Core Course in Health Policy 2019-2020
Health Policy 2000B/SUP958/HPM246

Class Meetings
Tuesday & Thursday, 4:15-6:00pm
14 Story Street, 4th Floor Conference Room

Instructors
Joseph Newhouse
Harvard Kennedy School; Department of Health Care Policy, HMS;
Department of Health Policy and Management, HSPH
617-432-1325
Joseph_Newhouse@harvard.edu
Office Hours: By appointment

Richard Frank
Department of Health Care Policy, HMS
617-432-0178
frank@hcp.med.harvard.edu
Office Hours: By appointment

Alan Zaslavsky
Department of Health Care Policy, HMS
617-432-2441
zaslavsk@hcp.med.harvard.edu
Office Hours: By appointment

Teaching Fellow
Rebecca Gourevitch
gourevitch@g.harvard.edu
Office Hours: By appointment

Course Overview

This yearlong seminar is required for doctoral candidates in health policy and is open to others by permission of the instructor. The course is intended to familiarize students with the health policy research literature and selected questions in the field.

The course is organized around lectures by faculty from the Faculty of Arts & Sciences, the Kennedy School of Government, the T.H. Chan School of Public Health, the Medical School, the Business School, and the Law School. Discussion sessions will be interspersed with the invited lectures and will examine the policy relevance, research methods, and technical details of many of the presented topics in more depth.

Readings

Readings for the course will generally consist of journal articles assigned by the guest lecturer and should be read in advance of each lecture. When provided by the lecturers, the syllabus
includes an overview of the goals for the lecture and identifies key points for which to read in order to help you better prepare for class.

The majority of assigned readings are available electronically. Links are provided in the syllabus and on Canvas (under “Modules”), or students can search for the articles using the Harvard E-Research website: http://e-research.lib.harvard.edu or HOLLIS+: http://hollis.harvard.edu. Some readings are available on the course website. Where readings are not available electronically or on the course website, it is suggested that students use the Harvard Library’s Scan & Deliver service: http://library.harvard.edu/scan-deliver.

It is also suggested that you purchase the following books, which are available on reserve at the HKS Library:


**COURSE REQUIREMENTS**

**Written Assignments:** 67%
Written assignments will include short essays, a literature review, critical appraisals of published research papers, and a 10-15 page research proposal that students will develop throughout the Spring semester. Due dates for the spring semester are as follows:

- 2-3-Paragraph Update on Research Proposal: **2/6**
- Article Critique/Essay #3 (Research Methods): **3/12**
- 2-page Description of Study Design/Methods: **3/26**
- Essay #4 (Economics of Health Care): **4/16**
- Presentation of Research Proposal: **4/16** and **4/23** (6:00-8:00 pm)
- Final Research Proposal: **5/5**

The research proposal should be written in the form of an F31 predoctoral fellowship application to NIH or AHRQ. You should download the instructions for PHS form 398 at http://grants.nih.gov/grants/funding/phs398/phs398.html. Go to Section 5.5 “Content of Research Plan” and follow the instructions. Note that there is a human subjects section, which pertains to the next requirement.
To prepare for the final literature review assignment, there will be intermediate written deliverables, as written above. We will also have two optional but highly encouraged sessions after class to workshop your ideas throughout the semester. These two sessions will be
- February 4th from 6:00-7:30pm
- March 10th from 6:00-7:30pm

**Attendance & Participation:** 33%

This course meets twice per week. Students are expected to attend and participate in the 2-hour lecture and discussion sessions. This participation includes reading 3-4 relevant articles assigned by the lecturers prior to each class. If you are unable to attend a lecture, please let the teaching fellow know by email in advance of the session.

You will be expected to actively participate in each course session by listening attentively to your peers and constructively contributing to the conversation. The rubric below provides evaluation criteria for your class participation.

