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%). All required course materials will be supplied in a course reader; optional readings will be available for download from CourseWork.

Time: TU, TH 1:30-3:00 PM

Location: GSB South Building, Room S152

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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.

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.

Richard Manning is the senior director of Pfizer in charge of economic policy analysis. His team supplies the economic analysis for the firm's strategic decision-making on public policy issues. He holds a PhD in economics from the University of Chicago.

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.

Paul Tang is the Vice President and Chief Medical Information Officer of the Palo Alto Medical Foundation and Associate Clinical Professor at the University of California, San Francisco. He also serves as the Chairperson of an Institute of Medicine Commission on Patient Safety. He holds an MS in Electrical Engineering from Stanford University and an MD from the University of California, San Francisco.

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


Employer-provided health insurance

4. Discussion questions for employer-provided health insurance
Medicare and Medicaid

Please read/review 1. or 2., plus 3. -5.:

1. KaiserEDU.org tutorials on Medicare and Medicaid. Go to: http://www.kaiseredu.org/index.asp. To access the Medicaid tutorial, select Medicaid/SCHIP and then select Medicaid 101 under tutorials. To access the Medicare tutorial, select Medicare and then select Medicare 101 under tutorials. Total time to listen to both tutorials is approximately 35 minutes.


5. Discussion questions for Medicare and Medicaid


The uninsured

Please read 1.-2. and the research highlights of 3.-5. which are included in your packet. Full papers on 3.-5. (optional) can be downloaded from www.umich.edu/~ eru:


2. Discussion questions for the uninsured


**Cost-Effectiveness Analysis**

1. Review Cutler DM, *Your Money or Your Life*, from the Introduction

**Cost-control strategies I: managed care**

3. Discussion questions for managed care

**Cost control strategies II: Consumer-Directed Health Plans**

1. Comparison of Tax-Favored Consumer-Directed Health Care Options, Courtesy of ConnectYourCare

5. Consult the website of Definity Health (choose products and services) or other providers of high deductible or consumer-driven plans

6. Discussion questions for consumer driven health plans

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
5. Discussion questions for Nonmarket strategies

Pharmaceuticals: Background and Policy Options


We will divide the book among groups of students, with each group giving a brief presentation on one section.

Health Care Quality: Pay for Performance

5. Discussion questions on quality and pay-for-performance
Policy reform: malpractice
Please read 1.-2., plus at least one of 3a.-b., 4., and 5.:

2. Discussion questions for policy reform: malpractice

International Comparisons of Health Care Financing and Delivery
3. Discussion questions for international comparisons

**Policy reform: general**


5. Discussion questions for general policy reform