

Public Policy 60/Health Research and Policy 240
Stanford University
Contemporary Issues in Health Policy: Public and Private Solutions
Autumn Quarter, 2002

Course Instructors:

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Meeting Times and Dates

10 Class Meetings, Mondays, September 30, 2002 – December 2, 2002
1 Optional Class Meeting, Wednesday, October 9, 2002

Monday classes will meet from 3:30 p.m. to 5:00 p.m. in Lane Hall-Bldg. 200, Room 203 (History Corner, Main Quad). The optional class session will meet from 3:30 p.m. to 5:00 p.m. in the first floor conference room of the Center for Health Policy & Center for Primary Care and Outcomes Research, 117 Encina Commons.

Course Description

This is an invited lecture series in which policymakers address ways in which they and their organizations aim to improve quality, access, and cost of health care in the U.S. and internationally. We define policymakers broadly to include both public and private actors, including consumer organizations, industry executives, financiers, purchasers, accrediting agencies, foundations and other non-profit organizations, regulators, and state and federal legislators. Discussion will center on initiatives that attempt to address current problems of the health care system and the challenges and complexities of achieving this aim. We will explore the relative advantages and disadvantages of each actor in accomplishing its goal. The course is intended to introduce students to ways in which they personally could have impact.

Course Objectives

- Provide a forum for the presentation and discussion of ongoing initiatives to address problems facing the U.S. and other health care systems.
- Enhance student knowledge of selected actors in the health care system locally.
- Encourage students to identify ways in which they themselves could make a difference.

Class Structure

Speaker presentations are designed to be interactive. Students are strongly encouraged to make comments and ask questions. Students are expected to attend class sessions.

Prerequisites

No prerequisites. Human Biology 160 recommended.

Materials

Course readings include articles by academic and practicing experts on the U.S. health care system and health care policy and regulation. Students will also receive materials from speakers about their organizations and initiatives. Students are expected to read distributed materials. Reading materials will be accessible via the Internet at <http://coursework.stanford.edu>.

Attendance/Grading Policy

- The class will be offered solely with the Satisfactory/No Credit grading option (1 unit of course credit).
- Students will also be required to complete a short written assignment. A 2 to 3-page paper will be due on the last day of class for all students.
- In order to earn a “Satisfactory” grade, students must attend eight of the ten class meetings and complete the written assignment.
- There will be no final exam.

Office Hours

No defined times. Please contact instructors via email if you would like to schedule an opportunity to meet.

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Class Schedule and Reading List

Session 1, Monday, September 30, 2002

Introduction and Overview

Speakers:

- Sara J. Singer, Lecturer in Public Policy and Health, Research and Policy, Executive Director Center for Health Policy, and Senior Research Scholar, Institute for International Studies
- M. Kate Bundorf, Ph.D., Assistant Professor, Health, Research and Policy

Readings:

- Kenneth J. Arrow, "Uncertainty and the Welfare Economics of Medical Care," *The American Economic Review*, December 1963, pp.941-973. [*Sufficient to skim this seminal article.*]
- Uwe Reinhardt, "Can Efficiency in Health Care Be Left to the Market?" *Journal of Health Politics, Policy and Law*, Vol. 26, No. 5, October 2001, 967-992.
- Mark V. Pauly, "Forward to Kenneth Arrow and the Changing Economics of Health Care" *Journal of Health Politics, Policy and Law*, Vol. 26, No. 5, October 2001, 829-834.

Session 2, Monday, October 7, 2002

Managed Competition and Employer Purchasing Strategies

Speaker:

- Alain C. Enthoven, Ph.D., Marriner S. Eccles Professor Emeritus, Stanford University, Graduate School of Business, Stanford University

Readings:

- Alain C. Enthoven, "The History and Principles of Managed Competition," *Health Affairs*, Supplement 1993, pp.24-48.
- Donald W. Moran, "Federal Regulation of Managed Care: An Impulse in Search of a Theory," *Health Affairs*, November/December 1997, pp. 7-21.
- Alain C. Enthoven and Sara. J. Singer, "Markets and Collective Action in Regulating Managed Care," *Health Affairs*, November/December 1997, pp.26-32.

Optional Session, Wednesday, October 9, 2002
**Everything You Wanted to Know About Health Care/Health Policy,
But Were Afraid to Ask**

Speaker:

- Sara J. Singer, Executive Director, Center for Health Policy

Readings:

- Sara Singer, Alan Enthoven, Alan Garber., “Health Care and Information Technology: Growing Up Together.” Chapter 19 in Medical Informatics, Computer Application in Health Care, Second Edition, EH Shortliffe, LE Perreault, G Wiederhold, LM Fagan eds. New York: Springer-Verlag, (2000), 663-696. [Read through section 19.5.2 only.]
- Allan Baumgarten, *California Managed Care Review 2002*, California HealthCare Foundation, 2002. Available at <http://www.chcf.org/documents/providersystems/CalManagedCareReview2002.pdf> [Print only what you find useful for your reference.]

Session 3, Monday, October 14, 2002:
Philanthropy and International Health: Creating Markets for Orphan Products

Speaker:

- Raj Shah, M.D., Ph.D., Bill and Melinda Gates Foundation

Readings:

- Michael Kremer, “Creating Markets for New Vaccines: Part I Rationale,” National Bureau of Economic Research, Working Paper 7716, <http://papers.nber.org/papers/w7716.pdf>.
- Michael Kremer and Jeffrey Sachs, “Precommitments to Purchase Vaccines: Draft Proposal for Comment, <http://www2.cid.harvard.edu/cidhealth/kremer-sachs.PDF>.
- Review information about the Bill and Melinda Gates Foundation at <http://www.gatesfoundation.org/>. View especially “Bill Gates on Vaccines.”

