



NYU

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

HPAM-GP 4831-001

Topics in Domestic Health Policy

Spring 2021

Instructor Information

- Sherry Glied
- Email: sg162@nyu.edu
- Office Hours: [By appointment during office hours.](#)

Course Information

- Class Meeting Times: Monday 4:55pm-6:35pm
- Class Location: 12 Waverly Place, Room G08

Course Description

This course will further extend students' understanding of how microeconomics can help to understand health and health care issues.

Course and Learning Objectives

This course will address the following CAHME competencies:

- The ability to understand how policy and delivery processes work, and to consider the demographic, cultural, political and regulatory factors involved in and influencing health policy and management decision-making.

[This competency will be assessed through Assignment 3, which focuses on changing technological costs.]

- The ability to synthesize evidence, and apply statistical financial, economic and cost-effectiveness tools/techniques in organizational analysis.

[This competency will be assessed through Assignments 1, 2, and 3, which require students to apply statistical and economic techniques.]

- The ability to present convincingly to individuals and groups the evidence to support a point of view, position or recommendation.

[This competency will be assessed through Assignments 1, 2, and 3, in which students will be required to support a policy or management position.]

- The ability to communicate and interact productively (via listening, speaking and writing) on matters of healthcare with a diverse and changing industry, work force and citizenry.

[This competency will be assessed through Assignments 1, 2, and 3, in which students will be required to write policy and management memos.]

Assignments, exams, and class participation in the course will assess progress against these competencies, and no student will receive a B or higher without demonstration of satisfactory progress towards mastery of each competency.

Learning Assessment Table

Assignments, exams, and discussion board participation in the course will assess progress against these competencies, and no student will receive a B or higher without demonstration of satisfactory progress towards mastery of each competency. Expected levels of competency are denoted below:

Level of Competency

In addition, the level of competency expected to be achieved should be denoted, 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

Program Competency	Corresponding Course Learning Objective	Corresponding Assignment Title (Memo, Team Paper, Exam, etc.)	Denote Level of Competency Expected to Achieve via the Assignment (basic = 1, intermediate = 2, advanced = 3)
The ability to understand how policy and delivery processes work, and to consider the demographic, cultural, political and regulatory factors involved in and influencing health policy and management decision-making.	Be able to apply economic theories to understanding the organization of the health care system, health behaviors, and the impact of policy.	Assignment #1, #2, #3	3, 2, 2
The ability to synthesize evidence, and apply statistical financial, economic and cost-effectiveness tools/techniques in organizational analysis	Become familiar with the techniques health economists use to assess policy effects.	Assignment #3	2
The ability to present convincingly to individuals and groups the evidence to support a point of view, position or recommendation.	Be able to use evidence to make policy recommendations.	Assignment #1,2,3	2, 2, 3

Course Readings

This course uses a primary textbook, and supplemental journal readings.

- Bhattacharya, Jay., Timothy Hyde, & Peter Tu, *Health Economics*. New York: Palgrave Macmillan, 2014.

Assessment Assignments and Evaluation

Individual Assessment (100 points each)

Prep Questions (5%):

Please do the prep quiz each week before class. You will be graded only for completing the quiz (not for whether your answers are correct or not). There are no prep questions for Session 7.

Discussion Group Assignments (10%):

Your active participation in the discussion groups is critical. Productive discussion depends on students reading and analyzing the materials beforehand and presenting their thoughts and analysis supported by evidence. Discussion assignments are due immediately prior to the next class.

Synchronous Session Participation (10%)

Your attendance at and active participation in the synchronous sessions is critical for building a learning community with your classmates.

Homework Assignments (60% - 20% each):

Three homework assignments will assess your ability to understand course material as well as related research evidence, and to analyze content in order to make evidence-based decisions and recommendations. These homework assignments also ask you to use written communication skills to present your findings and recommendations.

Final Examination (15%)-- online May 12-16

Assignment Instructions

All papers are to be submitted via the NYU Classes course site as WORD documents at least 1 hour before the start of class on their due date (3:55 pm). *Be sure your name is part of the document file name.*

Grading

Assignments 1, 2, and 3 will ask you to examine a policy/management issue and to use data to support your answer. Each paper will be graded out of 50. In your response, you should:

- (1) Compose a clear, coherent, concise argument [20 points]
- (2) Apply theories learned in class [10 points]
- (3) Relate your analysis to at least one idea mentioned in the readings [5 points]
- (4) Analyze evidence accurately [5 points]
- (5) Use evidence to support your argument [10 points]

Detailed Course Overview

Lecture 1: Health Care Professionals

Learning Objectives

LO1: Describe the economics of firm behavior.

