POLITICAL SCIENCE 520

HEALTH CARE POLICY AND POLITICS

Spring Semester 2014

Prof. B. A. Rockman
2216B Beering Hall
765-494-4161/64
barockma@purdue.edu

Office Hours: Th 3:00-5:00 & By Appointment

Course Description:

This course is designed for both graduate students and upper class undergraduates. For the most part, but not entirely, you will perform the same assignments but I will hold the graduate students to more rigorous standards.

As with any policy area, but seemingly intensified in health care, there are a complex set of considerations influencing policy and what we think policy should be. These considerations borrow from many disciplines including philosophy (moral theory and ethics); economics; management; medical sociology; public health; history; law; and, last but hardly least, political science. There will be some introduction to all of these concerns.

Simply put, the health care problem can essentially be boiled down to three concerns: access to the health care system; the quality of health care; and the costs of health care. Ideally, we would like to maximize access to high quality health care at sustainable levels of cost. Unfortunately, it is not entirely clear that there is an optimization strategy for doing this. Policy analysts call such non-optima problems “wicked problems”. Health care is such a problem.

Although all rich countries are experiencing higher health care demand (and costs) as a consequence of their aging demographic profiles and low fertility rates, costs in the U.S. have soared to over 18% of Gross Domestic Product (GDP) and are expected to rise to at least 20% by the end of this decade. In other words, about 1/5 of the US economy will be devoted to health care. Other rich nations, Canada, Germany, Japan, France, Britain and others spend far less as a proportion of their economies. Despite this greater effort, results in the US tend to be poor. The US health care system spends a great deal more per capita than other rich countries, but the outcomes are no better and, more frequently, a good deal worse. Unraveling why this is so – as well as demonstrating that it is so – is one of the fundamental objectives of the seminar.

In policy analysis, science and facts count for a lot. In politics, ideologies and interests count for a lot. In policy analysis, there are ground rules constraining what one can reasonably infer and
what separates fact from fiction. In politics anybody can say anything, no matter its truth value, and have a reasonably good chance of getting away with it. It is fair to say that a great many efforts to reform our health care system have floundered on the rocky shoals of our politics. So, we need to understand the nature of our politics – and why and how it is different from other countries that spend less but achieve more. We also need to understand how our health care system got to be as it has, how major interests – insurance companies, pharmaceutical companies, and health care and hospital systems – have become such powerful players. At the same time, we often engage in wishful thinking that a particular reform or set of reforms will achieve the outcomes we desire without unanticipated negative externalities. We crave certainty but uncertainty clouds policy choice and outcome.

The course also examines prior reforms in health care. The Affordable Care Act (a.k.a. Obamacare or Romneycare) is legislation which uses prior reforms such as Medicaid and Medicare extensively. Those antecedent reforms will be examined as will the ACA. The ACA increases access to health care and claims that it will reduce the rise in costs over the course of a decade. That remains to be seen. The ACA is a complex piece of legislation that carries with it numerous regulations, incentives, and emphases on evidence-based medicine. We will examine (at least in bird’s eye view since the bill ran well over 2,000 pages) this legislation, how it came about, and its prospects for widening access, ensuring quality, bending the cost curve, its redistributional effects, and the effects on suppliers of health care.

The gold standard for making wise choices is predicated upon evidence-based practices. However, often the evidence is incomplete or evolving or there are flaws in studies. When do we know enough? We also look at the role that anecdotes play in politicians’ messaging and people’s means of relating to complexity. In this context, we also note the role of interest groups in the health care system and their resistances to evidence that runs counter to their organizational interests.

Assignments:

Undergraduates

There will be two principal assignments for the seminar. The first will be an in-class exam on Tuesday (March 11). It will be closed book and will consist of some multiple choice questions, some short identifications, and one or two essay questions. You will have 90 minutes to complete it. Please bring green books, as they are now called, and remember to put your name on the test books. The purpose of this exam is to evaluate your understanding of key concepts, ideas, and data pertaining to health care policy and politics. No computers or digital phones will be allowed to be opened. After the exam, we will take a short break and begin class. Graduate students should expect to arrive at approximately 8:00 P.M.

The second assignment will involve a research project that will also demand the ability to argue from different angles or perspectives on a problem. Most of April will be devoted to preliminary
presentations of your findings and assessments and the opportunity to provide feedback for you to work on the final product. You should expect the final product to be in the vicinity of 4,000—5,000 words outside of tables, graphs, diagrams and other data presentations and bibliographic references. Each paper should have a reasonably sized bibliography. **Final papers will be due no later than May 6 by 5:00 P.M.** I will ask students to present preliminary findings and ideas during April and to have these subject to construction suggestions and critiques from your fellow inmates, er, classmates as well as myself. Graduate students can be mentors to undergrads.