Session 4, Monday, October 21, 2002
Industry Collective Action: The Integrated Healthcare Association Pay for Performance Initiatives

Speaker:

- Beau Carter, Executive Director, Integrated Healthcare Association

Readings:

- Review information about IHA’s Pay for Performance Initiatives (i.e., Pay for Performance and the IHA-Local Initiative Health Plans’ Incentive Program for Medi-Cal/Healthy Families Providers) on their website at <http://www.ihaproj.htm>. Read especially the “Updated Project Summary” and the “Background Paper: Pay for Performance: The Business Case for Rewarding Physician Group Excellence.”

- Joseph Newhouse, "Why is there a quality chasm?" *Health Affairs*, Vol. 21, No. 4: 13-25.
- Steve Latham, "Regulation of managed care incentive payments to physicians," *American Journal of Law & Medicine*, 1996, Volume XXII, Number 4, 399-432.

Session 5, Monday, October 28, 2002

Kaiser Permanente Institute for Health Policy and Private Sector Efforts to Affect the Government Environment

Speaker:

- Robert M. Crane, Senior Vice President and Director, Kaiser Permanente Institute for Health Policy for Kaiser Foundation Health Plan, Inc. and Kaiser Foundation Hospitals

Readings:

- Robert M. Crane and Laura A. Tollen, "Out of the Frying Pan and Into the Fire?" *Health Affairs*, March 20, 2002, W155-W159.
- Laura Tollen and Robert M. Crane, "A Temporary Fix? Implications of the Move Away From Comprehensive Health Benefits," Employee Benefit Research Institute Issue Brief Number 244, April 2002, 1-27.
- Brian Raymond and Robert M. Crane, "Design Considerations for a Patient Safety Improvement Reporting System," Institute for Health Policy, Kaiser Permanente, April 2001, 1-24.
- *Patient Safety Improvement Act of 2002*, HR4889 (Johnson), <http://thomas.loc.gov/cgi-bin/query/z?c107:h.r.4889>:
- You may also review information about KP's Institute for Health Policy at <http://www.kp.org/medicine/ihp/index.html>.

Session 6, Monday, November 4, 2002

A Tale of Two Health Care Start-Ups: The Role of Venture Capital

Speaker:

- Anula Jayasuriya, M.D., Ph.D., Partner, Skyline Ventures

Readings:

- Fred Dotzler, "What do venture capitalists do, and where do they learn to do it?" *The Journal of Private Equity*, Vol. 5, No. 1, Winter 2001, 6-12. (To be distributed.)
- *Eight Articles to Guide Biomedical and Biopharmaceutical Entrepreneurs*, Menlo Park: De Novo Ventures, September 2001. (To be distributed.)
- Gordon Moore, "Going Solo: Making the Leap," *Family Practice Management*, February 2002, 29-32.
- Gordon Moore, "Going Solo: One Doc, One Room, One Year Later," *Family Practice Management*, March 2002, 25-29.
- "Cool 2001: Xenoport," *Fortune*, June 25, 2001, 141.
- D Erickson, "Pharmaceuticals: Xenoport aims to engineer bioavailability into old and new molecules," *Start-Up*, September 2001, 38-40.

Session 7, Monday, November 11, 2002

Tiered Hospital Co-payments and Other Blue Shield of California Initiatives

Speaker:

- Bruce Bodaken, Chairman, President and CEO, Blue Shield of California

Readings:

- Sara Singer and Alain Enthoven, "Structural Problems of Managed Care in California and Some Options for Ameliorating Them," *California Management Review*, Fall 2000, Vol. 43, No. 1, 50-65.
- Don Lee, "Hospital Choice Grows Costlier Health," *The Los Angeles Times*, May 5, 2002.
- Meg Walker, "Big HMO Preps for Patient Onslaught," *San Francisco Business Times*, May 10, 2002.
- Victoria Colliver, "Hospital Quality at Issue: Blue Shield Cost Plan Adds Criteria," *The San Francisco Chronicle*, June 27, 2002.
- Meg Walker, "Blue Shield Getting Ready to Operate," *San Francisco Business Times*, August 30, 2002.
- "Blue Shield Chief Welcomes Growth," *Contra Costa Times*, September 15, 2002
- Review information about Blue Shield of California at <https://www.mylifepath.com/>.

Session 8, Monday, November 18, 2002

Pharmaceutical Industry

Speakers:

- Richard Manning, Ph.D., Assistant Director, Economic Policy Analysis, Pfizer Corporation

Readings:

- TBD

Session 9, Monday, November 25, 2002

State Regulation in California

Speaker:

- Ed Howard, Chief of Staff, Office of the Honorable Liz Figueroa (SD-CA)

Readings:

- TBD

Session 10, Monday, December 2, 2002

The Medi-Cal Policy Institute and Competition in the Medi-Cal Program

Speakers:

- Crystal Hayling, Director, and Chris Perrone, Deputy Director, Medi-Cal Policy Institute

Readings:

- “Understanding Medi-Cal: The Basics (Second Edition),” Medi-Cal Policy Institute, September 2001. (To be distributed.)
- “The Medicaid Program at a Glance,” Kaiser Commission on Medicaid and the Uninsured of the Henry J. Kaiser Family Foundation, January 2001, <http://www.kff.org/content/2001/2004b/2004b.pdf>.
- “Medicaid and Managed Care,” Kaiser Commission on Medicaid and the Uninsured of the Henry J. Kaiser Family Foundation, December 2001, <http://www.kff.org/content/2001/206803/206803.pdf>.
- Please also review information about the Medi-Cal Policy Institute at <http://www.medi-cal.org/>.