



NYU

**ROBERT F. WAGNER GRADUATE
SCHOOL OF PUBLIC SERVICE**

HPAM-GP 2845

Advanced Healthcare Payment Systems

Spring 2023

Instructor Information

- Jeff Englander
- Email: jwe8521@nyu.edu
- Office Address:
- Office Hours: by appointment.

Course Description:

This course is intended for Wagner students who are interested in understanding the interconnection between healthcare providers (ex: hospitals, hospital systems and clinicians) and payers and how those relationships influence the cost and quality of care as well as public policy.

Advanced Health Care Payment Systems is designed to familiarize students with how health and health care is defined, the role of payers (both public and private) in financing care as well as the role providers play in delivering and charging for care. In addition, the course will look at the factors that led to the passage of the Affordable Care Act (ACA) and the current transformation in health care payments from the traditional fee-for-service (FFS) model to one based on value-based care (VBC).

We will discuss the role of politics in health care and the role that both the Federal and state governments play in the delivery of care through both Medicare and Medicaid. In doing so the course will incorporate the role and elements of an effective compliance program to identify and prevent fraud and abuse. The course will also touch briefly on the increasing role of other financial players such as venture capital and private equity in the creation and financing of healthcare ventures.

Course Objectives:

At the end of the course, students will have acquired the knowledge base and skill set

to:

- Critically evaluate clinical, financial and strategic performance in acute and chronic care delivery systems.
- Understand how health care organizations assess and adapt to change, and evaluate health care strategy and marketing plans.
- Apply ethical principles to clinical and administrative decision-making in health care organizations.
- Understand politics in health care and the extent of the role the Federal government plays in determining health care reimbursement.
- Learn about Medicare's prospective payment systems and how hospital and other provider types are reimbursed.
- Understand the factors driving health care insurers pricing strategies and the dynamics of the provider-health insurer relationship.
- Learn the difference between clinical coding and health insurance claims and what data can be gleaned from each.
- The course will also cover the need to establish a compliance program to identify and prevent fraud and abuse and elements of that program.
- Understand the basics of venture capital and private equity and their increasing influence/role in the financing of the delivery of healthcare.

Key Competencies Addressed in the Course

Assignments and participation in class will be used to assess progress against the competencies listed below. No student will receive a B or higher without demonstrating satisfactory progress toward mastery of each competency. The level of competency expected to be achieved is denoted in brackets according to the following key:

- [1] = Basic: Foundational understanding of knowledge/skill/competency
- [2] = Intermediate: Student demonstrates greater depth of understanding of this knowledge/skill/competency and can use this ability to analyze a problem
- [3] = Advanced: Student demonstrates expertise in this knowledge/skill/competency and can use this ability to evaluate, judge, and synthesize information

Learning Assessment Table [for HPAM Courses]

Program Competency	Corresponding Course Learning Objective	Corresponding Assignment Title	Level of Competency Expected to Achieve via the Assignment
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The ability to draw implications and conclusions to develop an evolving vision that leads to organizational viability	#1, #3, #4	All assignments, discussions, mid-term and final	1
The ability to use information systems and evidence-based management principles for problem-solving, strategic planning and decision-making, and measuring change	#1, #2, #3 #9	All assignments, discussions, mid-term and final	1
The ability to present convincingly to individuals and groups the evidence to support a point of view, position or recommendation	#1, #2	All assignments, discussions, mid-term and final	2
The ability to understand and apply legal and ethical principles to managerial and leadership decisions affecting healthcare organizations	#9	All assignments, discussions, mid-term and final	2
The ability to align human resource capacity and practices and processes with strategic organizational goals	#2, #3	All assignments, discussions, mid-term and final	2
The ability to assess population and community health needs from a public service perspective	#2, #4, #6	All assignments, discussions, mid-term and final	1

The ability to communicate and interact productively in a diverse and changing industry, workforce and citizenry	#1, #2, #3, #4	All assignments, discussions, mid-term and final	3
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Required Readings

- **Healthcare Finance and The Mechanics of Insurance and Reimbursement**, Second Edition, Harrington, M.
- **Analyzing Form, Function and Financing of the U.S. Health Care System**, Duston, P.
- **Principles of Coding and Reimbursement for Surgeons, Savarise, M., and Senkowski, C., Eds.** (Chs 1-5 only, DO NOT BUY, to be provided by instructor)

Assessment Assignments and Evaluation

Grading:

30% Class participation and bi-weekly homework assignment

Class participation will be graded on both attendance, participation. Discussions will typically be of that week's reading and its relevance to current topics. In addition, short written projects on topics relevant to class are expected bi-weekly (see Standing Homework Assignment below)

Standing Homework Assignment

Every other week, students will be required to submit a summary of a health care current event article with its relevance to the course. The article will be sourced from major industry/policy publications (a list of which will be provided) as well as major newspapers, such as The New York Times or Wall Street Journal. The article must be two paragraphs in length and NO MORE. The first paragraph summarizes the article, and the second discusses the relevance to the course. Please cite the source of the article and date. Such as the New York Times, 01/20/19 by XXXX. Please put your NAME IN THE UPPER RIGHT HAND CORNER OF THE PAGE AND NO OTHER LOCATION. All homework must be in Word. Other homework will be assigned based on the lecture material.

