Required readings:

RAND Health Issue Brief: “A Health Insurance Experiment”

http://www.rand.org/pubs/research_briefs/RB9174.html

Chandra A, Gruber J, McKnight R. (2010). “Patient Cost-Sharing and Hospitalization Offsets in the Elderly.” *American Economic Review*. 100(1): 193-213. (Focus on Intro, Section I, and Section IV)

Chandra A, Handel B, Kolstad J (2017). “What Does a Deductible Do? The Impact of Cost-Sharing on Health Care Prices, Quantities, and Spending Dynamics?” *Quarterly Journal of Economics* 132(3): 1261-1318.

Mehrotra A, Chernew ME, Sinaiko AD (2018). “Promise and Reality of Price Transparency.” *NEJM* 378 (14): 1348-1354.

Textbook chapters:

Bhattacharya, Hyde, and Tu: Chapter 11 (Moral Hazard), Chapter 2 (Demand for Health Care)

Discussion readings:

Discussion 3

Collins S, et al. (2015) “The Problem of Underinsurance and How Rising Deductibles Will Make It Worse: Findings from the Commonwealth Fund Biennial Health Insurance Survey, 2014.” Commonwealth Fund pub. 1817, Vol. 13. <http://www.commonwealthfund.org/publications/issue-briefs/2015/may/problem-of-underinsurance>

Discussion 4

Mehrotra A, Dean KM, Sinaiko AD, Sood N. “American Support Price Shopping For Health Care, But Few Actually Seek Out Price Information.” *Health Affairs* 36 (8): 1392-1399.

Other readings:

Aron-Dine A, Einav L, Finkelstein A (2013). “The RAND Health Insurance Experiment, Three Decades Later.” *Journal of Economic Perspectives*, 27(1): 197-222.

Desai S, et al. (2016). “Association Between Availability of a Price Transparency Tool and Outpatient Spending.” *JAMA* 315(17): 1874-1881.

Desai S, et al. (2017). “Offering A Price Transparency Tool Did Not Reduce Overall Spending Among California Public Employees and Retirees.” *Health Affairs* 36(8): 1401-1407.

Goldman D, et al. (2004). “Pharmacy Benefits and the Use of Drugs by the Chronically Ill” *JAMA* 291(19): 2344-2350.

Haviland AM, et al. (2016). “Do “Consumer-Directed” Health Plans Bend the Cost Curve Over Time”? *Journal of Health Economics*, 2016.

Huckfeldt PJ, et al. (2015). “Patient responses in consumer-directed health plans: Evidence from pharmaceuticals.” NBER Working Paper 20927, February 2015.

Whaley, C. et al. 2014. “Association Between Availability of Health Service Prices and Payments for These

Services.” *JAMA*. 312(16): 1670-1676.

Lecture 4
September 25

Week 4. Demand and supply of health insurance

Week Overview:

- Economic theory: demand for health insurance
- Adverse selection in health insurance (consumer side)
- Favorable selection (insurer side)
- How do consumers choose health insurance plans?

Learning objectives:

- What are the conditions necessary for adverse selection to occur?
- Why might adverse selection occur under community rating?
- What is a “death spiral” in health insurance?
- Is there evidence of adverse selection in the Affordable Care Act health insurance marketplaces?
- How did the individual mandate mitigate adverse selection?
- How do health insurance subsidies mitigate adverse selection?
- What are health plan attributes that consumers use to choose between health plans?
- What are the effects of “narrow” provider networks on premiums and access to services?

Required readings:

Chandra A, Gruber J, McKnight R (2011). “The Importance of the Individual Mandate- Evidence from Massachusetts” *NEJM*. 364:293-295.

Morrisey MA, Rivlin AM, Nathan RP, Hall MA (2017). “A Five-State Study of ACA Marketplace Competition.” *Brookings Center for Health Policy*.

<https://www.brookings.edu/wp-content/uploads/2017/02/summary-report-final.pdf>

Sacks DW (2018). “The Health Insurance Marketplaces.” *JAMA* 320(6): 549-550.

Dafny LS, Hendel I, Marone V Ody C. “Narrow Networks On The Health Insurance Marketplaces: Prevalence, Pricing, And The Cost Of Network Breadth.” *Health Affairs* 36 (9): 1606-1614.

Polsky D, Candon MK, Chatterjee P, Chen X. “Scope Of Primary Care Physicians’ Participation In The Health Insurance Marketplaces.” *Health Affairs* 37(8): 1252-1256.

Textbook chapters:

Bhattacharya, Hyde, and Tu: Chapter 10 (Adverse selection in real markets), Chapter 7 (Demand for Insurance),

Discussion readings:

Discussion 5

Keith K (2018). “The Short-Term, Limited-Duration Coverage Final Rule: The Background, The Content, And What Could Come Next.” *Health Affairs Blog* August 1, 2018.

<https://www.healthaffairs.org/doi/10.1377/hblog20180801.169759/full/>

Blumberg LJ, Buettgens, Wang R (2018). “Updated: The Potential Impact of Short-Term Limited-Duration Policies on Insurance Coverage, Premiums, and Federal Spending.” *Urban Institute Brief Report March 2018*.

https://www.urban.org/sites/default/files/publication/96781/2001727_updated_finalized.pdf

Discussion 6

Polsky D, Candon MK, Chatterjee P, Chen X. “Scope Of Primary Care Physicians’ Participation In The Health Insurance Marketplaces.” *Health Affairs* 37(8): 1252-1256.

Other readings:

Einav L, Finkelstein A (2011). “Selection in Insurance Markets: Theory and Empirics in Pictures.” *Journal of Economic Perspectives*. 25(1): 115-138.

