

PHCO 0511
OVERVIEW OF ISSUES IN HEALTH SYSTEMS & POLICY

Health care delivery in the U.S. frequently has been described as dysfunctional and governed by a set of perverse incentives that perpetuate rising costs, contribute to poor quality of care, and create barriers to timely access to health services. Rising system costs and resource use threaten the fiscal health of the U.S., consume a substantial portion of gross domestic product, and impair the ability of state and local governments to respond to the needs of their vulnerable populations. Compared to other industrialized nations that devote fewer resources to health care, the greater per capita health care spending in the U.S. appears to have little impact on the health status of its citizens. Risky health behaviors by U.S. citizens – including smoking, alcohol use, and poor dietary habits – contribute to a rising incidence of chronic and debilitating health conditions that impact health care costs and the health status of adults and children alike, and affect the economic status of households and U.S. productivity more generally. Such issues have contributed to the current, vigorous debate over how best to reform the U.S. health care system and whether the benefits of such spending are commensurate with the sacrifice of other important social needs.

This course will consist of readings from five sections covering salient features of the U.S. health care system and critical issues in health care delivery and policy. The course is intended for doctoral students specializing in areas other than Health Systems & Policy (HSAP). The specific focus of the sections and responsible faculty members are as follows:

- Overview: What Every Doctoral Student Should Know About the U.S. Health Care System (Alan C. Monheit).
- Determinants of Risky Health Behaviors and their Implications (Irina Grafova).
- Health Care Markets and Providers (Jeannette Rogowski)
- State and Local Governments and Public Health (Bernadette West & Marcia Sass).
- Reforming the U.S. Healthcare System (Alan C. Monheit).

Upon completing this series of readings, a doctoral student will gain knowledge in the following:

- The organization of the U.S. health care system and the key issues confronting the efficient and equitable delivery of health care in the U.S.;
- The factors driving U.S. health care reform, the rationale for government intervention in health care markets, and alternative approaches to reforming the U.S. health care system;
- The functioning of health care markets, the behavior of health care providers, and payments for physician and hospital care;

- How state and local governments respond to the health care needs of their citizens;
- Social and economic factors contributing to adverse health behaviors and the implications of such behaviors for the prevalence of chronic illnesses and rising health care costs.

Section I: Overview: What Every Doctoral Student Should Know About the U.S. Health Care System (Alan C. Monheit).

This section will provide an overview of key issues confronting the U.S. health care system. The section will encompass a description of the current organization of U.S. health care system; trends in system-wide health care expenditures and the factors underlying rising health care spending; the impact of health care spending on the national and state economies; the relationship between U.S. health care spending and measures of health outcomes; how the U.S. compares to other industrialized nations regarding health system performance; the private and public health insurance systems in the U.S.; the uninsured population; and the rationale for government intervention in health care markets and health-related decision making.

Readings for this section will include the following:

Excerpt from: *The Economic Case for Health Care Reform*. Executive Office of the President: Council of Economic Advisors. June 2009: pages 1-16 (up until section C).

Victor R. Fuchs. "Three 'Inconvenient Truths' about Health Care." *New England Journal of Medicine*. 359:17 (October 23, 2008): 1749-1751.

Peter Singer. "Why We Must Ration Health Care." *New York Times Magazine*. July 15, 2009.

Atul Gwande. "The Cost Conundrum: What a Small Texas Town can Teach Us about Health Care." *The New Yorker*. June 1, 2009.

Louise B. Russell. 2007. *Prevention's Potential for Slowing the Growth of Medical Spending*. Paper prepared for the National Coalition on Health Care. October.

Section II: Health Behaviors, Population Health, and Public Policy (Irina Grafova)

Poor health behaviors and lifestyles can lead to chronic and debilitating illnesses and thus contribute to system-wide health care costs. The readings in this section concentrate on two particular health behaviors: smoking and obesity. The readings will cover the various consequences of health behaviors, such as increased mortality, poorer health, increased medical costs, as well as the various individual, family, environment and public policy factors shaping health behaviors. Several hypotheses explaining the recent increase in obesity rates are overviewed and U.S. public policies toward changing health behaviors

in these areas – specifically improving nutrition and dietary choices and reducing smoking – are explored.

Readings:

- J. Gruber. “The Economics of Tobacco Regulation” *Health Affairs*, 2002, 21(2):146-162
- E.A. Finkelstein, C. J. Ruhm, K.M. Kosa1. “Economic Causes and Consequences of Obesity” 2005, *Annual Review of Public Health*, 26:239-257.
- Jonathan Gruber. 2002-2003. “Smoking Internalities” *Regulation*, p.52-57
- R. Sturm. “The Effects of Obesity, Smoking, and Drinking on Medical Problems and Costs”, *Health Affairs*, 2002, 21(2): 245-253.
- E.A. Finkelstein, I.C. Fiebelkorn, G. Wang. “National Medical Spending Attributable To Overweight And Obesity: How Much, and Who’s Paying?” *Health Affairs*, 2003, W3:219-226.