20% Group Project # 1

Group Project #1 - Analysis of Hospital Payer Mix and Reimbursement Environment

You will be required to analyze the current and historical payer mix of a hospital or hospital system and assess the factors that are likely to drive the financial health of that organization in the future including:

- Calculating and showing the historical trends in payer mix over time.
- Describing how the payer mix has changed and factors that likely drove this change and will impact change in the future.
- Analyzing how anticipated changes in state and federal policy as well as economic factors in the institution's catchment area position them for success or failure in the future.

Grading

- 50% Writing ability
- 20% Organization
- 30% Content

20% Group Project # 2

Group Project #2 - Analysis of the Current State of Catalysts Behind the Affordable Care Act (ACA)

You will be required to analyze the current state of factors that drove the passage of the ACA and what progress has been made in addressing and/or rectifying them. Included in your paper should be:

- A brief background of 5 factors that drove the ACA
- Where you would see the current status of each of those 5 factors along with data or a research citation to support your claim(s)
- The impact that politics and the tenor of political discord since passage of the ACA had on accomplishment of said goals.
- The current state of initiatives and/or legislation to achieve those goals.

Grading

- 50% Writing ability
- 20% Organization
- 30% Content

30% Group Presentation - Value-Based Care

Group Presentation - Analyze the Impact of One Element of Medicare Initiatives in Value-Based Care

You will be required to present a 15-minute presentation on the effectiveness of a given initiative of CMS's value-based care pilot projects. Included in your presentation should be:

- A brief background of the payment initiative undertaken by CMS, the history of its pilot and stated goals.
- A brief summary of 5-7 research papers discussing the initiative
- An analysis of how this shift to VBC would have impacted provider revenues, margins and profitability
- Your analysis of the outcomes of the initiative including an analysis of how initiative achieved its goals and how it failed.
- Suggestions on how you believe any future initiatives of this type could be improved.

Grading

- 50% Writing ability
- 20% Organization
- 30% Content

Class Outline and Assigned Readings

Week	Date	Reading
1	1/26/2023	Capturing Medical Conditions and Illness: History & Overview of Medical Coding and Intro to ICD-10 -Medical Coding in the United States: Introduction and Historical Overview; ICD-10 -Savarise & Senkowski, Chs.1 & 2 -Coding for the Non-Health Information Professional, Harrington, Ch. 9
2	2/2/2023	Defining Health, Healthcare & Wellness -Defining Health, Determinants of Health, Health Status Indicators, Cultural Definitions and Roles in Healthcare -Duston, Ch's 1-4

3	2/9/2023	<p>Financing Healthcare: The Role of Insurance</p> <ul style="list-style-type: none"> -Healthcare Financing: Health Insurance, Duston, Ch. 13; -Health Insurance: Two Conceptual Models, Duston Ch. 14 -Introduction to Claims Processing, Harrington, Ch. 3
4	2/16/2023	<p>Paying for Healthcare: The Reimbursement Function</p> <ul style="list-style-type: none"> -Health Economics 101: Do Health Care Goods/Services Follow Standard Economic Rules, Duston, Ch. 11 -The Payment Function: Money Moving Through the System, Duston, Ch. 15 -Government Payer Types, Harrington, Ch. 4 -Managed Care Organizations, Harrington, Ch. 6
5	2/23/2023	<p>Medicare: Implementing Policy Amid Budget Constraints</p> <ul style="list-style-type: none"> -Medicare Prospective Payment System, Harrington, Ch. 7 -Hospital Outpatient Prospective Payment System, Harrington, Ch. 8 -Medicare Part A and DRG's, Savarise & Senkowski, Ch. 7 -Taking Care of the Elderly: Medicare, Duston, Ch 18
6	3/2/2023	<p>Medicaid, CHIP & Other Government Programs: Implementing Policy Amid Budget Constraints 2</p> <ul style="list-style-type: none"> -Taking Care of the Poor, Medicaid, Duston, Ch. 19 -Taking Care of Almost Everybody Else, Duston, Ch. 20 -Medicaid: An Overview, Congressional Research Service, 02 22 21
7	3/9/2023	<p>Show Me the Money: Revenue Cycle Management</p> <ul style="list-style-type: none"> -Revenue Cycle Management, Harrington, Ch. 10 -Revenue Cycle vs. Reimbursement Cycle, Healthcare Payment Systems: An Introduction, Duane C. Abbey, Ch, 4