LO2: Analyze workforce policy choices using the theory of human capital investment.

LO3: Analyze the econometrics of professional earnings to set appropriate payment rates.

LO4: Calculate economic profit.

Asynchronous content

Please read carefully before synchronous lecture.

Lecture 1

Resources

- Bhattacharya, Jay, Timothy Hyde, & Peter Tu, Health Economics. New York: Palgrave Macmillan, 2014. Chapter 5, pages 83-88 only
- Glied, Sherry, Ashwin Prabhu, and Norman Edelman. "The Cost of Primary Care Doctors." *Frontiers in Health Policy Research*, Vol 12, no. 1, p. 1-26.
- Gross, Tal, & Miriam J. Laugesen. "The Price of Health Care: Why is the United States an Outlier?" *Journal of Health Politics, Policy, and Law*, 43, no. 5 (2018): 775-778 only.
- Ketel, Nadine, Edwin Leuven, Hessel Oosterbeek, and Bas van der Klaauw. "The Returns to Medical School: Evidence from Admission Lotteries." *American Economic Journal: Applied Economics*, 8, no. 2 (2016): 225-232, conclusion, and figures only.
- Kravitz, Richard L.. "Physician Incomes in the Twenty-First Century: Time for a New Social Contract." *Journal of General Internal Medicine*, 29, (2014): 1425-1426.
- Optional: Goldin, Claudia, and Lawrence F. Katz. "The Cost of Workplace Flexibility for High-Powered Professionals." *The ANNALS of the American Academy of Political and Social Science*, 638 (2011), 45-67.

Discussion board question: Suggest an alternative to the current system of licensure for doctors. What outcomes would occur? Is this a better alternative to existing options?

1. Post your response by Friday after the live session.
2. Read and reply to 2 of your peers' posts by Monday at 3:55 pm.

In this live session, we're going to perform some calculations to choose inputs in a clinic, look at a sunk cost example, discuss gender wage gaps in medicine, and debate fixed physician incomes. Please read and think about the Kravitz article in preparation for the debate.

Lecture 2: Hospitals and Vertical Integration

Learning Objectives

LO1: Analyze the economics of the boundaries of the firm and vertical integration.

LO2: Distinguish between non-profit and for-profit hospitals from both financial and economic perspectives.

Asynchronous content

Please read carefully before synchronous lecture.

Lecture 2

Resources

- Bhattacharya, Jay, Timothy Hyde, & Peter Tu, *Health Economics*. New York: Palgrave Macmillan, 2014. Chapter 6 – Skip Section 6.3 for now.
- Baker, George P. and Thomas N. Hubbard. “Contractibility and Asset Ownership: On-Board Computers and Governance in U.S. Trucking.” *The Quarterly Journal of Economics*, 11, no. 4 (2004): 1443-1479. Read only the introduction.
- “Coase call: The theory of the firm.”. *The Economist*, 29 July 2017:59.
- Melnick, Glenn, and Lois Green. “Four Years Into a Commercial ACO for CalPERS: Substantial Savings and Lessons Learned.” *Health Affairs Blog*, 17 April 2014. <https://www.healthaffairs.org/doi/10.1377/hblog20140417.038582/full/>
- Lawton R. Burns and Mark V. Pauly. Accountable Care Organizations May Have Difficulty Avoiding The Failures Of Integrated Delivery Networks Of The 1990s. *Health Affairs* 2012 31:11, 2407-2416 -- focus on abstract, intro, conclusion.
- Roberts ET, McWilliams JM, Hatfield LA, et al. Changes in Health Care Use Associated With the Introduction of Hospital Global Budgets in Maryland. *JAMA Intern Med.* 2018;178(2):260–268. --focus on abstract, intro, conclusion.
- McWilliams, J. Michael, Laura A. Hatfield, Bruce E. Landon, Pasha Hamed, and Michael E. Chernew. "Medicare spending after 3 years of the Medicare Shared Savings Program." *New England Journal of Medicine* 379, no. 12 (2018): 1139-1149. --focus on abstract, intro, conclusion.

Assignment 1: Write a 2-3 page (600 words) memorandum analysing how electronic health records will affect the industrial organization of the health care system. Are electronic health records the GPS of medicine? Provide evidence based on the readings and at least one of the NCHS data briefs on the use of electronic health records available at <https://www.cdc.gov/nchs/fastats/electronic-medical-records.htm>). Due before Lecture 3.