	<p>Chernew M, Barbey C (2017). "Supporting The Individual Health Insurance Market." <i>Health Affairs Blog</i>. http://healthaffairs.org/blog/2017/08/07/supporting-the-individual-health-insurance-market/</p> <p>Morrisey M (2016). "Turmoil in the Health Insurance Marketplaces." Penn LDI Issue Brief 21(1):1-5 https://ldi.upenn.edu/sites/default/files/pdf/LDI%20ACA%20Impact%20Series%20-%20Health%20Insurance%20Marketplaces.pdf</p> <p>Zhu JM, Zhang Y, Wu B, Polsky D. (2017). "Association between number of insurers and premium rates in the Affordable Care Act marketplace." <i>JAMA Internal Medicine</i> 177(1): 1684-1686.</p> <p>Baicker K, Levy H (2015). "How narrow a network is too narrow?" <i>JAMA Internal Medicine</i>. 175(3): 337-8</p> <p>Polsky D, et al. (2016) "Marketplace Plans With Narrow Physician Networks Feature Lower Monthly Premiums Than Plans with Larger Networks." <i>Health Affairs</i> 35(10):1842-1848.</p> <p>Newhouse JP, et al. (2012). "Steps To Reduce Favorable Risk Selection In Medicare Advantage Largely Succeeded, Boding Well For Health Insurance Exchanges." <i>Health Affairs</i> 31(12): 2618-2628.</p> <p>Jacobs DB, Sommers B (2015). "Using Drugs to Discriminate-Adverse Selection in the Insurance Marketplace" <i>NEJM</i> 372: 2015 399-402</p>
<p>Lecture 5 October 2</p>	<p>Week 5. The effects of health insurance</p> <p><u>Week overview</u></p> <ul style="list-style-type: none"> • The effects of health insurance on health • The effects of health insurance on financial risk • Long-term effects of health insurance on outcomes <p><u>Learning objectives</u></p> <ul style="list-style-type: none"> • How does health insurance manage financial risk? • In what contexts have researchers studied health insurance expansions? • How does health insurance affect access to health care and utilization? • How does health insurance affect health and wellbeing? • How does health insurance affect financial security? <p><u>Required readings:</u></p> <p>Sommers BD, Gawande AA, Baicker K (2017). "Health Insurance Coverage and Health—What the Recent Evidence Tells Us." <i>NEJM</i> 377(6): 586-593.</p> <p>Mazumder B, Miller S (2016). "The effects of the Massachusetts Health Reform on household financial distress." <i>American Economic Journal-Economic Policy</i> 8:284-313.</p> <p>Wherry LR, Miller S, Kaestner R, Meyer BD (2017). "Childhood Medicaid Coverage and Later Life Health Care Utilization. <i>Review of Economics and Statistics</i>. Forthcoming, 2017. http://www-personal.umich.edu/~7Emille/WherryMillerKaestnerMeyer_040716.pdf</p> <p>Sommers BD, Simon K (2017). "Health Insurance and Emergency Department Use—A Complex Relationship." <i>NEJM</i> 1708-1710.</p> <p><u>Discussion readings:</u></p> <p>Discussion 7</p> <p>Miller S, Wherry L (2017). "Health and Access to Care during the First 2 Years of the ACA Medicaid Expansions." <i>NEJM</i> 376 (10): 947-956.</p> <p>Discussion 8</p> <p>Goldman A, McCormick D, Haas JS, Sommers BD. "Effects Of The ACA's Health Insurance Marketplaces On The Previously Uninsured: A Quasi-Experimental Analysis." <i>Health Affairs</i> 37(4): 591-599.</p>

	<p><u>Other readings:</u></p> <p>Sommers BD, Maylone B, Blendon RJ, et al. (2017). "Three-Year Impacts Of The Affordable Care Act: Improved Medical Care and Health Among Low-Income Adults." <i>Health Affairs</i> 36(6): 1119-1128.</p> <p>Brevoort K, Grodzicki D, Hackmann M. (2017). "Medicaid and Financial Health." NBER WP No. 24002. https://www.nber.org/papers/w24002</p> <p>Goodman-Bacon A. "Public Insurance and Mortality: Evidence from Medicaid Implementation." <i>Journal of Political Economy</i> 126(1): 216-260.</p>
<p>Lecture 6 October 9</p>	<p>Week 6. Economics of innovation</p> <p><u>Week overview</u></p> <ul style="list-style-type: none"> • The lifecycle for new drug development • Intellectual property rights and incentives for innovation • Trends in pharmaceutical pricing • Policies to reduce prescription drug costs <p><u>Learning objectives</u></p> <ul style="list-style-type: none"> • What is the trade-off between monopoly pricing and innovation in new drug development. • What are the drivers of rising prescription drug costs? • What are potential policy solutions to reduce prescription drug spending? <p><u>Required readings:</u></p> <p>Bhattacharya, Hyde, and Tu: Chapter 12 (Pharmaceuticals and the economics of innovation)</p> <p>Kesselheim A, Avorn J, Sarpatwari A (2016). "The High Cost of Prescription Drugs in the United States: Origins and Prospects for Reform." <i>JAMA</i> 316(8): 858-871.</p> <p>Sood N, Shih T, Van Nuys K, Goldman D. "Follow The Money: The Flow of Funds in the Pharmaceutical Distribution System." <i>Health Affairs Blog</i> June 13, 2017.</p> <p>http://healthaffairs.org/blog/2017/06/13/follow-the-money-the-flow-of-funds-in-the-pharmaceutical-distribution-system/</p> <p>Bach P (2014). "Indication-Specific Pricing for Cancer Drugs." <i>JAMA</i> 312(16): 1629-1630.</p> <p>Chandra A, Garthwaite C (2017). "The Economics of Indication-Based Drug Pricing." <i>NEJM</i> 377(2): 103-106.</p> <p><u>Discussion readings:</u></p> <p>Discussion 9</p> <p>Yu N, Helms Z, Bach P. "R&D Costs For Pharmaceutical Companies Do Not Explain Elevated US Drug Prices." <i>Health Affairs Blog</i> March 7, 2017.</p> <p>http://healthaffairs.org/blog/2017/03/07/rd-costs-for-pharmaceutical-companies-do-not-explain-elevated-us-drug-prices/</p> <p>Grabowski H, Manning R. "Drug Prices and Medical Innovation: A Response to Yu Helms and Bach." <i>Health Affairs Blog</i> June 2, 2017.</p> <p>http://healthaffairs.org/blog/2017/06/02/drug-prices-and-medical-innovation-a-response-to-yu-helms-and-bach/</p> <p>Discussion 10</p> <p>National Academies of Sciences (2017). "A National Strategy for the Elimination of Hepatitis B and C: Phase Two Report." Summary: 1-14.</p>

<https://www.nap.edu/catalog/24731/a-national-strategy-for-the-elimination-of-hepatitis-b-and-c>

Other readings:

Bach P, Giralt SA, Saltz LB (2017). "FDA Approval of Tisagenlecleucel: Promise and Complexities of a \$475,000 Cancer Drug." *JAMA* September 20, 2017.