<table>
<thead>
<tr>
<th>Frequency of Participation</th>
<th>Exemplary (90%-100%)</th>
<th>Proficient (80%-90%)</th>
<th>Developing (70%-80%)</th>
<th>Needs improvement (&lt;70%)</th>
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<tr>
<td>Student is always able to answer discussion questions when called on and initiates contributions in each class session.</td>
<td>Student mostly able to answer discussion questions when called on and initiates contributions in most sessions.</td>
<td>Student is able to answer discussion questions when called on half of the time and occasionally initiates contributions in class sessions.</td>
<td>Student mostly is unable to answer discussion questions when called on and rarely initiates contributions in class sessions.</td>
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<tr>
<td>Never dominates the conversation (preventing others from having an opportunity to contribute)</td>
<td>Rarely dominates the conversation (preventing others from having an opportunity to contribute)</td>
<td>Occasionally dominates the conversation (preventing others from having an opportunity to contribute)</td>
<td>Frequently dominates the conversation, (preventing others from having an opportunity to contribute)</td>
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<tr>
<td>Listening/Attentiveness</td>
<td>Student listens attentively to both faculty and peers, and regularly offers comments that build on the class discussion and others' remarks.</td>
<td>Student is mostly attentive during class and offers comments that build on others' remarks.</td>
<td>Student is sometimes inattentive and rarely makes comments based on others’ contributions.</td>
<td>Does not pay attention in class or make comments based on others’ contributions.</td>
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remarks (i.e. the student hears what others say and contributes to the dialogue).

| Quality of Comments | Student contributions always indicate careful attention to assigned readings and are always insightful and constructive. | Student contributions mostly indicate careful attention to assigned readings and are mostly insightful and constructive. | Comments are sometimes constructive and informed, with occasional signs of insight. | Comments do not reflect careful reading and are not constructive. Comments are not relevant to discussion. |

**Human Subjects Training:**
To pass the Spring semester, students must complete an online Human Subjects Training Course and present verification by May 5th. The training can be accessed through the following link: [https://www.citiprogram.org/default.asp](https://www.citiprogram.org/default.asp). Students should do the Basic Course in the Protection of Human Subjects for Social and Behavioral Research Investigators. For affiliation, please select Harvard University (Cambridge/Allston Campus). Completed training certificates should be e-mailed to both Rebecca (gourevitch@g.harvard.edu) and to Colleen Yout (colleen_yout@harvard.edu).

**Grades:**
Grades will be assigned separately for the first semester and the second semester.

**Academic Honesty:**
Students must observe Harvard University rules regarding the citation of sources. Any sentences or paragraphs taken verbatim from the writing of any other person or persons, or from your own writing that has been published elsewhere, must be placed in quotation marks and their source must be clearly identified. Changing the wording of a sentence or passage slightly does not evade the requirement for citation. Indeed, whenever you are drawing an important argument or insight from someone else, even if you reword it into your own words, a reference to the source is required. Including material from others in the assignments without appropriate quotation marks and citations is regarded, as a matter of School and University policy, as a serious violation of academic and professional standards and can lead to a failing grade in the course, failure to graduate, and even expulsion from the University.
Please note that locations of readings are indicated in brackets beside each citation. Email the teaching fellow if you have any trouble accessing the readings.

SECTION VI: SPECIFIC POPULATIONS (SECTION LEADER: RICHARD FRANK)

1/28: Mental Health Policy (R. Frank)
In this session, we will discuss the evolution of mental health delivery in the U.S. We will review the history of mental health policy, recent improvements in delivery and the on-going challenges facing policy makers in the area. Better but Not Well (by Frank and Glied) provides a basic grounding in the history of successes and challenges in the behavioral health system over the past 50-60 years, and will give you important background on many of the key issues facing the system today.

- Huskamp, HA. Mental Health Insurance Parity – How full is the glass? [Courseweb]

1/30: Aging and Long-Term Care (R. Katz)

Required readings:
- Stone, Robyn I. Developing a Quality Direct Care Workforce: Searching for Solutions. Public Policy and Aging Report, Volume 27, Issue 3,
Addition Readings (optional):


- How do Older Baby Boomers Envision Their Quality of Life if They Need Long-Term Care Services? LeadingAge, January 2019. [https://leadingage.org/sites/default/files/HOW%20DO%20OLDER%20BABY%20BOOMERS%20ENVISION_FINAL.pdf]


General Resources (optional):


### 2/4: Disability (N. Maestas)

This lecture examines reasons for the rapid increase in disability insurance receipt over the last several decades, including the incidence of disabling health problems, treatment of pain, changes in health insurance policy, and moral hazard by workers and their employers.

#### Required Reading


#### Optional Reading


2/6: Disparities (M. Alegria)
This session will be concerned with disparities by race-ethnicity. Topics covered include: What is a “disparity” in health care? What of the differences in health care use we observe across populations indicates something unfair? How do disparities come about in a health care system where providers are oriented to provide health care treatment in response to patient’s need? Sources of discrimination -- bias, stereotyping and information-based discrimination – will be explained and discussed.