Lecture 3: Quality

Learning Objectives

LO1: Explain variations in quality in the U.S. health care system.

LO2: Compare alternative strategies for improving quality, including the advantages and disadvantages of various competitive and regulatory strategies.

Asynchronous content

Please read carefully before synchronous lecture: Lecture 3

Discussion Board

Describe two or three ways that we can assure the quality of freestanding medical clinics.

1. Post your response by Friday after the live session.
2. Read and reply to 2 of your peers' posts by Monday at 3:55 pm.

Resources

- Bhattacharya, Jay, Timothy Hyde, & Peter Tu, *Health Economics*. New York: Palgrave Macmillan, 2014. Chapter 5, pages 92-93 only
- Christianson, Jon B., and Douglas Conrad. "Provider payment and incentives." In *Oxford Handbook of Health Economics*, edited by Sherry Glied and Peter C. Smith. Oxford, UK: Oxford University Press, 2011. Section 26.2 only.
- Mukamel, Dana B., Simon F. Haeder, and David L. Weimer. "Top-down and bottom-up approaches to health care quality: The impacts of regulation and report cards." *Annual Review of Public Health* 35 (2014): 477-497.
- Hoag JR, Resio BJ, Monsalve AF, et al. Differential Safety Between Top-Ranked Cancer Hospitals and Their Affiliates for Complex Cancer Surgery. *JAMA Netw Open*. 2019;2(4):e191912. [ABSTRACT ONLY]
- Chiu, A. S., Resio, B., Hoag, J. R., Monsalve, A. F., Blasberg, J. D., Brown, L., ... & Boffa, D. J. (2019). Why travel for complex cancer surgery? Americans react to 'brand-sharing' between specialty cancer hospitals and their affiliates. *Annals of surgical oncology*, 26(3), 732-738. [ABSTRACT ONLY]
- Klein, Benjamin. "Brand names." *Brand Names, the Concise Encyclopedia of Economics*, David R. Henderson (Ed.), *the Library of Economics and Liberty, Liberty Fund* (2007): 42. <https://www.econlib.org/library/Enc/BrandNames.html>
- Optional: Kessler, DP. Evaluating the Medical Malpractice System and Options for Reform. *The Journal of Economic Perspectives*, Vol. 25, No. 2 (Spring 2011), pp. 93-110

Lecture 4: Prescription Drugs

Learning Objectives:

LO1: Understand the economics of innovation.

LO2: Be familiar with the pros and cons of alternative policy strategies for addressing pharmaceutical prices.

Asynchronous content

Please read carefully before synchronous lecture.

Lecture 4

Resources

- Bhattacharya, Jay, Timothy Hyde, & Peter Tu, Health Economics. New York: Palgrave Macmillan, 2014. Chapter 12
- Lakdawalla, DN, DP Goldman, PC Michaud, N Sood, R Lempert, Z Cong, H de Vries, I Gutierrez. (2009) US Pharmaceutical Policy in a Global Marketplace. *Health Affairs* 28: 1, w138-w150. <https://www.healthaffairs.org/doi/full/10.1377/hlthaff.28.1.w138>
- Grabowski, Henry G., Joseph A. DiMasi, and Genia Long. "The roles of patents and research and development incentives in biopharmaceutical innovation." *Health Affairs* 34, no. 2 (2015): 302-310.
- Bloom, D. E., Cadarette, D., Ferranna, M., Hyer, R. N., & Tortorice, D. L. (2021). How New Models Of Vaccine Development For COVID-19 Have Helped Address An Epic Public Health Crisis. *Health Affairs*, 40(3), 410-418. <https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2020.02012>

Assignment 2: Joseph Stiglitz recommends that, at least in some cases, we should move from patents to prizes. Using the theories and evidence from class, and the information in the Bain and Co. study to discuss whether you might (or might not) want to use a prize instead of a patent for a Covid-19 vaccine or a Covid-19 treatment. Due before Lecture 5.

- FDA – Joseph E. Stiglitz, “Prizes, Not Patents”, PAECON. net, issue no. 42, 18 May 2007, pp. 48-49, <http://www.paecon.net/PAEReview/issue42/Stiglitz42.pdf>
- Bain and Co. http://www.bain.com/Images/BAIN_BRIEF_A_new_pharma_launch_paradigm.pdf

Lecture 5: Smoking and Other Dangerous Behaviors

Learning Objectives:

LO1: Be able to apply behavioral economics concepts to the study of health issues.