Berndt ER, Nass D, Kleinrock M, Aitken M (2015). "Decline in Economic Returns From New Drugs Raises Questions About Sustaining Innovations." *Health Affairs* 34(2): 245-252.

Conti RM, Rosenthal MB (2016). "Pharmaceutical Policy Reform—Balancing Affordability with Incentives for Innovation." *NEJM* 374:703-706.

Cox C, Kamal R, Jankiewicz, et al. (2016). "Recent Trends in Prescription Drug Costs." *JAMA* 315(13): 1326.

Goldman D, Lakdawalla D (2011). "Chapter 13- Intellectual Property, Information Technology, Biomedical Research, and Marketing of Patented Products." In "Handbook of Health Economics, Volume 2. Pp: 825-872. <http://www.sciencedirect.com/science/article/pii/B978044453592400013X>

Lecture 7
October 16

Week 7. Economic evaluation of health technologies

Week overview:

- Rising health care costs and technological change
- Approaches for evaluating the benefits and costs of new technologies
- Empirical examples of evaluation of new technologies and treatments

Learning objectives:

- To what extent has new technology increased health care spending?
- Understand the difference between cost-benefit analysis, cost effectiveness analysis, and comparative effectiveness research
- What is a "treatment substitution" effect?
- What is a "treatment expansion" effect?
- How can the chosen methodology for economic evaluation of new treatments influence the resulting findings?

Required readings:

Bhattacharya, Hyde, and Tu: 14 (Health technology assessment).

Cutler D, McClellan M (2001). "Is Technological Change in Medicine Worth it?" *Health Affairs*, 20(5), 2001, 11-29.

Chandra A, Jena AB, Skinner JS (2011). "The Pragmatist's Guide to Comparative Effectiveness Research." *Journal of Economic Perspectives*, 25(2): 27-46. (Focus on pages 27-34).

Sanders GD, Neumann PJ, Basu A, et al. (2016). "Recommendations for Conduct Methodological Practices, and Reporting of Cost-effectiveness Analyses: Second Panel on Cost-Effectiveness in Health and Medicine." *JAMA* 316(10): 1093-1103.
<http://jamanetwork.com/journals/jama/fullarticle/2552214>

Discussion readings:

Discussion 11

Chhatwal J, et al. (2015). "Cost-Effectiveness and Budget Impact of Hepatitis C Virus Treatment With Sofosbuvir and Ledipasvir in the United States" *Annals of Internal Medicine* 162(6): 397-406.

Van Nuys K, et al. (2015). "Broad Hepatitis C Treatment Scenarios Return Substantial Health Gains, But Capacity Is A Concern." *Health Affairs* 34(10): 1666-1674.

Discussion 12

Goldman D, Nussbaum S, and Linthicum S (2016). "Rapid Biomedical Innovation Calls For Similar Innovation In Pricing And Value Measurement." *Health Affairs Blog*. September 15,

2016.

Timmins N (2016). "How To Think About Health Technology Assessment: A Response To Goldman and Coauthors." *Health Affairs Blog* September 15, 2016.

<https://www.healthaffairs.org/doi/10.1377/hblog20160915.056524/full/>

Other readings

Buntin MM, Burke MF, Hoaglin MC, Blumenthal D (2011). "The Benefits Of Health Information Technology: A Review Of The Recent Literature." *Health Affairs* 30(3): 464-474.

Grabowski D, et al. (2012). "The Large Social Value Resulting From Use Of Statins Warrants Steps To Improve Adherence And Broaden Treatment." *Health Affairs*. 31(10): 2276-2285.

Skinner JS, Staiger DO, Fisher ES (2006). "Is Technological Change in Medicine Always Worth It? The Case of Acute Myocardial Infarction." *Health Affairs* 25(2): w34-w47.

Lecture 8
October 23

Week 8. Health care workforce

Week overview:

- Changes in primary care and primary care shortage
- Mode of physician payment and effects on practice
- Medicare payment reforms for physicians
- Medical malpractice

Learning objectives:

(on primary care shortage)

- What are potential reasons for the primary care shortage?
- What are potential strategies for addressing the primary care shortage?

(on physician reimbursement)

- What is the principal agent problem under fee-for-service physician payment, and how does this lead to supplier-induced demand?
- What evidence does the Baker (2010) paper on MRI machines imply about supplier-induced demand under fee-for-service reimbursement?
- What are new modes of physician reimbursement, and how do they affect physician incentives?

(on medical malpractice)

- What are the intended and unintended effects of medical malpractice?
- Which specialties of physicians are the most likely to be sued?
- What is the most frequent outcome of malpractice claims?
- What is defensive medicine, and is there evidence that it occurs?

(on behavioral economics interventions)

- How can behavioral interventions be used to improve physician practices?

Required readings:

Adams EK, Markowitz S (2018). "Improving Efficiency in the Health-Care System: Removing Anticompetitive Barriers for Advanced Practice Registered Nurses and Physician Assistants." The Hamilton Project Policy Proposal.

https://www.brookings.edu/wp-content/uploads/2018/06/ES_THP_20180611_AdamsandMarkowitz.pdf

Baker LC (2010). "Acquisition of MRI Equipment By Doctors Drives Up Imaging Use and Spending." *Health Affairs* 29(12): 2252-2259.

