

Syllabus
ECO 540: The Business of Health

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Winter 2022

Course meets **in person DePaul Center 7305 + Flex** (via Zoom): Thursdays 5:45-9:00pm—**except for the first two weeks of the course, which will be done only on Zoom (link in D2L)**

Office hours: 4:30-5:30pm Thursdays: I'll be in my office in the Economics Department (room 6217) & on Zoom (see D2L for link). Alternatively, whenever you want by appointment.

Despite starting the term online, I want us to be together in a classroom again! There are many benefits to being in a classroom together—you'll get to know your fellow students better, you'll learn better with fewer distractions, and you'll get to know me better. But we do not know what the future will bring so we'll simply have to roll with whatever the world brings. Once we switch back to in-person, I strongly encourage you to attend class in-person. But "life happens" and sometimes we cannot attend in person so that's why we're using a Flex format. You can Zoom into class and still participate in our discussion. If circumstances require that you participate remotely, I will strongly prefer that you have your cameras on while we're "in class" together. And should you have to miss class you can still view the recording. But you shouldn't make this a habit: you cannot participate (10% of your grade) if you do not attend!

Most classes we will have visitors from industry remotely join us. Additionally, I will load asynchronous content to our D2L to augment class lectures. I will expect you to view any videos and the assigned 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. One-minute papers† 10%
3. Midterm: 40%
4. Final Exam: 40%

† For the one-minute paper I ask you to turn in (on D2L) **prior** to every class the answer to two questions regarding the material assigned that week: 1. What’s the most important thing you learned in the readings/lecture, and 2. What’s the one thing you wish you understood better.

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 3-9

Review of course requirements and overview of the Health Care Industry

HPI Chap 1

Week 2, January 10-16

Health Care Financing in the United States

Guest

HPI Chaps 2, 3

Week 3, January 17-23

The Elephant in the Room: COVID-19

Speaker: Andrew Friedson, PhD, presentation

Readings TBD

Week 4, January 24-30

The Insurance Industry and Insurance Markets

Guest speaker:

Andrea Bennett, PhD

CVS Aetna

Derek Robinson, MD

BCBS-IL

HPI Chaps 6, 7, 20

Week 5, January 31- February 6

The Supply Side of Medicine: Providers

Guest speaker:

Jose Guardado, PhD

American Medical Association

Marko Vujicic, PhD

American Dental Association

HPI Chaps 4, 12, 13

MIDTERM EXAM

Week 6, February 7-13

The Supply Side of Medicine: Hospitals

Guest speaker: Andrew Gerber, MD, PhD

CEO Silver Hill Hospital

HPI Chaps 15, 16, 17

Week 7, February 14-20

The Supply Side of Medicine: Pharmaceuticals

Guest speaker: TBD

HPI Chaps 25, 26, 27, 28

Week 8, February 21-27

Health Care Technology and Assessment

Guest speaker: TBD

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, February 28 – March 6

The Government Sector

Guest Speaker:

Sam Kleiner, PhD

FTC

Erik Byro, MA

CMS

HPI Chaps 8, 9 10, 31

Week 10, March 7-13

Health Care Reform

Guest speaker: TBD

HPI Chaps 34, 35, 36, 38

FINAL EXAM