LO2: Know how to use a social welfare framework to assess health behaviors.

Asynchronous content

Please watch video for this class (link is in resources) before the synchronous session. Note that the video is the complete lecture.

Resources

- Text Chapter 4, 24
- Manning, W. & Keeler, E. (1989). The Taxes of Sin: Do Smokers and Drinkers Pay their Way. *Journal of the American Medical Association*, 261(11), 1604-1609.
- Cutler, David M., Amber I. Jessup, Donald S. Kenkel, and Martha A. Starr. "Economic approaches to estimating benefits of regulations affecting addictive goods." *American journal of preventive medicine* 50, no. 5 (2016): S20-S26.
- Optional: Saffer, Henry, D. Dench, D Dave, & M. Grossman. E-cigarettes and Adult Smoking. NBER Working Paper No. 24212. January 2018.

Discussion board question: What should policymakers do about e-cigarettes to maximize social welfare? How should it relate to current cigarette tax and regulatory policy?

1. Post your response by Friday after the live session.
2. Read and reply to 2 of your peers' posts by Monday at 3:55 pm.

Lecture 6: Costs

Learning Objectives

LO1: Evaluate theories of rising health care costs to determine cost reduction methods.

LO2: Analyze alternative policy instruments in order to choose the best one(s) for reducing costs.

LO3: Describe cost-shift arguments.

Asynchronous content

Please read carefully before synchronous lecture.

Lecture 6

Resources

- *Health Economics*, Chapter 13; p. 107-112
- Chandra, A., & Skinner, J. (2012). Technology growth and expenditure growth in health care. *Journal of Economic Literature*, 50(3), 645–680. Read only p.645-650, bottom of 661-675.
- White, C. (2013). Contrary to cost-shift theory, lower Medicare hospital payment rates for inpatient care lead to lower private payment rates. *Health Affairs*, 32(5), 935-943.
- Geruso, M. and T. Layton. Upcoding: Evidence from Medicare on Squishy Risk Adjustment. <http://www.nber.org/papers/w21222> Sections 1 and 8 only

Assignment 3: Select a disparity in health outcomes using the spotlights or data at <https://www.ahrq.gov/research/findings/nhqrd/index.html>. Explain, in a 600 word memo, whether the problem is related to the Chandra/Skinner hypothesis about expenditure growth and analyze a potential solution using the discussions in the readings. Use at least one piece of empirical evidence from AHRQ to buttress your argument. Due before Lecture 7.

Lecture 7: Equity and COVID-19

Asynchronous content

Please read carefully before synchronous lecture.

Lecture 7

Resources

- Sandra Crouse Quinn and Supriya Kumar “Health Inequalities and Infectious Disease Epidemics: A Challenge for Global Health Security” *Biosecurity and Bioterrorism: Biodefense Strategy, Practice, and Science* 2014 12:5, 263-273
- Schelling, T. (1981). Economic Reasoning and the Ethics of Policy. https://www.nationalaffairs.com/public_interest/detail/economic-reasoning-and-the-ethics-of-policy
- Chandra, Amitabh, Michael Frakes, and Anup Malani (2017) “Challenges To Reducing Discrimination And Health Inequity Through Existing Civil Rights Laws. *Health Affairs*, 36(6),1041-1047.
- Zewde, Naomi, and Christopher Wimer. "Antipoverty impact of Medicaid growing with state expansions over time." *Health Affairs* 38.1 (2019): 132-138. <https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2018.05155>

FINAL EXAM posted online by 12:00pm on May 12 (WEDNESDAY)

FINAL EXAM due by 11:00pm on May 16 (SUNDAY)

NYU Classes

All announcements, resources, and assignments will be delivered through the NYU Classes site. The instructor 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 Students with Disabilities at NYU

Academic accommodations are available for students with disabilities. Please visit the [Moses Center for Students with Disabilities \(CSD\) website](#) and click on the Reasonable Accommodations and How to Register tab or call or email CSD at (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 coinciding with assignment due dates and exams to schedule mutually acceptable alternatives.

Class Policies

Attendance

You should attend all live sessions. Any absence must be explained and justified beforehand; your grade will be lowered if you do not do so.

Late assignments

Extensions will be granted only in case of an emergency, out of respect for those who abide by deadlines despite hectic schedules. Late submissions without prior permission will be penalized by ½ a letter grade per day (e.g., B+ to B).