Baicker K, Fisher ES, Chandra A (2007). "Malpractice Liability Costs and The Practice of Medicine in the Medicare Program." *Health Affairs* 26(3): 841-852.

Meeker D, et al (2016). "Effect of Behavioral Interventions on Inappropriate Antibiotic Prescribing Among Primary

Care Practices: A Randomized Clinical Trial." *JAMA* 315(6), 562-570. doi:10.1001/jama.2016.0275

Textbook chapter:

Bhattacharya, Hyde, and Tu: Chapter 5 (The labor market for physicians).

Discussion readings:

Discussion 13 (MedPAC + Liao et al or Wilensky)

Liao JM, Shea JA, Weissman A, Navathe AS (2018). "Physician Perspectives In Year 1 Of MACRA And Its Merit-Based Payment System: A National Survey." *Health Affairs* 37(7): 1079-1086.

Medicare Payment Advisory Commission (2018). "Moving beyond the Merit-based Incentive Payment System." Report to the Congress: Medicare Payment Policy, March 2018.

http://www.medpac.gov/docs/default-source/reports/mar18_medpac_ch15_sec.pdf?sfvrsn=0

Wilensky G (2018). "Will MACRA Improve Physician Reimbursement?" April 5, 2018. <https://www.nejm.org/doi/full/10.1056/NEJMp1801673>

Discussion 14

Sacarny A, Barnett ML, et al. (2018). "Effect of Peer Comparison Letters for High-Volume Primary Care Prescribers of Quetiapine in Older and Disabled Adults: A Randomized Clinical Trial." *JAMA Psychiatry* Forthcoming.

Other readings:

Barnes H, et al (2018). "Rural and Nonrural Primary Care Physician Practices Increasingly Rely On Nurse Practitioners." *Health Affairs* 37(6): 908-914.

Bodenheimer T and Bauer L (2016). "Rethinking the Primary Care Workforce—An Expanded Role for Nurses." *NEJM* 375: 1015-1017.

Clemens J, Gottlieb, JD (2014). "Do Physicians' Financial Incentives Affect Medical Treatment and Patient Health." *American Economic Review*. 104(4): 1320-49.

Jacobson M, Earle GC, Price M, Newhouse JP (2010). "How Medicare's Payment Cuts for Cancer Chemotherapy Drugs Changed Patterns of Treatment." *Health Affairs*, 29(7): 1391- 1399.

Jena AB, Chandra A, Lakdawalla D, Seabury S. (2012). "Outcomes of Medical Malpractice Litigation Against US Physicians." *Archives of Internal Medicine*. 172(11): 892-893.

Jena AB, Seabury S, Lakdawalla D, Chandra A (2011). "Malpractice Risk According to Physician Specialty." *NEJM*. 365: 629-36

Song Z., et al. (2014). "Changes in Health Care Spending and Quality 4 Years into Global Payment." *NEJM* 371: 1704-1714.

Waxman, et al. (2014). "The Effect of Malpractice Reform on Emergency Department Care" *NEJM* 371: 1518-1525.

Lecture 9
October 30

Week 9. Hospitals and post-acute care

Week overview:

- Nonprofit versus for-profit ownership of hospitals
- Increasing use of outpatient services in hospitals
- Hospital cost-shifting
- Hospital payment reform and the rise of post-acute care
- Post-acute care spending and coordination
- Hospital and post-acute care payment reforms

Learning objectives:

- What are economic theories for how non-profit hospitals provide care?
- What does empirical evidence suggest about how non-profit hospitals provide care?
- How do incentives for providing hospital care vary between the Medicare hospital prospective payment system and cost-based or fee-for-service reimbursement?
- What drivers and consequences of the increasing use of observation status by hospitals?
- How did the Hospital Readmissions Reduction Program affect hospital readmissions and patient outcomes?
- How did the implementation of the Medicare hospital prospective payment system affect the use of post-acute care?
- What were the effects of Medicare's post-acute prospective payment systems on Medicare spending for post-acute care?
- How do payment incentives affect post-acute care utilization and coordination of post-discharge care?

Required readings:

Horwitz JR. (2005). "Making Profits And Providing Care: Comparing Nonprofit, For-Profit, And Government Hospitals." *Health Affairs* 24(3): 790-801.

Young GJ, et al. (2018). "Community Benefit Spending By Tax-Exempt Hospitals Changed Little After ACA." *Health Affairs* 37(1): 121-124.

Frakt A. "The End of Hospital Cost Shifting and the Quest for Hospital Productivity." *Health Services Research* 49 1(Part 1): 1-10.

Burke RE, et al. (2015). "Rise of Post-Acute Care Facilities as a Discharge Destination of US Hospitalizations" *JAMA Internal Medicine*. 175(2): 295-296.

Navathe AS, Song Z, Emanuel EJ (2017). "The Next Generation of Episode-Based Payments." *JAMA* 317(23): 2371-2372.

Textbook chapter:

Bhattacharya, Hyde, and Tu: Chapter 6 (The hospital industry).

Discussion readings:

Discussion 15

McWilliams JM (2017). "Changes in Postacute Care in the Medicare Shared Savings Program." *JAMA Internal Medicine* 177(4): 518-526.

Discussion 16

Dummit LA, et al. (2016). "Association Between Hospital Participation in a Medicare Bundled Payment Initiative and Payments and Quality Outcomes for Lower Extremity Joint Replacement Episodes." *JAMA* 316(12): 1267-1278.

Other readings:

Desai NR, et al. (2016). "Association Between Hospital Penalty Status Under the Hospital Readmission Reduction Program and Readmission Rates for Target and Nontarget Conditions." *JAMA* 316(24): 2647-2656.

Dranove D, Garthwaite C, Ody C (2017). "How do nonprofits respond to negative wealth shocks? The impact of the 2008 stock market collapse on hospitals." *RAND Journal of Economics* 48(2): 485-525.