Required Reading:

Further readings of interest:
2/6 ASSIGNMENT DUE: 2-3 Paragraph Update on Research Proposal
(Reviewed by JN/RF/AZ)
SECTION VII: RESEARCH DESIGN AND METHODS (SECTION LEADER: ALAN ZASLAVSKY)

2/11: Quasi-Experimental Designs for Health Policy Research (L. Garabedian)
In this session, we will (1) examine threats to internal validity that are common in health policy research, (2) evaluate different study designs on their ability to protect against these threats to internal validity, (3) introduce rigorous quasi-experimental research designs, including difference-in-differences, interrupted time series and regression discontinuity, and (4) discuss the conditions under which each quasi-experimental design is feasible and appropriate.

Required Readings:
The following readings are primers on difference-in-differences (DiD), interrupted time series (ITS) and regression discontinuity (RD):

  - Primer on regression discontinuity.
- A brief summary of DiD and ITS that I created for HMS students. [Courseweb]

The following two articles, which we will discuss in class, apply these three study designs:

  - Plus skim Appendices A and B.
  - Policy evaluation that uses difference-in-differences and interrupted time series. Be prepared to discuss this article in detail.

  - Policy evaluation that uses regression discontinuity. Be prepared to discuss this article in detail.

Finally, this article uses health policy research cases to demonstrate common threats to validity and weak vs. robust study designs.

Optional:

  - Review Internal Validity, pages 53 – 63.
  - Chapter 5 (Designs that Use Both Control Groups and Pretests)
  - Chapter 6 (Interrupted Time Series)
  - Chapter 7 (Regression Discontinuity)
  - Chapter 5 – Difference-in-Differences

2/13: Study Designs Overview & Machine Learning (A. Zaslavsky & S. Rose)

Please note: The questions below are intended to stimulate your engagement with the discussion. Please consider which interest you the most, prepare your own thoughts, and speak up when the class meets.

Required Readings:

  - Not necessary to do a close reading, but please review Chapters 1 & 2, and pages 246-269, 488-489

Optional Reading:

• Alan Zaslavsky, “Notes on Research Design and Data Collection,” 1995. [Courseweb]
Discussion questions:
1. What are the defining characteristics of a “causal relationship” or a “causal statement”?
2. What limitations on causal research (regarding data used and/or scientific questions addressed) are implied by complete compliance with SUTVA?

2/18: Estimands, Strategies, and Methods (J. Zubizarreta)
In this session, we will discuss different causal estimands, identification strategies, and estimation methods for causal inference and program evaluation. We will discuss how regression and matching, as particular cases of weighting, approximate a template, randomized experiment. We will discuss doubly robust estimators, and explore the tension between study interpretability and design, and statistical efficiency and computation.

Required Readings:

Optional Readings:

2/20: Experimental Design: The RAND and Oregon Health Insurance Experiments (J. Newhouse)

Please send Prof. Newhouse (newhouse@hcp.med.harvard.edu) the answers to these three reflection questions by 10am on the day before class (2/19).
1. What in the reading or the slides did you find most interesting? Briefly say why.
2. What in the reading or the slides did you find most puzzling or do you want me to go over in class?
3. What policy issue or issues did you feel most worthy of discussion in class? How would you frame the question you want discussed?

**Required Readings:**

  - Focus especially on chapters 1, 2, and Appendix B for 2/20. Results will be discussed more on 3/10.
  - Focus on methods in Appendix for 2/20; the results of the Oregon Experiment will be discussed on 3/10. Thus, for this class you only need to read through page 1071 of the article (Sections I-III) and the Appendix 1 and 2. There is a lot of detail in the Appendix that you can skim or skip altogether, but you should note the amount of documentation required in the event you run a field experiment.
Optional Reading:
- Joseph P. Newhouse, “The Design of the RAND Health Insurance Experiment: A Retrospective,” mimeo, available on the course website. [Courseweb]
  - This was an invited paper for publication, but a year later I haven’t even gotten referee comments back! That’s the mark of a poorly edited journal, but I enjoyed writing the paper anyway.

2/25: Impact Evaluation (J. Cohen)

Please read the Cohen & Dupas paper carefully as we will be discussing it in depth during class.