Section III: Health Care Markets and Providers (Jeannette Rogowski)

The U.S. health care system is a market-based system. This section will focus on the functioning of health care markets in the United States. The structure and financing of the markets for physician and hospital services will be discussed. The behavior of health care providers in a market-based system will be examined, including incentives created by provider payments.

Robinson, JC, and Luft HS, “Competition, Regulation and Hospital Costs, 1982-1986,” *JAMA* 1988; 260, pp. 2676-2681.

Melnick G and Zwanziger J, “Hospital Behavior Under Competition and Cost-Containment Policies: The California Experience 1980-1985,” *JAMA*, 1988; 260 (18), pp. 2669-2675.

Werner, R and Asch D, “The Unintended Consequences of Publicly Reporting Quality Information,” *JAMA*, March 9, 2005; 293, pp. 1239-1244.

Glickman, S et al., “Pay for Performance, Quality of Care and Outcomes in Acute Myocardial Infarction,” *JAMA*, 2007; 297, pp. 2373-2380.

Rosenthal M and Dudley RA, “Pay-for-Performance: Will the Latest Payment Trend Improve Care?” *JAMA*, 2007; 297, pp. 740-744.

Rosenthal, M, “What Works in Market-Oriented Health Policy?” *New England Journal of Medicine*, May 21, 2009; 360:2157-2160

Werner, R and Asch D, “The Unintended Consequences of Publicly Reporting Quality Information,” *JAMA*, March 9, 2005; 293, pp. 1239-1244.

Werner, R and Dudley, RA, “Making the ‘Pay’ Matter in Pay-For-Performance: Implications for Payment Strategies”, *Health Affairs*, September 2009, 28(5): 1498-1508.

Section IV: State and Local Government and Public Health (Bernadette West & Marcia Sass).

From a governmental perspective, states have the constitutional responsibility for the health of their residents and actions for addressing health generally occur at the local level. This section will cover the interrelatedness of law, the policymaking process, and governmental public health; will trace the origins of federal involvement in healthcare and public health; will address historical aspects and events that have impacted the field of public health, will provide an overview of the organization of state and local public health systems and their essential public health functions and will emphasize directed efforts to clarify and strengthen the discipline and functions for improving public health from a systems approach.

Readings for this section will include the following:

Required:

- Institute of Medicine: Committee for the Study of the Future of Public Health, Division of Health Care Services. (1988). *The future of public health*. Washington, DC: National Academies Press.
- Turnock, B.J. (2009). *Public health: what it is and how it works*. Fourth Edition. Sudbury, MA: Jones and Bartlett Publishers, Inc. (Excerpts from Chapters 1, and 4-7 will be covered.).

Recommended Texts/References

- County Health Rankings, Mobilizing Action Toward Community Health. (2010) <http://www.countyhealthrankings.org/>
- Fulcomer, M. C., & Sass, M. M. (2009). *New Jersey health statistics from 1877 to 2000; an historical electronic compendium of published reports*. 2nd ed. Columbus, OH: Restat Systems, Inc.
- Institute of Medicine: Committee for the Study of the Future of Public Health, Division of Health Care Services. (2003). *The Future of the Public’s Health in the 21st Century*. Washington, DC: National Academies Press.
- Jacobs, L. M., Elligers, J. (2009). The MAPP Approach: Using Community Health Status Assessment for Performance Improvement, *Journal of Public Health Management and Practice*. January/February, Volume 15 - Issue 1 - p 79-81

Section V: Reforming the U.S. Health Care System (Alan C. Monheit).

Building on material from the first section, this session will identify the key issues that have prompted the current debate over whether and how to reform of the U.S. health care and the justification for such reform. Since much reform effort has focused on addressing shortcomings in the patchwork of private and public sources of health insurance and on efforts to contain health care costs, a particular focus of the section will be on these elements of reform. The section will also outline the history of prior reform efforts, discuss reform at the state level, describe alternative approaches to health care reform both in the U.S. and abroad, and outline elements of the most recent and prominent reform proposals.

Readings for this section will include the following:

Excerpt from: *The Economic Case for Health Care Reform*. Executive Office of the President: Council of Economic Advisors. June 2009: pages 16-21 (up until section V).

Alan C. Monheit, Joel C. Cantor, Margaret Koller, and Kimberely S. Fox. 2004. "Community Rating and Sustainable Individual Health Insurance Markets in New Jersey." *Health Affairs* 23 (4): 167-175.

Meredith B. Rosenthal. "What Works in Market-Oriented Health Policy?" *New England Journal of Medicine* 360:21 May 21: 2157 – 2160.

* Jonathan Oberlander and Theodore Marmor. "The Health Bill Explained at Last." *New York Review of Books* LVII (13) August 19 2010: 61-63.

Jonathan Gruber. "*The Impacts of the Affordable Care Act: How Reasonable are the Projections?*" *National Bureau of Economic Research Working Paper* 17168, pages 2-13.

Course requirement: At the completion of each section, students will assigned a specific question related to the material covered and asked to draft a brief essay in response. Each essay will be returned to the faculty member responsible for the section within a week.