

Syllabus
ECO 540: The Business of Health

Instructor: Anthony LoSasso

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Online-Hybrid Course, Winter 2021

Course meets live (via Zoom): Thursdays 5:45-7:15pm

Attending the synchronous sessions is akin to going to class in the real. It gives you the opportunity to interact with me and your classmates. You cannot participate (10% of your grade) if you do not attend! I will strongly prefer that you have your cameras on while we're "in class" together. I will load asynchronous content to our D2L site on Mondays and you will be expected to view videos and do readings before our Thursday evening sessions together.

Course Description and Objectives

Should health care be viewed as a business model and managed as such or is it considered to be a social obligation that is to be made available to society? This question has still not been answered satisfactorily. Accounting for more than 18% of this country's GDP, the medical care industry certainly requires effective and financially prudent management to achieve its purpose. Greater numbers of health care organizations are adopting business principles in order to compete in the current marketplace.

This course will explore the idea if health care can be managed in a competitive and market based environment, the current issues affecting the health care industry, what approaches not-for-profit health care organizations can take to remain viable, and the phenomenon of the mergers and acquisition process and its underlying value determinants in the health care sector.

A primary objective of this course is to provide the student and next generation of managers with a practical and working knowledge of the health care industry with a particular emphasis on how economic principles can help to elucidate the relationship between providers, patients, payers, and the government.

The learning objectives for the course are as follows:

- Understand and explain the major "players" in the health care sector—from payers to providers to insurers to patients—and the incentives each face.
- Understand and explain dominant payment models in the US health care sector and how they affect investment decisions.
- Understand and explain the "patient's journey" and all the varied touchpoints associated with health care delivery.
- Understand and explain why health care reform is so challenging.

Assessment:

1. Discussion: 10%
2. Midterm: 40%
3. Final Exam: 50%

Grading: A = 93-100, A- = 90-92, B+ = 87-89, B = 83-86, B- = 80-82, C+ = 77-79, C = 73-76, C- = 70-72, D+ = 67-69, D = 60-66, F = <60

Required Text: *Health Policy Issues: An Economic Perspective, 7e*, Paul J. Feldstein, Health Administration Press (HPI). Students may purchase this book directly from the website ache.org/hap/Feldstein7E and receive a 40% discount off the list price using **PROMO CODE hp7**. Ebooks are available for 180 day rental as well through VitalSource.com.

Other Information:

- Our class D2L site will include course material and supplementary readings throughout the term.
- Exams will be a mix of short answer and multiple choice and will be done online on D2L. More details to come.
- I will only send email to you using your DePaul email.

Course Outline**Week 1, January 4-10**

Review of course requirements and overview of the Health Care Industry

HPI Chap 1

Week 2, January 11-17

Health Care Financing in the United States

HPI Chaps 2, 3

Week 3, January 18-24

The Elephant in the Room: COVID-19

Readings TBD

Week 4, January 25-31

The Insurance Industry and Insurance Markets

HPI Chaps 6, 7, 20

Week 5, February 1-7

The Supply Side of Medicine: Physicians

HPI Chaps 4, 12, 13

MIDTERM EXAM

Week 6, February 8-14

The Supply Side of Medicine: Hospitals

HPI Chaps 15, 16, 17

Week 7, February 15-21

The Supply Side of Medicine: Pharmaceuticals

HPI Chaps 25, 26, 27, 28

Week 8, February 22-28

Health Care Technology and Assessment

HPI Chap 22

Drummond, et al. *Methods for the Economic Evaluation of Health Care Programmes* 2nd Ed.
Chapter 3, Oxford U Press, 1997.

Week 9, March 1-7

The Government Sector

HPI Chaps 8, 9 10, 31

Week 10, March 8-14

Health Care Reform

HPI Chaps 34, 35, 36, 38

FINAL EXAM