**Public Policy and the Healthcare Industry**

**eMBA Course Syllabus**

**BIDDING ONLY**

**Professor: Neal Masia nm2724@columbia.edu**

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The healthcare industry accounts for nearly 20% of GDP in the United States.  This course will explore the links between major public policy events - for instance, healthcare reform or recent Medicare and Medicaid changes - and the financial prospects and implications for various healthcare industry sectors.  Lectures will examine how current and potential public policy decisions impact the bottom line and the behavior of key industry sectors including pharmaceutical companies, hospitals, doctors, insurance companies, and others. Students will conduct research on an industry sector and a live public policy or regulatory issue of their choosing and present a report to the class from the perspective of a research analyst or industry strategy consultant.  Students will be expected to use their quantitative and analytic toolkit to evaluate how a key government policy (or potential policy within the health reform context) is likely to affect the industry's fortunes and behavior going forward, with implications for investors and firm management.

**Requirements**

Students are required to attend all meetings ready to discuss the assigned readings and having reviewed the provided data. During the semester every student will prepare an original paper/ case study and make brief in-class presentation.

**Presentations**

Each student will join a 2-3 person team that will create a 5-7 page report of the student’s own design. The presentation will examine a “live” policy issue from the perspective of either an investor or a manager in whichever industry segment the student chooses. The paper will lay out the potential change in policy, the issues that investors or managers will face, and the student’s prediction for how the change will impact investors or firm profitability.

**Class Schedule**

**June 18: INTRODUCTION and THE US HEALTHCARE SYSTEM – MOVING PARTS and the ACA**

Urban Institute— The Widespread Slowdown in Health Spending Growth (2015) See

<http://www.urban.org/sites/default/files/alfresco/publication-pdfs/412668-Trends-in-U-S-Health-Care-Spending-Leading-Up-to-Health-Reform.PDF>

Committee For A Responsible Federal Budget – Analysis of CBO’s Updated Budget and Economic Outlook.” August 2015. Available at:

<http://crfb.org/sites/default/files/2015_analysis_of_cbos_august_baseline_final_0.pdf>

Health reform overview (video) from Kaiser Family Foundation: <http://www.kaiseredu.org/Tutorials-and-Presentations/Health-Reform-Overview.aspx>

Huberfeld, Nicole. “The Supreme Court Ruling That Blocked Providers From Seeking Higher Medicaid Payments Also Undercut The Entire Program.” *Health Affairs, 2015, 34(7), 1156-1161. See* [*http://content.healthaffairs.org/content/34/7/1156.full.html*](http://content.healthaffairs.org/content/34/7/1156.full.html)

Sparer, Michael S. “Medicaid at 50: Remarkable Growth Fueled By Unexpected Politics,” *Health Affairs*, 2015, 34(7), 1084-1091. See

<http://content.healthaffairs.org/content/34/7/1084.full.html>

**July 9: HEALTH INSURANCE and HOSPITALS: BUSINESS, POLICY, , and the CONSOLIDATION WAVE**

Sector Overview – to be posted on website

Reinhardt, Uwe. “Pricing of U.S. Hospital Services: Chaos Behind a Veil of Secrecy,” Health Affairs January/February 2006; 25(1): 57-69. See [http://content.healthaffairs.org/content/25/1/57.full.pdf+html](http://content.healthaffairs.org/content/25/1/57.full.pdf%2Bhtml)

Hernandez, John, Susanne F. Machacz, and James C. Robinson. “US Hospital Payment Adjustments for Innovative Technology Lag Behind Those in Germany, France, and Japan.” *Health Affairs,* 34, 2015 No. 2: 261-270. See

<http://content.healthaffairs.org/content/34/2/261.full.html>

**July 23: THE BIOPHARMACEUTICAL INDUSTRY: BUSINESS, POLICY and INCENTIVES FOR INNOVATION**

**Guest Lecturer – Richard Evans, CEO of Sector and Sovereign, LLC; Former #1 rated pharmaceuticals analyst on Wall Street**

Industry background materials to be posted on course website.

Berndt, Ernst R., Deanna Nass, Michael Kleinrock and Murray Aitken. Decline in Economic Returns from New Drugs Raises Questions About Sustaining Innovations. *Health Affairs* 2015, 34, no.2: 245-252. Available at <http://content.healthaffairs.org/content/34/2/245.full.html>

U.S. Congressional Budget Office. *Offsetting Effects of Prescription Drug Use on Medicare’s Spending for Medical Services*. Available at <http://www.cbo.gov/sites/default/files/cbofiles/attachments/43741-MedicalOffsets-11-29-12.pdf>

**Aug 6: PHYSICIANS: BUSINESS, POLICY, STUCK IN THE MIDDLE**

Gawande, Atul. “The Cost Conundrum,” *The New Yorker*, June 1, 2009. See <http://www.newyorker.com/reporting/2009/06/01/090601fa_fact_gawande?currentPage=all>

Baicker, Katherine and Amitabh Chandra. “Medicare Spending, the Physician Workforce, and Beneficiaries‘ Quality of Care,” *Health Affairs,* 2004, 23, w184-w197. See <http://content.healthaffairs.org/content/early/2004/04/07/hlthaff.w4.184/suppl/DC1>.

**Aug 19: POLICY CONUNDRUMS – What Will They Mean for Healthcare Managers and Investors?**

Russell, L.B. January/February 2009. [Preventing Chronic Disease: An Important Investment, But Don’t Count on Cost Savings.](http://content.healthaffairs.org/content/28/1/42.full) Health Affairs 28(1): 42-45.

Raising the Excise Tax on Cigarettes: Effects on Health and the Federal Budget. See

<http://www.cbo.gov/publication/43319>

Baicker, Katherine, and Amitabh Chandra. "A Trillion-Dollar Geography Lesson." *Health Affairs* 28.5 (September/October 2009): 1448-1451. Available at <http://content.healthaffairs.org/content/28/5/1448.full>

**Aug 20: THE US HEALTHCARE SYSTEM: WHAT’S NEXT?**

Katherine Baicker, Amitabh Chandra, and Jonathan S. Skinner. Saving Money or Just Saving Lives? Improving the Productivity of US Health Care Spending Annual Review of Economics, Vol. 4: 33 -56 See <http://www.annualreviews.org/doi/abs/10.1146/annurev-economics-080511-110942>

Chernew ME, Baicker K, Hsu J. The Specter of Financial Armageddon — Health Care and Federal Debt in the United States. New Engl J Med 2010;362(13):1166-8. Available at: <http://www.nejm.org/doi/full/10.1056/NEJMp1002873>