

# HMGT 6320

## The American Healthcare System

### Spring 2008

#### Professor Contact Information

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#### Course Description and Learning Objectives

This course is an introduction to the structure, operation and financing of the American healthcare system. It examines the major industry participants; how healthcare services are allocated and financed; the factors that influence the cost and quality of care; and opposing positions on the future of healthcare reform. Some of the key issues that will be discussed include:

- ♦ The roles and competitive positions of the major industry participants.
- ♦ How healthcare services are allocated and financed.
- ♦ Why US healthcare costs so much.
- ♦ How the cost, quality and availability of care in the US compares to other countries.
- ♦ What happens to those who fall through the cracks in the system.
- ♦ The outlook for healthcare reform.

#### Class Resources

Purchased Articles. Seven Harvard Business School articles are assigned for this course. They are bound and available for purchase in the UTD Bookstore and at Off-Campus Books. They are marked with a ➤ in this syllabus.

Journal Articles. Several current healthcare journal and newspaper articles are also assigned for this course. They are posted on Web CT.

Web CT. WebCT may be accessed at <http://webct6.utdallas.edu/webct/logonDisplay.dowebct> Go to "The American Healthcare System" to download the syllabus, classroom instructions and each week's assigned readings and PowerPoint slides.

#### Expectations and Grading

Students will be evaluated:

- ♦ 40% on class participation. Students are expected to arrive at class prepared to discuss the assigned readings and actively contribute to the learning experience of their colleagues.
- ♦ 60% based on three briefing papers and a final research report. These are fully described in the Classroom Instructions which can be downloaded from Web CT.

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**Schedule of Assignments**

**OVERVIEW OF US HEALTHCARE SYSTEM**

**An Iconoclastic View of the Healthcare System**

**January 9**

Required Reading

- ♦ Kao-Ping Chua, "Overview of the US Healthcare System," American Medical Student Association, February, 2006.

**System Overview: Characteristics, Values and Beliefs**

**January 16**

Required Reading

- R. Bohmer, "The Challenge Facing the U.S. Healthcare System," Harvard Business School, June, 2006.

Supplemental Reading

- ♦ R. Blendon, "Understanding the American Public's Health Priorities: a 2006 Perspective," Health Affairs, October 2006

**Managed Care, Markets and Rationing**

**January 23**

Required Reading

- ♦ J. Robinson, "The End of Managed Care," JAMA, May, 2001.

Supplemental Reading

- ♦ D. Draper, "The Changing Face of Managed Care," Health Affairs, Jan./Feb. 2002.

**HEALTHCARE PROVIDERS**

**The Hospital System**

**January 30**

Required Reading

- ♦ S. Altman, "Could US Hospitals Go the Way of US Airlines," Health Affairs, Jan/Feb 2006.
- ♦ U. Reinhardt, "The Pricing of US Hospital Services: Chaos Behind a Veil of Secrecy," Health Affairs, Jan./Feb. 2006.

Supplemental Reading

- ♦ K. Grote, "Transforming US Hospitals," The McKinsey Quarterly, February, 2007.
- ♦ K. Devers, "Specialty Hospitals: Focused Factories or Cream Skimmers," Center for Studying Health System Change, April 2003.

**Physicians and Outpatient Care**

**February 6**

Required Reading

- ♦ H. Pham, "Financial Pressures Spur Physician Entrepreneurialism," Health Affairs, March/April 2004.

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- ♦ J. Goldsmith, "Hospitals and Physicians: Not a Pretty Picture," Health Affairs, December 2006.
- ♦ P. Bach, "How Many Doctors Does it Take to Treat a Patient," Wall St. Journal, June 2007.

**Supplemental Reading**

- ♦ J. Iglehart, "The Emergence of Physician-Owned Specialty Hospitals," New England Journal of Medicine, January 2005.