		<p>-Healthcare Fraud & Abuse, Harrington, Ch. 11</p> <p>-A Primer on Interpreting Hospital Margins, North Carolina Rural Health Research and Policy Analysis Center, July 2003</p>
	3/16/2023	SPRING BREAK
8	3/30/2023	<p>An Overview of U.S. Healthcare Spending & Catalysts of Healthcare Reform</p> <p>-History of Health Spending in the United States, 1960-2013, Caitlin, A.C., and Country C.A, CMS</p> <p>-Health Reform in the United States, Essentials of Health Policy and Health Law, Wilensky, S., Teitelbaum, J., 2020 Ch. 10 (pages 544-580 only)</p> <p>-(This class assumes familiarity with the background and basic tenets of The Affordable Care Act, if not please read pages 581-669 of Ch. 10 in Wilensky & Teitelbaum)</p> <p>-Why Does Medical Care Cost So Much and What Can We Do About It? Duston, Ch. 16</p> <p>-Waste in the U.S. Health Care System, Shrank, et. al., JAMA 2019</p>
9	4/6/2023	<p>The Transformation to Value-Based Care Part I</p> <p>-Acute Care Surgical Bundled Payment Models, Savarise & Senkowski, Ch. 8</p> <p>-Pay for Performance and Value-Based Care, Savarise & Senkowski, Ch. 10</p>
10	4/13/2022	<p>The Transformation to Value-Based Care Part II</p> <p>-Accountable Care Organizations, Savarise & Senkowski, Ch. 9</p> <p>-Government Incentive Programs, Harrington, Ch. 13</p>
11	4/20/2022	<p>Transformation in Healthcare Payments-Use of Financial, Non-Financial Incentives to Drive Change</p>

		<p>-Financing and Reimbursement of Integrated Care, The Handbook of Integrated Care, 2nd ed., Ch. 21 Volker, Et. Al., 2021</p> <p>-Accelerating Evolution, Chaos and Organization in Healthcare, Ch. 13, Lee, T., Mongan, J</p> <p>-Political and Philosophical Values That Influence the Health Care System, Duston, Ch. 5</p>
12	4/27/2022	Guest Lecture TBD
13	5/4/2023	<p>Risk Adjustment and Hierarchical Condition Categories (HCC)</p> <p>-Introduction to the Mechanics Hierarchical Condition Categories for a CMS Perspective, Harrington, Ch. 15</p> <p>-Optimizing Widely Reported Hospital Quality and Safety Grades: An Ochsner Quality and Value Playbook (2022); Managing Populations, Chronic Conditions and Episodes of Care, Ch. 36</p>
14	3/30/2023	Value-Based Care Presentation-guest speaker
15		The Emerging Role of Venture Capital and Private Equity in Health Care Finance

Brightspace

All announcements, resources, and assignments will be delivered through the Brightspace site. I may modify assignments, due dates, and other aspects of the course as we go through the term with advance notice provided as soon as possible through the course website.

Academic Integrity

Academic integrity is a vital component of Wagner and NYU. All students enrolled in this class are required to read and abide by [Wagner's Academic Code](#). All Wagner students have already read and signed the [Wagner Academic Oath](#). Plagiarism of any form will not be tolerated and students in this class are expected to report violations to me. If any student in this class is unsure about what is expected of you and how to abide by the academic code, you should consult with me.

Henry and Lucy Moses Center for Student Accessibility

Academic accommodations are available for students with disabilities. Please visit the [Moses Center for Students with Disabilities \(CSD\) website](#) and click the “Get Started” button. You can also call or email CSD (212-998-4980 or mosescsd@nyu.edu) for information. Students who are requesting academic accommodations are strongly advised to reach out to the Moses Center as early as possible in the semester for assistance.

NYU’s Calendar Policy on Religious Holidays

[NYU’s Calendar Policy on Religious Holidays](#) states that members of any religious group may, without penalty, absent themselves from classes when required in compliance with their religious obligations. Please notify me in advance of religious holidays that might coincide with exams to schedule mutually acceptable alternatives.

NYU’s Wellness Exchange

[NYU’s Wellness Exchange](#) has extensive student health and mental health resources. A private hotline (212-443-9999) is available 24/7 that connects students with a professional who can help them address day-to-day challenges as well as other health-related concerns.