Newhouse J (2002). "Pricing the Priceless: A Health Care Conundrum". (MIT Press: Cambridge, MA.) Chapter 2, "Fee-for-Service Medicine and Its Discontents" (pp.7-62)

Horwitz and Cutler. "The ACA's Hospital Tax-Exemption Rules And The Practice of Medicine." March 3, 2015. <http://healthaffairs.org/blog/2015/03/03/the-acas-hospital-tax-exemption-rules-and-the-practice-of-medicine/>

Feng Z, Wright B, Mor V (2012). "Sharp Rise In Medicare Enrollees Being Held In Hospitals For Observation Raises Concerns About Causes And Consequences." *Health Affairs* 31(6): 1251-1259.

Medicare Payment Advisory Commission (2017). "Hospital Inpatient and Outpatient Services." Report to the Congress: Medicare Payment Policy. Washington D.C. http://medpac.gov/docs/default-source/reports/mar17_medpac_ch3.pdf

Mor V, Intrator O, Feng Z, Grabowski DC (2010). "The revolving door of rehospitalization from skilled nursing facilities." *Health Aff (Millwood)*. 29(1):57-64.

Press M, et al. (2016). "Medicare's New Bundled Payments: Design Strategy, and Evolution." *JAMA* 315(2):131-132.

Lecture 10
November 6

Week 10. Long-term care and disability

Week overview:

- Overview of long-term care
- The rise of home and community based services
- Overview of Social Security Disability Insurance (SSDI)
- Economic explanations for rising disability insurance rolls
- The effects of SSDI on employment

Learning objectives:

- What are different types of long-term care settings?
- Who receives long-term care?
- What is the effect of home and community based services on long term care spending?
- What is driving rising enrollment in SSDI?
- How does SSDI expansions affect labor force participation?

Required readings:

Kaye HS, Harrington C, LaPlante MP (2010). "Long-Term Care: Who Gets It, Who Provides It, Who Pays, And How Much?" *Health Affairs* 29(1): 11-21.

Kaye HS, LaPlante MP, Harrington C (2009). "Do Noninstitutional Long-Term Care Services Reduce Medicaid Spending?" *Health Affairs* 28(1): 262-272.

Silver BC, Grabowski DC, Gozalo PL, Dosa D, Thomas KS (2018). "Increasing Prevalence of Assisted Living as a Substitute for Private-Pay Long-Term Nursing Care." *Health Services Research* (Forthcoming).

Liebman JB (2015). "Understanding the Increase in Disability Insurance Benefit Receipt in the United States." *Journal of Economic Perspectives*. 29 (2): 123-150.

Discussion readings:

Discussion 17

Li Y, Harrington C, et al. (2015). "Deficiencies in Care at Nursing Homes and Racial/Ethnic Disparities Across Homes Fell." *Health Affairs* 34(7): 1139-46.

Rau J (2018). "It's Almost Like a Ghost Town.' Most Nursing Homes Overstated Staffing for Years." *New York Times* July 7, 2018.
<https://www.nytimes.com/2018/07/07/health/nursing-homes-staffing-medicare.html>

Discussion 18

Taylor D (2015). "To Increase Value In Medicare, Expand Coverage to Long-Term Care." *Health Affairs Blog*. June 12, 2015.
<http://healthaffairs.org/blog/2015/06/12/to-increase-value-in-medicare-expand-coverage-to-long-term-care/>

James E, Gellad W, Hughes, M. (2017). "In This Next Phase of Health Reform, We Cannot Overlook Long Term Care." *Health Affairs Blog* March 16, 2017.
<http://healthaffairs.org/blog/2017/03/16/in-this-next-phase-of-health-reform-we-cannot-overlook-long-term-care/>

	<p><u>Other readings:</u></p> <p>Grabowski DC, Stevenson DG, et al. (2017). "The Impact of Nursing Home Pay-for-Performance on Quality and Medicare Spending: Results from the Nursing Home Value-Based Purchasing Demonstration." <i>Health Services Research</i> 52(4): 1387-1408.</p> <p>Guo J, Konetzka RT, Manning WG (2015). "The Causal Effects of Home Care Use on Institutional Long-Term Care Utilization and Expenditures." <i>Health Economics</i> 24(S1): 4-17.</p> <p>Konetzka RT (2014). "The Hidden Costs of Rebalancing Long-Term Care." <i>Health Services Research</i> 49(3): 771-777.</p> <p>Autor D, Duggan M (2003). "The Rise in Disability Reciprocity and the Decline in Unemployment." <i>Quarterly Journal of Economics</i> 118(1):157-206.</p> <p>Maestas N, Mullen K, Strand A (2013). "Does Disability Insurance Receipt Discourage Work? Using Examiner Assignment to Estimate Causal Effects." <i>American Economic Review</i> 103(5):1797-1829.</p>
<p>Lecture 11 November 13</p>	<p>Week 11. Private provision of public health insurance</p> <p><u>Week overview:</u></p> <ul style="list-style-type: none"> • Medicare Advantage • Medicaid Managed Care • Medicare Part D <p><u>Learning objectives:</u></p> <ul style="list-style-type: none"> • What percentage of Medicare and Medicaid enrollees are covered by private insurers? • What is the economic rationale for enrollees choosing private plans for health coverage? • Do private health plans provide lower cost care? • Do private health plans provide higher quality care? • To what extent is adverse and favorable selection an issue in private plans? • Do consumers make cost-minimizing plan choices when deciding between private plans? <p><u>Required readings:</u></p> <p>Gruber J (2017). "Delivering Public Health Insurance Through Private Plan Choice in the United States." <i>Journal of Economics Perspectives</i>. 31(4): 3-22.</p> <p>Layton TJ, Ndikumana A, Shepard M (2018). "Chapter 18- Health Plan Payment in Medicaid Managed Care: A Hybrid Model of Regulated Competition." In: <u>Risk Adjustment, Risk Sharing and Premium Regulation in Health Insurance Markets: Theory and Practice</u>. Pages 523-561. https://www.sciencedirect.com/science/article/pii/B978012811325700018X</p> <p>Curto V, Einav L, Finkelstein A, Levin JD, and Bhattacharya J (2017). "Healthcare Spending and Utilization in Public and Private Medicare." NBER Working Paper 23090.</p> <p>Adelberg M, Schlaifer M. "The Other Side Of Managed Competition: The Tension Between Protection And Innovation In Medicare Advantage And Part D Benefits." <i>Health Affairs</i> Blog December 18, 2017. https://www.healthaffairs.org/doi/10.1377/hblog20171205.156064/full/</p> <p><u>Discussion readings:</u></p> <p>Discussion 19</p> <p>Frakt A (2017). "How a Republican Idea for Reducing Medicare Costs Could Affect You." <i>New York Times Upshot Blog</i>. October 30, 2017. https://www.nytimes.com/2017/10/30/upshot/how-a-republican-idea-for-reducing-medicare-costs-could-affect-you.html?login=email&auth=login-email</p> <p>Berenson RA, Skopec L, Zuckerman S. "Restructuring Medicare: The False Promise of Premium Support." <i>Urban Institute Research Report</i> October 2017.</p>