**HOW HEALTHCARE IS FINANCED**

**Government Sponsored Healthcare: Medicare and Medicaid**

**February 13**

**Required Reading**

- ♦ J. Iglehart, "The American Health Care System: Medicare," New England Journal of Medicine, January 1999.
- ♦ J. Iglehart, "The American Health Care System: Medicaid," New England Journal of Medicine, February, 1999.
- ♦ "Medicare at a Glance," Kaiser Family Foundation, July 2006.
- ♦ "The Medicaid Program at a Glance," Kaiser Family Foundation, May 2006.

**Supplemental Reading**

- ♦ L. Brown, "Poor Programs Progress: The Unanticipated Politics of Public Insurance Programs," Health Affairs, Jan./Feb. 2003.

**Employer Based Insurance**

**February 20**

**Required Reading**

- ♦ U. Reinhardt, "Employer-Based Health Insurance: A Balance Sheet," Health Affairs, Nov/Dec 1999.

**Supplemental Reading**

- ♦ A. Enthoven, "Employment-Based Health Insurance: Past, Present and Future," Health Affairs, November 2006.

**The Poor and Uninsured**

**February 27**

**Required Reading**

- ♦ U. Reinhardt, "Is There Hope for the Uninsured," Health Affairs, August 2003.
- ♦ "Crisis of the Uninsured: 2006 Update," National Center for Policy Analysis, September 2006.

**Supplemental Reading**

- ♦ R. Hurley, "A Widening Rift in Access and Quality: Growing Evidence of Economic Disparities," Health Affairs, December 2005.

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**HEALTHCARE COST AND QUALITY**

**Why Does Healthcare Cost So Much?**

**March 5**

Required Reading

- ♦ D. Altman, "The Sad History of Health Care Cost Containment as Told in One Chart," Health Affairs, January 2002.
- ♦ H. Aaron, "The Unsurprising Surprise of Renewed Health Care Cost Inflation," Health Affairs, January 2002.
- ♦ C. Wheelan, "The Top 10 Reasons for Soaring Healthcare Costs," The Naked Economist, March 2006.

Supplemental Reading

- ♦ S. Altman, "Escalating Health Care Spending: Is it Desirable or Inevitable," Health Affairs, January 2003.
- ♦ G. Anderson, "It's the Prices, Stupid: Why the United States is so Different from Other Countries," Health Affairs, May/June, 2003.

**Spring Break**

**March 12**

**The Quality of US Healthcare**

**March 19**

- ♦ J. Kenagy, "Service Quality in Healthcare," JAMA, February, 1999.
- S. Spear, "Fixing Health Care from the Inside Today," Harvard Business Review, September, 2005.

Supplemental Reading

- ♦ E. Becher, "Improving the Quality of Healthcare: Who Will Lead," Health Affairs, September 2001.

**The Role of Competition in Healthcare**

**March 26**

Required Reading

- M. Porter, "Redefining Competition in Health Care," Harvard Business Review, June 2004.

**Can Innovation and Technology Save the Day?**

**April 2**

Required Reading

- C. Christensen, "Will Disruptive Innovations Cure Health Care," Harvard Business Review, June 2004.
- R. Herzlinger, "Why Innovation in Healthcare is So Hard," Harvard Business Review, May 2006.

Supplemental Reading

- ♦ J.D. Kleinke, "Dot-Gov: Market Failure and the Creation of a National Health Information Technology System," Health Affairs, Sept./Oct. 2005.

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**HEALTHCARE REFORM**

**The Outlook for Reform: Consumer Directed Healthcare**

**April 19 14**

Required Reading

- R. Herzlinger, "Let's Put Consumers in Charge of Healthcare," Harvard Business Review, July 2002.
- A. Wyke, "Can Patients Drive the Future of Health Care," Harvard Business Review, July-August 1997.
- ♦ M Ginsburg, "Rearranging the Deck Chairs," Health Affairs, October 2006.

Supplemental Reading

- ♦ M Ginsburg, "The Next Generation of Health Information Tools for Consumers: Statement Before the Congress," Hearings before the Joint Economic Committee of Congress, May, 2006.

