

# Transforming the Delivery of Healthcare Services

**B8118**

PROFESSOR CATHERINE FOSTER (MAILMAN SCHOOL OF PUBLIC  
HEALTH)

AND

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*SUBJECT TO CHANGE*

## A. ADMINISTRATIVE INFORMATION

### Contact Information

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TA: TBD

Office hours: Please send either of us an email to arrange for a meeting.

## REQUIRED COURSE MATERIAL

There is no textbook for this course. See assigned readings linked on Canvas. All cases are available for purchase at the link specified on Canvas. Before each session, students will be provided with a handout which accompanies slide presentations. Students may find it useful to bring a notebook or other materials on which to take notes. Relevant materials from each class will be posted on Canvas on the day after class.

*Lecture Notes* I will post the lecture slides on Canvas after each class, but note that the slides are not a complete record of all that is discussed in class. It is recommended that you take notes during the class as a supplement to the slides.

## B. COURSE DESCRIPTION

In the US, healthcare spending in 2018 amounted to \$3.6 trillion and 18 percent of GDP. This course provides an advanced, critical analysis of the delivery and payment of healthcare services in the U.S., with a focus on the actions that innovative firms are taking to improve the quality of patient care, manage the escalating costs of providing such care, and enhance business performance. It will analyze the attractiveness and feasibility of new approaches to address the challenges facing providers, payers, and patients operating in an inefficient, misaligned, and fragmented healthcare system. Particular emphasis will be given to the impacts of health care policy and regulation.

The course will be useful for students interested in careers in health system management; health insurance; healthcare IT; healthcare consulting and banking; private equity; investment management; health policy; entrepreneurship in the healthcare services sector; and pharmaceuticals, medical devices, and diagnostics. There will be guest lectures by a variety of major leaders in healthcare business and policy.

### C. CONNECTION TO THE CORE

The learning in this course will utilize, build on, and extend concepts covered in the following core courses:

Core Course	Connection with Core
Strategy Formulation	<ol style="list-style-type: none"><li>1. Competitive analysis</li><li>2. Strategic differentiation</li></ol>
Leadership and Organizational Change	<ol style="list-style-type: none"><li>1. Influence &amp; persuasion</li><li>2. Teams</li></ol>
Managerial Economics	<ol style="list-style-type: none"><li>1. Pricing with market power</li><li>2. Barriers to entry</li></ol>
Managerial Statistics	<ol style="list-style-type: none"><li>1. Variability</li><li>2. Linear regression</li></ol>
Operations Management and Strategy	<ol style="list-style-type: none"><li>1. Alignment of business strategy and processes</li><li>2. Managing quality</li></ol>

**Important note:** Although there are no prerequisite courses, students **must** have a good working knowledge of the U.S. healthcare delivery system to be successful, including:

- the structure, organization, and financing of hospitals and health systems
- physician practice patterns and compensation systems
- the Medicare and Medicaid systems
- insurance companies and types of health plans
- the role of employers in healthcare

