THE U.S. HEALTHCARE SYSTEM

B7117

SPRING 2015

LINDA V. GREEN

423 Uris Hall

Office Phone: 212-854-4108

E-mail: lvg1@columbia.edu

Office Hours: By appointment

TEACHING ASSISTANTS: Rachel Severin (rkseverin@gmail.com), Henna Shaikh (henna.a.shaikh@gmail.com)

REQUIRED COURSE MATERIAL

Casebook

REQUIRED PREREQUISITES AND CONNECTION TO THE CORE

The learning in this course will utilize, build on and extend concepts covered in the following core courses:

<table>
<thead>
<tr>
<th>Core Course</th>
<th>Connection with Core</th>
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| Leadership                   | 1. Influence & persuasion  
|                              | 2. Teams                                                   |
| Managerial Economics         | 1. Pricing with market power                             |
|                              | 2. Barriers to entry                                      |
| Statistics                   | 1. Variability                                            |
|                              | 2. Linear regression                                      |
| Operations Management        | 1. Alignment of business strategy and processes           |
|                              | 2. Managing quality                                       |

Students will be expected to have mastered these concepts and be able to apply them in the course.
COURSE DESCRIPTION

The U.S. healthcare system is an enormously complex, trillion-dollar industry. It includes thousands of hospitals, nursing homes, specialized care facilities, independent practices and partnerships, web-based and IT supported service companies, insurance organizations, and major manufacturing corporations. Healthcare is the fastest growing component of many consulting practices and investment portfolios. In dollar terms, it accounts for over 18% of GDP and is larger than the total economy of Italy. It continues to grow in size and complexity, complicating the long-standing problems of increasing costs, limited consumer access, and inconsistent quality. And, the historic Affordable Care Act will have major implications for years to come. This tremendous dynamism is unmatched by any other industry and offers incredible opportunities for new business endeavors.

This course will provide an overview of the fast-evolving U.S. healthcare industry, the major players involved in the production and delivery of healthcare, and the key challenges and opportunities presented by new technologies, payment mechanisms, business models, and the political and regulatory developments engendered by recent legislation.

COURSE OBJECTIVES

- Understand the factors and forces shaping the health care industry.
- Provide an overview of the major players and their interactions.
- Identify major trends and likely developments.
- Analyze the biggest challenges with respect to creating more cost-efficient and effective healthcare services and products.
- Facilitate the evaluation of new health care initiatives in light of all of the above.

ASSIGNMENTS

You will be expected to submit four out of five written case assignments. Each is due before class and will form the basis of much of the class discussion. Even if you do not submit a written assignment, you will be expected to have read the case and be able to discuss it. Late assignments will not be accepted unless there is an exceptional circumstance. Under the business school designation, these assignments are Type B. You may discuss the cases in your groups, but you must hand in your own individually written report. Grades will be assigned on an individual basis and the grade will be out of a maximum of 10 points. The reports will address specific questions that I will supply for each case and should be no more than 2 pages. You can expect cold calling will be used for these cases and responses will count towards your class participation grade.

The cases are:

Medtronsics
Dana Farber
Virginia Mason
Intermountain Healthcare
Heartport

METHODS AND MATERIALS

All readings and cases are contained in the course pack. Some readings are meant as reference material and others are listed as “reading assignments” which means that we will discuss them in class. For these reading assignments, you are expected to do the reading before class and be prepared to answer questions about it. I will list relevant questions in Canvas and you can expect cold calling concerning these readings. Additional readings and assignments will be posted on Canvas as needed. In addition, at the beginning of each class, I may ask questions regarding the material we discussed in the previous meeting and cold call on students to respond. These questions will generally ask you to state an opinion based on the relevant material.

The course involves a mixture of lectures, class discussions, case analyses and presentations by prominent guest speakers. The workload consists of class participation, case assignments, and a final group project. For those not as comfortable with speaking out in class, you can communicate with me and your classmates using Canvas. Course grading will be based on the following evaluation weights:

<table>
<thead>
<tr>
<th>Participation</th>
<th>15%</th>
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</thead>
<tbody>
<tr>
<td>Case Assignments</td>
<td>40%</td>
</tr>
<tr>
<td>Course Project</td>
<td>45%</td>
</tr>
</tbody>
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COURSE PROJECT

The intention of the project is to allow you to apply (or expand on) the ideas you have learned in an area of special interest to you. Projects should be done in groups, but may be individually conducted, depending on the specific project. Groups are to consist of no more than 4 students. Any exceptions must be approved in advance. All projects must be approved by me no later than the third meeting of the course. You will be required to do a summary presentation in class and turn in a copy of your full analysis (which can be in Powerpoint format) to me after getting feedback.

Here are two suggested generic types of projects you can consider:

**In-depth study of a health care issue** – The purpose of this type of project is to foster discussion about a current healthcare topic. The topic may be one in which you have a particular interest or an area that has been covered in class. In the case of the latter, be careful that your report is not duplicative of what we’ve read or discussed. The topic should be focused and some conclusions should be reached. Key facts and conclusions should be supported by your research into the topic. The format should consist of a problem statement, background information, discussion of the major issues based on your research and group discussions (try to present more than one side of the issue as appropriate), conclusions, and bibliography. Your conclusions should be specific recommendations on what you believe should be done about the problem area.

**Company report** – This should describe a health care organization that has or is attempting to do something innovative to improve either the cost or quality of health care. The report should describe the service concept, targeted market, competitive position, the main characteristics of its operations, and some indication of its success to date.
All projects should attempt to build on the material discussed in the course. All projects should include a literature review that is based on scholarly and industry articles relevant to the issue(s) under consideration. A good source for recent articles on a variety of major health policy and management issues is the journal *Health Affairs*. Please don’t hesitate to ask me for help on anything relating to your project.

**CLASSROOM NORMS AND EXPECTATIONS**

Lectures, guest speakers, and class discussions are the major vehicles for learning the material. Therefore, it is imperative that you attend all classes, arrive on time, and give speakers and your fellow classmates your full attention. The course will touch upon controversial topics and it’s important for us all to listen to each other without being overly defensive or argumentative. If you cannot attend a specific class or have to arrive late or leave early, let me know in advance by email. Please refrain from using laptops, IPads, cellphones, etc. in class. You will be given session guides for all classes and you can use these to take notes. Session guides will also be posted on Canvas after each class.