**The Outlook for Reform: Government Run System**

**April 16**

- ♦ Kao-Ping Chua, "The Case for Universal Health Care," American Medical Student Association, February, 2006.
- ♦ E. Emanuel, "Health Care Vouchers—a Proposal for Universal Coverage," New England Journal of Medicine, March, 2005.
- ♦ J. Oberlander, "The Politics of Health Reform: Why do Bad Things Happen to Good Plans," Health Affairs, August 2003.

Supplemental Reading

- ♦ V. Fuchs, "Health Care Reform: Why? What? When?" Health Affairs, Nov./Dec. 2005.

**Work on Research Papers**

**April 23**

Final research paper due no later than Wednesday, April 30.

**Student Conduct**

The University of Texas System and The University of Texas at Dallas have rules and regulations for the orderly and efficient conduct of their business. It is the responsibility of each student and each student organization to be knowledgeable about the rules and regulations which govern student conduct and activities. General information on student conduct and discipline is contained in the UTD publication, A to Z Guide, which is provided to all registered students each academic year.

The University of Texas at Dallas administers student discipline within the procedures of recognized and established due process. Procedures are defined and described in the Rules and Regulations, Board of Regents, The University of Texas System, Part 1, Chapter VI, Section 3, and in Title V, Rules on Student Services and Activities of the university's Handbook of Operating Procedures. Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations (SU 1.602, 972/883-6391).

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#### **Academic Integrity**

The faculty expects from its students a high level of responsibility and academic honesty. Because the value of an academic degree depends upon the absolute integrity of the work done by the student for that degree, it is imperative that a student demonstrate a high standard of individual honor in his or her scholastic work.

Scholastic dishonesty includes, but is not limited to, statements, acts or omissions related to applications for enrollment or the award of a degree, and/or the submission as one's own work or material that is not one's own. As a general rule, scholastic dishonesty involves one of the following acts: cheating, plagiarism, collusion and/or falsifying academic records. Students suspected of academic dishonesty are subject to disciplinary proceedings.

Plagiarism, especially from the web, from portions of papers for other classes, and from any other source is unacceptable and will be dealt with under the university's policy on plagiarism (see general catalog for details).

#### **Withdrawal from Class**

The administration of this institution has set deadlines for withdrawal of any college-level courses. These dates and times are published in that semester's course catalog. Administration procedures must be followed. It is the student's responsibility to handle withdrawal requirements from any class. In other words, I cannot drop or withdraw any student. You must do the proper paperwork to ensure that you will not receive a final grade of "F" in a course if you choose not to attend the class once you are enrolled.

#### **Student Grievance Procedures**

Procedures for student grievances are found in Title V, Rules on Student Services and Activities, of the university's Handbook of Operating Procedures.

In attempting to resolve any student grievance regarding grades, evaluations, or other fulfillments of academic responsibility, it is the obligation of the student first to make a serious effort to resolve the matter with the instructor, supervisor, administrator, or committee with whom the grievance originates (hereafter called "the respondent"). Individual faculty members retain primary responsibility for assigning grades and evaluations. If the matter cannot be resolved at that level, the grievance must be submitted in writing to the respondent with a copy of the respondent's School Dean. If the matter is not resolved by the written response provided by the respondent, the student may submit a written appeal to the School Dean. If the grievance is not resolved by the School Dean's decision, the student may make a written appeal to the Dean of Graduate or Undergraduate Education, and the dean will appoint and convene an Academic Appeals Panel. The decision of the Academic Appeals Panel is final. The results of the academic appeals process will be distributed to all involved parties.

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Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations.

**Incomplete Grade Policy**

As per university policy, incomplete grades will be granted only for work unavoidably missed at the semester's end and only if 70% of the course work has been completed. An incomplete grade must be resolved within eight (8) weeks from the first day of the subsequent long semester. If the required work to complete the course and to remove the incomplete grade is not submitted by the specified deadline, the incomplete grade is changed automatically to a grade of F.