Healthcare accounts for nearly 20% of GDP in the United States. This course explores 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 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 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 are 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 students will form two-person teams, write a paper together, and potentially present their research to the class.

Presentations

Each student will join a two-person team that will create a 10-12 page report of the students’ 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, the student’s prediction for how the change will impact investors or firm profitability, and recommendations for action. Selected teams will present their projects during the final class.

Class Schedule

January 28: INTRODUCTION and THE US HEALTHCARE ECONOMY – Including Current Debates over the ACA, Medicare, Medicaid, Hospitals, Doctors, and Pharma


Senator Warren’s Medicare for All Plan: https://elizabethwarren.com/plans/paying-for-m4a


February 4: WHO PAYS FOR WHAT...MEDICARE, MEDICAID, AND HEALTH INSURANCE


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

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


More TBP

February 11: HOSPITALS AND PHYSICIANS: BUSINESS, POLICY, and the CONSOLIDATION WAVE


More readings TBP

February 18: THE BIOPHARMACEUTICAL INDUSTRY: BUSINESS, POLICY and INCENTIVES FOR INNOVATION

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


February 25: MEASURING AND PAYING FOR VALUE IN HEALTHCARE – What is Politically Feasible, and What Does It Mean for Healthcare Managers and Investors?


Overview of ICER - TBP


March 3: STUDENT PRESENTATIONS, AND THE US HEALTHCARE SYSTEM: WHAT’S NEXT?