# D. CLASS SCHEDULE (GUEST SPEAKERS SUBJECT TO CHANGE)

Session	Topic	Assignments
Week 1	<b>Introduction and overview</b> <ul style="list-style-type: none"> <li>Factors leading to the current turmoil in the U.S. healthcare system</li> <li>Preview of major transformation strategies</li> <li>Covid-19 upheaval (so far)</li> <li>Health expenditure trends and implications</li> </ul>	<b>Reading</b> Health Insurance Coverage and Health: What the Evidence Teaches Us, <i>NEJM</i> Waste vs. Value in American Health Care, <i>NYTimes Economix Blog</i>
Week 2	<b>The role of insurers in the transformation of healthcare</b> <ul style="list-style-type: none"> <li>Insurer and employer initiatives</li> <li>Impacts of the ACA</li> <li>Network contracting</li> <li>Factors behind and impact of consolidation/M&amp;A</li> </ul>	<b>Reading</b> Summary of the Affordable Care Act, <i>Kaiser Family Foundation</i> Evaluating the Impact of Health Insurance Industry Consolidation, <i>Commonwealth Fund</i> <b>Case study</b> Oscar Health Insurance: What Lies Ahead for a Unicorn Insurance Entrant?
Week 3	<b>Transformation in health systems</b> <ul style="list-style-type: none"> <li>Case mix, payer mix, payment systems</li> <li>Streamlining and standardizing processes of care</li> <li>Working with insurers and employers</li> <li>Aligning with physicians</li> </ul>	<b>Reading</b> At Virginia Mason, Collaboration among Providers, Employers and Health Plans to Transform... <i>Health Affairs</i> Mayo's Tricky Task: Revamp What Works, <i>Wall Street Journal</i> <b>Case study</b> Intermountain Health Care <b>Guest speaker</b> Arthur Klein, President, Mount Sinai Health Network
Week 4	<b>Transforming ambulatory care</b> <ul style="list-style-type: none"> <li>New ambulatory care delivery models</li> <li>Caring for the elderly</li> <li>The changing roles of healthcare professionals</li> </ul>	<b>Reading</b> Reducing Practice Variation at Crystal Run Healthcare, <i>Health Affairs</i> Health in Aging: Past, Present, and Future, <i>NEJM</i> <b>Case study</b> CareMore Health System <b>Guest speaker</b> Hal Teitelbaum, Founder and CEO, Crystal Run Healthcare
Week 5	<b>Population health</b> Social and behavioral determinants of health <ul style="list-style-type: none"> <li>Using community workers to improve care and cut costs</li> </ul>	<b>Reading</b> The Hot Spotters, <i>The New Yorker</i> How Economics Can Shape Precision Medicines, <i>Science</i>

	<ul style="list-style-type: none"> <li>• Accountable care organizations</li> <li>• Patient engagement</li> <li>• The challenges and opportunities of precision medicine</li> </ul>	<b>Guest speaker</b> Manmeet Kaur, Founder and CEO, City Health Works
Week 6	<b>Technology and patient access to care; perspectives on the future; course summary</b> <ul style="list-style-type: none"> <li>• Healthcare IT application areas</li> <li>• Evidence-based medicine and healthcare IT</li> <li>• The growing role of telehealth</li> <li>• Opportunities and challenges in transforming to a better healthcare delivery system</li> <li>• Course wrap-up and discussion</li> </ul>	<b>Reading</b> Disconnects in Transforming Healthcare, <i>NEJM Catalyst</i>  Opportunities to Expand Telehealth Use Amid the Coronavirus Pandemic, <i>Health Affairs</i>  <b>Case study</b> Stanford Medicine: Health IT Purchasing Decisions in a Complex Medical Organization  <b>Guest speaker</b> Linda Green, Cain Brothers & Company Professor of Healthcare Management, Columbia Business School; Faculty Director, Healthcare and Pharmaceutical Management Program

## **E. COURSE REQUIREMENTS AND GRADING**

Grading will be based on participation (20%), case write-ups (40%), and a take-home final (40%).

### **1) Class Participation (20% – Individual/Type B)**

Class participation will be based on attendance using a sign-in sheet, as well as the extent and quality of contributions to class discussions. In-class discussions are an integral part of the course, and students are expected to contribute to the learning experience of the class by asking relevant questions and offering insights into the topic at hand. Quality of contribution matters (much) more than quantity. However, students should feel free – indeed obliged – to ask clarifying questions when they are not following what is happening in lecture. Particularly important to the participation grade will be students' participation during days when we analyze case studies.

### **2) Written Assignments (40% – Individual/Type B)**

You will be expected to submit four written assignments. The reports will address specific questions that will be available on Canvas and should be no more than one page. Each is due electronically before class and will form the basis of some of the class discussion. Even if you do not submit a written assignment, you will be expected to have read the assigned material and be able to discuss it. Late assignments will not be accepted unless there is an exceptional circumstance. Under the business school designation, these assignments are Type B. You may discuss the assignments in groups, but you must hand in your own individually written report. Grades will be assigned on an individual basis and the grade will be out of a maximum of 10 points. You can expect cold calling will be used for these assignments and responses will count towards your class participation grade.

### **3) Take-Home Final Exam (40% – Individual/Type B)**