MGTECON 331/HRP 391/PUBLPOL 231: Political Economy of Health Care

Description: This class provides the economic and institutional background necessary to understand the financing and operation of the health care sector in the US.

Requirements: Web exercises (25%); class participation (25%); class presentation (25%); and take home final exam (25%).

Time: M, TH 10-11:45

Location: TBA

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Biographies

Tony Barrueta is the senior counsel for government relations at the Kaiser Foundation Health Plans in Oakland. He is responsible for coordinating Kaiser's purchasing of prescription drugs. He holds a law degree from the University of Texas at Austin.

David J. Brailer was appointed the nation’s first National Coordinator for Health Information Technology on May 6, 2004, by President George W. Bush. Before serving in this position, he was Chairman and CEO of CareScience, Inc. He holds an MD degree from West Virginia University and a PhD from the Wharton School of the University of Pennsylvania.

Stirling Bryan is a professor of economics at the University of Birmingham and the director of its program in health economics and policy. He sits on the Appraisal Committee of the UK National Institute for Clinical Excellence (NICE), the independent organization responsible for providing guidance for technology use to the UK National Health Service. He holds a PhD in economics from Brunel University.

Kate Bundorf is a professor at Stanford Medical School and a fellow at Stanford's Center for Health Policy. She holds an MBA and MPH from the University of California at Berkeley, and a PhD from the Wharton School of the University of Pennsylvania.

Daniel Kessler is a professor at Stanford Business School, a senior fellow at Stanford's Hoover Institution, and a professor (by courtesy) at Stanford Law School. He holds a PhD in economics from M.I.T. and a law degree from Stanford.

John Milligan is the executive vice president and chief financial officer of Gilead Sciences, a $1.3 billion biopharmaceutical company headquartered in Foster City, California. Gilead discovers, develops and commercializes innovative therapeutics to advance the care of patients suffering from life-threatening infectious diseases. He holds a PhD in biochemistry from the University of Illinois.

Diane Peck is the executive director of human resources for Stanford University. Before coming to Stanford, she was a senior vice president at Safeway, a $23 billion retail and manufacturing company, which has more than 100,000 employees. She holds a bachelor's degree in business administration and finance from the University of Southern California.

Jeff Tangney is the co-founder and senior vice president for sales and marketing of Epocrates, the leading provider of innovative clinical tools to physicians at the point-of-care. More than one in four U.S. physicians, students at every U.S. medical school, and hundreds of thousands of other allied healthcare professionals use Epocrates mobile and online clinical reference and support solutions daily. He holds an MBA from Stanford Business School.
Introduction and Overview


Why Are Costs Increasing?


Employer-provided health insurance


Public programs and the uninsured

Medicaid/SCHIP and then select Medicaid 101 under tutorials. To access the Medicare tutorial, select Medicare and then select Medicare 101 under tutorials.


Cost control strategies I: Managed Care
1. HBS 9-698-060, Note on Managed Care, September 29, 1999.

Cost control strategies II: Consumer-Directed Health Plans
1. Comparison of Tax-Favored Consumer-Directed Health Care Options, Courtesy of ConnectYourCare
4. Fronstin P and Collins SR, EBRI Issue Brief, "Early Experience with High-Deductible and Consumer-Driven Health Plans" (December 2005). PLEASE DO NOT READ IN DETAIL -- only review for the information in graphs and tables.
5. Consult the websites of WageWorks (choose employer solutions/health care) and Definity Health (choose products and services).

Nonmarket Strategies in Health Care
1. HBS 9-303-041, MedCath Corporation, August 2, 2004
2. HBS 9-305-028, MedCath Corporation (B), September 2, 2004
3. Romano M, Death of a Heart Hospital, Modern Healthcare, November 17, 2004
4. GAO, Highlights: Specialty Hospitals, October 2003

Pharmaceuticals: Background and Policy Options
2. Avorn J, Powerful Medicines: The Benefits, Risks, and Costs of Prescription Drugs. We will divide the book among groups of students, with each group giving a brief presentation on one section.
Pharmaceuticals: Medicare and the Prescription Drug Benefit


Health Care Quality: Pay for Performance


Information Technology II: role of public policy

1. Business Week Special Report, October 31, 2005: This Man Wants to Heal Health Care, at [http://www.businessweek.com/magazine/content/05_44/b3957113.htm](http://www.businessweek.com/magazine/content/05_44/b3957113.htm).

Economic Evaluation of Health Services: Cost-Effectiveness and Cost-Benefit Analysis


International Comparisons of Health Care Financing and Delivery