https://www.urban.org/sites/default/files/publication/93801/aarp_24oct2017_1.pdf

Discussion 20

Goldsmith J, Mosley D, Jacobs A (2018). "Medicaid Managed Care: Lots of Unanswered Questions (Part 1)." *Health Affairs Blog* May 3, 2018.

<https://www.healthaffairs.org/doi/10.1377/hblog20180430.387981/full/>

Goldsmith J, Mosley D, Jacobs A (2018). "Medicaid Managed Care: Lots of Unanswered Questions (Part 2)." *Health Affairs Blog* May 4, 2018.

<https://www.healthaffairs.org/doi/10.1377/hblog20180430.510086/full/>

Other readings:

Huckfeldt P, et al. (2017). "Less Intense Postacute Care, Better Outcomes for Enrollees in Medicare Advantage Than Those In Fee-For- Service". *Health Affairs* 36(1): 91-100.

Duggan M, Scott Morton F (2010). "The effects of Medicare Part D on pharmaceutical prices and utilization." *American Economic Review* 2010;100(1):590-607.

Duggan M, Hayford T (2013) "Has the Shift to Managed Care Reduced Medicaid Expenditures? Evidence from State and Local-Level Mandates." *Journal of Policy Analysis and Management* 32(3): 505–35.

Garfield R, et al. (2018). "Medicaid Managed Care Plans and Access to Care: Results from the Kaiser Family Foundation 2017 Survey of Medicaid Managed Care Plans." *Kaiser Family Foundation Report*
<http://files.kff.org/attachment/Report-Medicaid-Managed-Care-March-Plans-and-Access-to-Care>

Lecture 12
November 20

Week 12. Competition and consolidation in health care

Week overview:

- Economic theory on competition and consolidation
- Empirical evidence on competition and consolidation: hospitals, insurers, and physicians
- Policy solutions for rising consolidation

Learning objectives:

- Understand the difference between perfect competition, monopolistic competition, oligopoly, and pure monopoly
- How is competition measured?
- What are potential positive and negative aspects of horizontal consolidation in health care?
- What is the current level of horizontal consolidation in hospital, physician, and insurer markets?

Required readings:

Cutler D, Morton FS (2013). "Hospitals, Market Share, and Consolidation." *JAMA* 310(18): 1964-1970.

Fulton B (2017). "Health Care Market Concentration Trends in the United States: Evidence And Policy Responses." *Health Affairs* 36(9): 1530-1538.

Gaynor M, et al. (2017). "Making Health Care Markets Work: Competition Policy for Health Care." *JAMA* 317 (13): 1313-1314.

Glied S, Altman SH (2017). "Beyond Antitrust: Health Care And Health Insurance Market Trends And The Future Of Competition." *Health Affairs* 36(9): 1572-1577.

Roberts ET, Chernew ME, McWilliams JM (2017). "Market Share Matters: Evidence Of Insurer And Provider Bargaining Over Prices." *Health Affairs* 36(1): 141-148

Discussion readings:

Discussion 21

Dafny L (2015). "Evaluating the Impact of Health Insurance Industry Consolidation: Learning from Experience." *Commonwealth Fund Pub.1845 Vol 33*.

Discussion 22

Sun E, Baker LC (2015). "Concentration In Orthopedic Markets Was Associated With A 7 Percent Increase in Physician Fees For Total Knee Replacements." *Health Affairs* 34 (6): 916-921.

Other readings:

Greaney TL (2017). "Coping with Concentration." *Health Affairs* 36(9): 1564-1571.

Medicare Payment Advisory Commission (2017). "Provider consolidation: The role of Medicare policy." Report to the Congress: Medicare and the Health Care Delivery System. Washington D.C.

E. E. Trish and B. J. Herring (2015). "How Do Health Insurer Market Concentration and Bargaining Power with Hospitals Affect Health Insurance Premiums?" *Journal of Health Economics* 42:104-14.

Lecture 13
November 27

Week 13. Vertical integration and health careWeek overview:

- Economic theory for vertical integration
- Empirical evidence on vertical integration
- Vertical integration and provider payment reform

Learning objectives:

- What are potential positive and negative aspects of vertical consolidation in health care?
- What is the current level of vertical integration in hospital and physician markets?
- What are the effects of vertical integration on prices and patient outcomes?
- How might health care reform initiatives affect integration?
- What are policies that may mitigate the anticompetitive aspects of integration?

Required readings:

Cuellar AE, Gertler PJ (2006). "Strategic integration of hospitals and physicians." *Journal of Health Economics* 25(1): 1-28.

Baker LC, Bundorf MK, Kessler DP (2014). "Vertical Integration: Hospital Ownership of Physician Practices Is Associated With Higher Prices And Spending." *Health Affairs* 33(5): 756-763.

