B.431 - Health Care Finance and Organization

I. Introduction and Overview*

Required Reading: (a) Victor Fuchs, Who Shall Live? Chapters 1,2,3 (Required text, 80 pages).


II. Review of the Economics of Health and Health Care*

Required Reading: (a) Victor Fuchs, Who Shall Live? Chapters 4,5,6 (Required text, 70 pages).

(b) Alain Enthoven, Health Plan, Chapter 1 (Syllabus, 12 pages).

III. Why Costs are Increasing*

Required Reading: (a) Alain Enthoven, Health Plan, Chapter 2 (Syllabus, 24 pages).


IV. Cutting Cost Without Cutting the Quality of Care*

Required Reading: (a) Health Plan, Chapter 3 (Syllabus, 18 pages).


(c) Robert H. Brook, M. D., et al., "Does Free Care Improve Adults' Health," NEJM 309: 1426-34, December 8, 1983
(Syllabus, 9 pages). Also Arnold Relman editorial.

V. Private Health Insurance Industry

Required Readings:

(b) Enthoven and Wilson, Teaching Note on the Private Health Insurance Industry, June, 1985 (Syllabus, 40 pages).

VI. Medicare I: Overview*

Required Reading:


VII. Medicare II: Prospective Payment*

Required Reading:


VIII. Medicaid and the Failure of the Safety Net*

Required Reading:
(a) Stevens and Stevens, Welfare Medicine in America, Chapter 4 (Syllabus, 7 pages).

(b) Karen Davis and Diane Rowland, "Uninsured and Underserved: Inequities in Health Care in the United States," Milbank Memorial Fund Quarterly, Vol. 61, No.2, 1983 (Syllabus,
IX. Tax Reform and Health Insurance

Required Reading:

(b) Proposed Specifications for the Health Equity and Incentives Reform Act of 1985 (Revised January 11, 1985) (Syllabus, 5 pages).


X. Prepaid Group Practice*

Required Reading:
(a) Health Plan, Chapter 4 (Syllabus, 15 pages).


(c) Alain Enthoven, "The RAND Experiment and Economical Health Care," NEJM, June 7, 1984 (Syllabus, 3 pages).


(e) Scott Fleming, "Major Characteristics, Principles and Policies of the Kaiser Permanente Medical Care Program (Syllabus, 4 pages).

XI. Fee-for-Service Alternative Delivery Systems: PPOs and IPAs

Required Reading:
(a) Alain Enthoven, “An Economic Analysis of the Preferred Provider Organization Concept,” March 5, 1984 (Syllabus, 23 pages).

(b) Jon Gabel and Dean Ermann, “Preferred Provider Organizations: Performance, Problems, and Promise,” Health
XII. Economic Regulation of Health Services*

Required Reading:  
(a) Health Plan, Chapter 6 (Syllabus, 17 pages).

(b) Roger Noll, “Consequences of Public Utility Regulation of Hospitals,” IOM Controls on Health Care, 1975 (Syllabus, 23 pages.)

(c) Brian Biles, et al., “Hospital Cost Inflation Under State Rate Setting Programs,” NEJM September 18, 1980 (Syllabus, 23 pages).

(d) Charles A. Saunders, “Rate Setting in the Hospital -The Beginning or the End?” NEJM, September 18, 1980 (Syllabus, 3 pages).

XIII. Competition of Alternative Delivery Systems

Required Reading:  
(a) Enthoven, Health Plan, Chapter 5 (Syllabus, 23 pages).

(b) Enthoven and Wilson, Teaching Note on the Competition of Alternative Delivery Systems, July, 1985 (Syllabus, 19 pages).


XIV. Consumer Choice Health Plan

Required Reading:  
(a) Alain Enthoven, Health Plan, Chapter 7 (Syllabus, 30 pages).

XV. Employer Perspective on Health Insurance and Cost Control*

Required Reading:  

XVI. The Hospital and Hospital Management Industries*

Required Reading:  


(c) A.S. Relman, “The New Medical-Industrial Complex,” NEJM, October 23, 1980 (Syllabus, 7 pages).


XVII. Nursing Homes and Long-Term Care*

Required Reading:  
(a) Health Care Financing Administration, Long Term Care: Background and Future Directions, January 1981 (Syllabus, 64 pages).


XVIII. Ethics and Limited Resources*

Required Reading:  
(a) Ernle Young has written a brief case study that will be discussed in class. It is included in the class notes for this class.

(b) Alan Garber, Victor Fuchs, and James Silverman, "Case Mix, Costs and Outcomes: Differences Between Faculty and Community Services in a University Hospital," NBER Working Paper No. 1159 (Syllabus, 24 pages).


XIX. **Summary and Conclusions**

(a) Paul Ellwood, M. D. and Barbara Paul, "Here Come the Supermeds," Interstudy, January, 1985 (Syllabus, 21 pages).


(c) Jeff Goldsmith, "Death of a Paradigm," *Health Affairs*, Fall, 1984 (Syllabus, 14 pages).

*Class notes are included for this class.*