Winter-Intensive ECON-GB.2111 Economic Transformation of Healthcare

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COURSE DESCRIPTION

This course is designed to give the student a general understanding of applied economics of healthcare. In particular, it provides an advanced critical analysis of the delivery of healthcare services and how it is constantly changing. It evaluates the responses of major players including hospitals, physicians, payers, life sciences and new entrants to the market. As expectations for a unified, efficient, cost effective, and high quality global system continue to be desired, the entire ecosystem is trying to adapt. At the end of the course the student will understand why economics in Healthcare is constantly changing and the major drivers impacting the system.

Healthcare is the perfect industry to see how market failures occur and why innovation, government regulation, and other interventions may be necessary. While this course is an economics course, it is focused on the application of principles in real life settings and uses current events to highlight their impact. We also try and touch upon regulatory reform and understand how each constituent has an impact on the others within the system. In order to bring in other perspectives, c-suite level executives are brought in as guests. While individuals change at each class, every effort is made to bring individuals from multiple industries. Because guests bring their own experiences, points of view, and topics which they like to discuss, the class has a tendency to be less structured and formal and more interactive. Guests will be added to syllabus as they are confirmed.

Course Themes:

Healthcare is currently experiencing change at an unprecedented rate and extraordinary magnitude. The number of inputs that are changing the way the entire system operates are broad, but basically impacted by six major areas

1: general market conditions and what are leaders doing when they summarize all of the component pieces of the market
2: how is finance / payment systems driving changes in behavior? how people make money (e.g. current payment systems and advances in it)
3: global health impacts changes in the way companies like pharma, global hospitals, public health work together
4: all markets have new entrants that force changes in the current economic landscape
5: technology and innovation also disrupt current market
6: a huge driver of change is the government

Classroom Contributions. The learning experience in a course like this one depends heavily on each student being prepared to actively participate in every class session. We all have experiences that will enrich the topic and direction of discussion in the course. This means that you need to be fully acquainted with the readings for a given session.
Positive participation includes attendance, active involvement in all in-class exercises and discussions, and maintenance of a classroom demeanor that encourages the participation of others. You will be evaluated on the quantity as well as the quality of your contribution and insights. Quality comments possess one or more of the following attributes: (a) Contribute to moving the discussion forward; (b) Offer a different, unique and relevant perspective on the issue; (c) Build on other comments of others; and (d) Include some evidence or analysis of inherent tradeoffs, i.e., demonstrate reflective thinking.

There will be no laptops allowed in the room. Use of any form of electronic devices during class (for example: phones, tablets, computers, etc.) will negatively impact the student’s participation grade for the class.

The class will not be video-taped as students are expected to be in class. Since there are only 6 lectures, anyone missing 2 classes will automatically fail the class, no excuses are accepted. If a student is absent from one class, their participation grade will reflect missing the class. No permission is needed to skip a lecture, but again, the grade will reflect participation. No make-up work is available if a student is absent. If a student is late and/or leaves early for class more than once, this will also be reflected in the student’s participation grade. If a student is chronically late/leaves early, this will be considered the same as missing class.

It is expected that every student will have their name plate displayed in front of them at each class.

**Final Essay.** Each student will be required to prepare 1-2 essay(s) based upon question(s) to be distributed in class. Your analysis must be your own work, devoid of any discussion or consultation with others. It should address the questions specifically. All answers should be size 12, single spaced, with 1" borders. Total length of the response will be reported for each question. The case assignment will be graded for content and format. You are required to turn in a paper that conforms to professional standards of organization, grammar, punctuation, spelling, and paragraph/sentence structure. All students will be held to current NYU Honor Code. ([http://w4.stern.nyu.edu/scorp/committee.cfm?doc_id=4797](http://w4.stern.nyu.edu/scorp/committee.cfm?doc_id=4797)) Each student should include the following at the end of their paper "I pledge my honor that I have not violated the [Stern Honor Code] in the completion of this [examination/assignment]." The essay should be submitted in electronic format to both cbleuste@stern.nyu.edu and the Teaching Assistant (email to be given) in separate emails. All papers will be run through software to check for originality. Any papers that violate the code of conduct (including originality, plagiarism, etc.) will not be accepted and the student will receive a 0 for that piece of work (other disciplinary action may also be taken if appropriate).

**Required Reading Material.** Economic Transformation in Healthcare is a huge topic and a 1 week intensive course can only scratch the surface. I assign readings that I believe are beneficial to understand for the class and the guest lecturers that are coming. I try to teach in the
class information that is often not covered in the books, articles, papers, etc., and assume that you have read the assigned material in order to have a basic understanding of the concepts. The students in the class come from a diverse background with many having no healthcare experience at all. As such, it is important for there to be some material that can be used to assist in building a foundation of knowledge around healthcare economics. I understand that some already have this fund of knowledge.

**Grading Plan.** The course grade will be based on the following components and weights: Final grades are based upon a bell curve.

- Classroom contributions: 30%
- Additional requested submissions: 25%
- Final exam: 45%

**SCHEDULE**

Additional readings for each class will be determined before each class. Since the goal is to keep the class current and relevant, additional cases and readings are picked closer to the class. The order of topics will be changed as we get closer to the class to more appropriately align with Guests background.

Day 1 (1/23): How is the marketplace responding to major trends in Healthcare (e.g. consolidation, verticalization, etc.)
- Guest: Joe Berardo
  - Chairman
  - Magnacare

Day 2 (1/25): How is the provision of care changing globally as we become more connected? better information? population health? infectious disease? chronic disease? sanitation/food/water
- Guest: Chuck Bogosta
  - Executive Vice President, UPMC
  - President, UPMC International
  - President, UPMC CancerCenter
  - [www.upmc.com](http://www.upmc.com)

Day 3 (1/28):
- Part 1: How do organizations make money and how is this changing over time (models of care, value based purchasing, concierge medicine, coding/documentation)

  Part 2: How is technology and innovation overall changing the way we think about the delivery of care?
Guest: Daniel Palestrant, MD  
CEO, par8o  
https://www.par8o.com/

Day 4 (1/30): Who are the new entrants into healthcare and how are they changing the market? (pharmacy, retail clinics, IT providers, etc.)

Day 5 (2/1): Regulation continues to be a key issue, what changes can be made to start bending the cost curve? end-of-life? rationing care? etc.