Robinson JC, Miller K. (2014). "Total Expenditures per Patient in Hospital-Owned and Physician Owned Physician Organizations in California." *JAMA* 312(16): 1663-1669.

Baicker K, Levy H (2013). "Coordination versus Competition in Health Care Reform." *NEJM*. 369:789-791

Alpert A, Hsi H, Jacobson M (2017). "Evaluating the Role of Payment Policy in Driving Vertical Integration in the Oncology Market." *Health Affairs* 36(4): 680-688.

Discussion readings:**Discussion 23**

Neprash H, et al. (2017). "Little Evidence Exists to Support the Expectation That Providers Would Consolidate to Enter New Payment Models." *Health Affairs* 36(2): 346-365.

Discussion 24

Funk RJ, Owen-Smith J, Kaufman SA, et al. (2018). "Association of Informal Clinical Integration of Physicians With Cardiac Surgery Payments." *JAMA-Surgery* 153(5): 446-453.

Other readings:

Baker L, Bundorf MK, Kessler, DP (2016). "The effect of hospital/physician integration on hospital choice." *Journal of Health Economics* 50: 1-8.

Neprash et al. (2015). "Association of Financial Integration Between Physicians and Hospitals With Commercial Health Care Prices." *JAMA Internal Medicine*. 175(12): 1932-1939.

	Rahman M, Norton EC, Grabowski DC (2016). "Do Hospital-Owned Skilled Nursing Facilities Provide Better Post-Acute Care Quality?" <i>Journal of Health Economics</i> 50: 36-46.
Lecture 14 December 4	Week 14. Presentations: Week 1
Lecture 15 December 11	Week 15. Presentations: Week 2

COURSE OUTLINE/WEEKLY SCHEDULE

Week	Topic
Week 1: September 4, 2018	<ul style="list-style-type: none"> • Overview of health economics • US health care spending and disparities
Week 2: September 11, 2018	<ul style="list-style-type: none"> • Economics of health behaviors
Week 3: September 18, 2018	<ul style="list-style-type: none"> • Demand for medical care
Week 4: September 25, 2018	<ul style="list-style-type: none"> • Demand and supply of health insurance
Week 5: October 2, 2018	<ul style="list-style-type: none"> • The effects of health insurance
Week 6: October 9, 2018	<ul style="list-style-type: none"> • Economics of innovation
Week 7: October 16, 2018	<ul style="list-style-type: none"> • Economic evaluation of health technologies
Week 8: October 23, 2018	<ul style="list-style-type: none"> • Health care workforce
Week 9: October 30, 2018	<ul style="list-style-type: none"> • Hospitals and post-acute care
Week 10: November 6, 2018	<ul style="list-style-type: none"> • Long-term care and disability
Week 11: November 13, 2018	<ul style="list-style-type: none"> • Private provision of public health insurance
Week 12: November 20, 2018	<ul style="list-style-type: none"> • Competition and consolidation in health care
Week 13: November 27, 2018	<ul style="list-style-type: none"> • Vertical integration and health care
Week 14: December 4, 2018	<ul style="list-style-type: none"> • Final presentations: Week 1
Week 15: December 11, 2018	<ul style="list-style-type: none"> • Final presentations: Week 2

SPH AND UNIVERSITY POLICIES & RESOURCES

The School of Public Health maintains up-to-date information about resources available to students, as well as formal course policies, on our website at www.sph.umn.edu/student-policies/. Students are expected to read and understand all policy information available at this link and are encouraged to make use of the resources available.

The University of Minnesota has official policies, including but not limited to the following:

- Grade definitions
- Scholastic dishonesty
- Makeup work for legitimate absences
- Student conduct code
- Sexual harassment, sexual assault, stalking and relationship violence
- Equity, diversity, equal employment opportunity, and affirmative action
- Disability services
- Academic freedom and responsibility

Resources available for students include:

- Confidential mental health services
- Disability accommodations
- Housing and financial instability resources
- Technology help
- Academic support

EVALUATION & GRADING

Grades will be determined based on three individual homework assignments (20 points each, for a total of 60 points), one in-class presentation (15 points), and the final project (25 points).

Activity	% Contribution to Total Grade
Written homework assignments (4 x 15%)	60%
In-class presentation	15%
Final group research project	25%
TOTAL	100%

In this course, the percentage score on assignments will be converted to a letter grade as follows:

A=93-100%	Represents outstanding achievement relative to the level necessary to meet course requirements
A- = 90-92.99%	
B+ = 87-89.99%	
B = 83-86.99%	Represents achievement that is significantly above the level necessary to meet course requirements
B- = 80-82.99%	
C+ = 77-79.99%	
C = 73-76.99%	Represents achievement that meets the minimum course requirements
C- = 70-72.99%	
D+ = 65-69.99%	

D = 60-64.99%

F = < 59.99%

No credit. Signifies work was below level of achievement that represents minimum threshold to obtain credit or work was not completed and there was no agreement between instructor and student that the student would be awarded an I.

The instructor reserves the right to adjust final grades upward based on the overall distribution of points for the class. That is, students may receive a higher grade than expected based on their overall point total, but not a lower grade.

Grading Scale

The University uses plus and minus grading on a 4.000 cumulative grade point scale in accordance with the following, and you can expect the grade lines to be drawn as follows:

% In Class	Grade	GPA
93 - 100%	A	4.000
90 - 92%	A-	3.667
87 - 89%	B+	3.333
83 - 86%	B	3.000
80 - 82%	B-	2.667
77 - 79%	C+	2.333
73 - 76%	C	2.000
70 - 72%	C-	1.667
67 - 69%	D+	1.333
63 - 66%	D	1.000
< 62%	F	

- A = achievement that is outstanding relative to the level necessary to meet course requirements.
- B = achievement that is significantly above the level necessary to meet course requirements.
- C = achievement that meets the course requirements in every respect.
- D = achievement that is worthy of credit even though it fails to meet fully the course requirements.
- F = failure because work was either (1) completed but at a level of achievement that is not worthy of credit or (2) was not completed and there was no agreement between the instructor and the student that the student would be awarded an I (Incomplete).
- S = achievement that is satisfactory, which is equivalent to a C- or better
- N = achievement that is not satisfactory and signifies that the work was either 1) completed but at a level that is not worthy of credit, or 2) not completed and there was no agreement between the instructor and student that the student would receive an I (Incomplete).