Required reading:

Optional reading:
- Easterly, W. 2006. The White Man’s Burden: why the West's efforts to aid the rest have done so much ill and so little good. Chapter 1 pp. 1-17. [Library]

2/27: Observational Studies of the HRRP (D. Cutler)

The goal of this session is to compare and contrast different ways of addressing a health policy issue. The issue chosen is whether CMS’s Hospital Readmissions Reduction Program (HRRP) resulted in a real reduction in hospital readmissions among Medicare patients. I would like you to be prepared to compare and critique the different approaches. What are the methodological issues in looking at the offset problem? What do you do when different studies reach different conclusions?
Required Readings:

  - An overview of the HRRP and its associated literature.

3/3: Study Designs Overview II (A. Zaslavsky)

Please note: The questions below are intended to stimulate your engagement with the discussion. Please consider which interest you the most, prepare your own thoughts, and speak up when the class meets.

Required readings:

understand what threat to validity each is intended to respond to.]


Optional:


Possible discussion questions:

1. What kinds of research questions are favored or disfavored by reliance on methods that depend on potential outcomes analysis under SUTVA? (You may refer to Krieger & Smith for some ideas.)
2. What are some kinds of average treatment effect (ATE) that might be relevant in drawing policy recommendations from a study? (See Li et al.)
3. What are some possible criticisms of the IV analyses in Sanghavi et al. and McClellan et al.? (Consider the objections raised by Garabedian et al.) Do the analyses adequately deal with them? What next steps should be taken in these analyses?
4. Rosenbaum (Sec. 3.1, 3.4) argues that competing theories are the best frames for empirical scientific investigations. Krieger & Smith (pp. 1790-1792) argue for “inference to the best explanation.” Are they talking about the same elephant?

SECTION VIII: ECONOMICS OF HEALTH CARE (SECTION LEADER: JOE NEWHOUSE)

3/5: Analysis and Applications: The RAND and Oregon Health Insurance Experiments (J. Newhouse)

Please send Prof. Newhouse (newhouse@hcp.med.harvard.edu) the answers to these three reflection questions by 10am on the day before class (3/4).

1. What in the reading or the slides did you find most interesting? Briefly say why.
2. What in the reading or the slides did you find most puzzling or do you want me to go over in class?
3. What policy issue or issues did you feel most worthy of discussion in class? How would you frame the question you want discussed?
  o Read whatever of the book you did not read for the session two weeks ago.
  o Chapter 4 is the most demanding technically. If you are having trouble you can skim it, although it has the important result that the effect of cost sharing appears to be primarily on the consumer’s/patient’s decision to initiate care.
  o Also be prepared to discuss how you would have designed the RAND experiment differently with the nature of hindsight; for thinking about this question you may want to review chapters 1 and 2.
  o Review the Finkelstein, et al. and Baicker, et al. papers on Oregon discussed in our prior session, and be prepared to discuss the differences in both the design and the conclusions of the RAND Experiment and the Oregon Experiment.


• Read any parts of the Finkelstein *QJE* article assigned for the 2/15 class that you did not read earlier.


3/10: Adverse Selection & Moral Hazard (T. Layton)
We will discuss two key phenomena affecting insurance markets -- moral hazard and adverse selection. The simple theory of optimal insurance with moral hazard is demand for one good with one price. There are a number of generalizations that are important, such as cross-price effects, mistakes in consumer preferences and others, covered in Section 2 of the McGuire review paper in the *Handbook* Vol. 2.

There are two major forms of adverse selection inefficiencies. The first is that given restrictions on premiums charged to consumers, people choose the wrong plan. The basic model for this is in Einav-Finkelstein. The second form is that plans distort their product to attract winners/deter losers. The theory of this “service-level selection” is presented in Layton et al. Alternative reading for Layton et al is Geruso and Layton.

*Required Readings:*


**Optional Readings:**


  - Focus on Sections 3 and 6


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**Optional Research Proposal Discussion Section II:**

March 10 from 6:00 – 7:30

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**3/12: Medicaid (B. Sommers)**

This session explores the policy and economic underpinnings of Medicaid. Topics include understanding the history of the program prior to the Affordable Care Act; impacts of Medicaid on low-income beneficiaries’ access to care, financial resources, and health; the ACA’s large expansion in coverage that began in 2014; and potential reforms to the program in the coming years.