**Evaluation/Grading
Policy**

Evaluation/Grading Policy Description

<p>Scholastic Dishonesty, Plagiarism, Cheating, etc.</p>	<p>You are expected to do your own academic work and cite sources as necessary. Failing to do so is scholastic dishonesty. Scholastic dishonesty means plagiarizing; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; altering, forging, or misusing a University academic record; or fabricating or falsifying data, research procedures, or data analysis (As defined in the Student Conduct Code). For additional information, please see https://z.umn.edu/dishonesty</p> <p>The Office for Student Conduct and Academic Integrity has compiled a useful list of Frequently Asked Questions pertaining to scholastic dishonesty: https://z.umn.edu/integrity.</p> <p>If you have additional questions, please clarify with your instructor. Your instructor can respond to your specific questions regarding what would constitute scholastic dishonesty in the context of a particular class-e.g., whether collaboration on assignments is permitted, requirements and methods for citing sources, if electronic aids are permitted or prohibited during an exam.</p> <p>Indiana University offers a clear description of plagiarism and an online quiz to check your understanding (http://z.umn.edu/iuplagiarism).</p>
<p>Late Assignments</p>	<p>Please let me know ahead of time if you need to turn an assignment late. Late work may be reduced by up to 15 percentage points per day late.</p>
<p>Attendance Requirements</p>	<p>You are expected to attend each lecture. Please let me know if you are unable to attend a lecture.</p>
<p>Extra Credit</p>	<p>There will not be extra credit offered.</p>
<p>Intellectual Property of Instructors' Material</p>	<p>The MHA program prohibits any current student from uploading MHA course content (e.g., lecture notes, assignments, or examinations for any PUBH 65XX or PUBH 75XX courses) created by a University of Minnesota faculty member, lecturer, or instructor to any crowdsourced online learning platform.</p>

CEPH KNOWLEDGE DOMAINS

Knowledge Domain	Course Learning Objectives	Assessment Strategies
Explain the role of quantitative and qualitative methods and sciences in describing and assessing a population's health.	Across all of the topics covered by the course, students will learn to interpret quantitative data and empirical approaches, in particular discerning whether a particular relationship is a correlation or causal.	These competencies will be assessed during: <ul style="list-style-type: none"> • In-class article presentations • Homework assignments • Final project presentations
List major causes and trends of morbidity and mortality in the US or other community relevant to the school or program.	In the "Health Behaviors" section of the course, students will learn about the major causes of death in the United States and other countries, to what extent these are due to health behaviors versus communicable diseases.	These competencies will be assessed during: <ul style="list-style-type: none"> • In-class article presentations • Homework assignments • Final project presentations
Explain the critical importance of evidence in advancing public health knowledge	Across the course topics, students will read empirical papers, and will learn how to critically evaluate the strength of empirical evidence, in particular discerning whether a particular relationship is correlative or causal.	These competencies will be assessed during: <ul style="list-style-type: none"> • In-class article presentations • Homework assignments • Final project presentations
Explain behavioral and psychological factors that affect a population's health	In the health behaviors section of the course (Week 2), students will learn about different economic theories for unhealthy behaviors and the extent to which they are consistent with data.	These competencies will be assessed during: <ul style="list-style-type: none"> • In-class article presentations • Homework assignments • Final project presentations
Explain the social, political and economic determinants of health to population health and health inequities	The first and second week of the course describe economic and social determinants of health, and how these are related to socio-economic disparities in health outcomes.	These competencies will be assessed during: <ul style="list-style-type: none"> • In-class article presentations • Homework assignments • Final project presentations

NCHL HEALTHCARE LEADERSHIP COMPETENCIES FOR CAHME ACCREDITATION PURPOSES

Competency	Course Learning Objectives	Assessment Strategies
Healthcare delivery, financing, and public policy knowledge	Demonstrate comprehensive understanding of the U.S. healthcare delivery and financing system and the role of public policy in shaping the system, with a focus on the role of how economic incentives affect the behavior of providers and institutions.	These competencies will be assessed during: <ul style="list-style-type: none"> • In-class article presentations • Homework assignments • Final project presentations
Foundations of a value-based healthcare system	Demonstrate comprehensive understanding of clinical quality, patient experience, and resource use measurement, trends, and drivers. A key focus in this course is on how this pertains to provider payment reform.	These competencies will be assessed during: <ul style="list-style-type: none"> • In-class article presentations • Homework assignments • Final project presentations
Economic analysis and application	Ability to apply economic theory to practice (consumer behavior, provider behavior, insurer behavior) in order to support decision-making.	These competencies will be assessed during: <ul style="list-style-type: none"> • In-class article presentations • Homework assignments • Final project presentations
Innovation	Ability to understand, explore and approach the most challenging problems in healthcare in new and breakthrough ways that include exploring stakeholder views, developing key insights, creating and implementing new solutions or adapting the current state in promising new ways. In particular students will demonstrate knowledge of: (1) how economic incentives may facilitate innovation and (2) methods for evaluating the costs and benefits of new innovations.	These competencies will be assessed during: <ul style="list-style-type: none"> • In-class article presentations • Homework assignments • Final project presentations
Written communication	Writing; The ability to use written communications in formal and informal situations to convey meaning, build shared understanding, and productively move agendas forward	These competencies will be assessed during: <ul style="list-style-type: none"> • Homework assignments
Public speaking and Facilitation Skills	Speaking and Facilitating; The ability to use spoken communications in formal and informal situations to convey meaning, build shared understanding, and productively move agendas forward.	These competencies will be assessed during: <ul style="list-style-type: none"> • In-class article presentations • Final project presentations