**Required Reading:**

1) *Basic Overview of Medicaid*

2) Economic Analyses of Medicaid


3) Proposed Reforms to Medicaid


4) Background Reading from Prior Sessions (Skim/refresh your memory!):


3/12 Assignment DUE: Essay #3 Article Critique

3/14 – 3/22 SPRING RECESS

3/24: Economics of Medicare Payment and Financing (Z. Song)

This session focuses on key concepts in provider payment and financing in traditional Medicare and Medicare Advantage. We will first discuss the determination of provider prices for medical services, variation in prices by site of care and insurance, and implications for provider behavior. We will then discuss Medicare Advantage plan payment, plan behavior, and implications for beneficiaries. This session will help set up the subsequent sessions on payment and incentives. 

*Required Readings*
  - A concise review of RBRVS and current considerations for improving value.

  - Helpful comparison of unit prices between these three segments of insurance.

  - A great overview of the introduction and evolution of private plans in Medicare.

  - A review of competitive bidding in Medicare Advantage and plan behavior.

### 3/26: Provider Payment and Risk Adjustment (T. McGuire)

The purpose of this session is to introduce some ideas around the design of provider payment and contracting policy.

**Required Readings**

  - Introduction
  - Chapter 1: Fee-for Service Medicine and Its Discontents
    - These parts of Newhouse review some of the problems with fee-based regulation.
  - In paying physician groups (medical homes), a “mix” in payment with some prospective element is a good thing.

**Optional Readings**

3/31: Payment Systems & Provider Incentives (A. Sinaiko)
In this session we will discuss using provider payment as a tool for optimizing quality, efficiency and other intermediate delivery system goals. The focus here will be on the practical and empirical experience of provider payment as implemented in a variety of real-world contexts.

  - Read p149-156. Remainder of article may be of interest, but is optional.

4/2: Pharmaceuticals (A. Jena)


4/7: Antitrust and the Industrial Organization of Health Care (M. Shepard)
This class introduces the economics underlying competition in health care markets. A key concern with market competition is that large firms will exercise their market power to raise prices and/or underinvest in quality. Industrial organization (IO) is the field of economics that studies market power and competition, and antitrust regulation is its main policy application.

This class focuses on basic economic models of market power, with an application to health insurance markets. It also discusses the use of market design policies to shape outcomes in imperfectly competitive insurance markets.

Readings:

  o Please read to the end of section 2 (through page 12)]


Optional classic reading:


4/9: Health Insurance Markets and Market Design (V. Curto)
This class discusses the rise of “regulated competition” in various contexts in the U.S. healthcare system, such as Medicare Advantage, the ACA marketplaces, and Medicaid managed care. We will consider the problems that can arise in health insurance marketplaces. We will discuss the tools available to regulators to address these problems. Finally, we will examine how economic models can be used to inform market design in these settings.

Readings:


4/14: Antitrust (L. Dafny)
This class discusses the role of antitrust enforcement in preventing anticompetitive conduct and thereby promoting and preserving competition. We will focus on the case history and economic frameworks utilized in the past and present to evaluate and challenge same-market “horizontal” hospital mergers.

Readings:
- Japsen B. “FTC ruling on hospitals may raise mergers bar.” Chicago Tribune, August 7, 2007. [Courseweb]
  - Read subsection 5.3.2 and skim subsection 5.3.3. Note 5.3.3 references notation in sections that are not assigned; it’s ok to skip the formulae.

4/16 ASSIGNMENT DUE: Essay #4 (Economics of Health Care)

4/16: PRESENTATION OF RESEARCH PROPOSALS, Group 1 (6:00-8:00PM)

4/16: Behavioral Economics and Global Health (M. McConnell)
4/21: Benefit Design (M. Chernew)

*Reference Pricing:*

*VBID:*

*Tiered Networks:*

*HDHPs:*

*Optional*
4/23: PRESENTATION OF RESEARCH PROPOSALS, Group 2 (6:00-8:00PM)

4/23: Behavioral Economics and Health Care (R. Zeckhauser)


- CBO, The Budget and Economic Outlook 2014 to 2024 Appendix B and C (Feb 4, 2014) [https://www.cbo.gov/publication/45010]

4/30-5/6 SPRING READING PERIOD

5/5 at 11:59 PM ASSIGNMENT DUE: Research Proposal

5/7-5/16 SPRING EXAM PERIOD