In addition, once the seminar really gets rolling, I expect everyone to actively participate and to do so in a way that reflects both being up to date with the readings and clearly focusing on class discussions.

For the undergraduates in the class, the mid-term exam will count for 30% of your grade, the final research paper 50%, and class participation, indicating your preparation, 20% of your grade.

**Graduate Students**

There will be two principle assignments for graduate students. One will be a final take home examination to be **due May 2 by 5:00 P.M.** The other will be a Final Research Paper **due May 6 by 5:00 P.M.** See the section above for undergrads as to an appropriate length of the paper. Graduate students may have an upper range of 6,000 words minus the non-text items noted above. I will ask students to present preliminary findings and ideas during April and to have these subjected to constructive suggestions and critiques from your peers as well as myself.

Once the seminar gets rolling, I expect everyone to actively participate and to do so in a way that reflects being up to date with the readings and clearly focusing on class discussions.

The final exam and research paper will each count for 40% of your grade (80% in total) and class participation for the remaining 20%.  

**Course Objectives**

There are four principal objectives to the seminar. The first is to enable students to understand the complexity of the health care problem, morally, financially, and politically, and the way it is affected by the characteristics of our social structure and how, in turn, it affects both the welfare of the society and the finances of government, firms, and households. The second is to enable students to compare how the problem of financing health care and insuring citizens (and non-citizens) is met elsewhere. All systems have some problems which they deal with in different ways. The third is to understand the nature of path dependencies built up in any given system over time, how interests are vested, what alternatives become plausible, who has to be paid off, etc. that biases on behalf of the status quo and makes inter-connected change extremely complicated. Many reforms may be desirable. But few are politically feasible. The
fourth is to pay attention to data and hard boiled analysis and tune out the political baloney to find out where the cost drivers in health care are, what the quality of health care is, and who will lose out if the cost curve is significantly bent. Engagement in the seminar is very important as is preparation in order to engage intelligently.

Materials to be Obtained

There are 6 books (all in paperback) to be purchased for this seminar and one journal issue (a special issue of Public Administration Review).


The readings for the course will come from these six books, the journal, PAR, and some materials to be acquired over the internet, including some other journal articles, working papers, and newspaper articles.

In addition, you will be expected to go beyond these readings in your research projects.

Schedule and Readings:

January 14:

Intro to Seminar and Overview – Health Care as a Wicked Problem; Pieces of the Elephant – philosophical issues, economic issues, public health and medical issues, the sociology of the medical profession; the business of the medical profession; and the politics of health care;
the role of cost shifting in the health care system; access, quality, and costs as values; the relationship of health care to other issues, e.g., budgets, labor markets; path dependencies – interest groups, advocates, practices. How can we know what is true? – measurement, specification, normal science. Analytics versus ideology. Introduction to concepts of adverse selection and moral hazard.

No Reading

January 21:

Continuation of Issues from 1/14 – and the American exception

January 28:

Social Insurance and Health – Public Health and Medical Access; the US as Outlier

Professor Bert Chapman, Reference Librarian for Political Science

Presentation by Professor Albert Chapman, the reference librarian for political science on accessing health care related documents, legislation, and data. You may feel free to continue being in touch with Professor Chapman regarding documents you may need for your projects.

Reading:


Brasfield, Health Policy, pp. 1-49.


February 4:

The US as an Outlier in Health Care: Dependent Paths, Longevity, and Inequality

Reading:


February 11:

Comparative Health Systems: System Types – Is the Grass Always Greener?

Reid, The Healing of America, pp. 1-83; 203-260.

Brasfield, Health Policy, pp. 203-213.


February 18

National Parameters, Path Dependencies, and the Fate of Health Care Reform: The Cases of Canada and the United States

Reading:

Boychuck, National Health Insurance in the United States and Canada (whole book).

February 25

Cost Drivers and Cost Containment in Health Care

Reading:


March 4

The Politics of Health Care: Interests, Fragmentation, Dependent Paths and Entitlement Controversies

Reading:

Brasfield, Health Policy, pp. 165-202.

Jacobs and Skocpol, Health Care Reform and American Politics, expanded edition (whole book)


March 11 –First Half of this Class midterm in class exam; Second Half will focus on the topics below

The Uninsured, the Underinsured, Moral Hazard, and Uncompensated Care Costs

Reading:

March 18

SPRING BREAK – NO CLASS

March 25 – Medicare and Medicaid

Reading:

A. Medicare


B. Medicaid


Thompson, *Medicaid Politics*.

April 1 – The Affordable Care Act (a.k.a. “Obamacare”) – What Will It Do?

Reading:


Public Administration Special Issue, *The Health Care Crucible: Post-Reform Challenges for Public Administration*, ed. Frank J. Thompson 73 (Sept./Oct. 2013). Please read the following articles:

Thompson, “Health Reform, Politicization, and Administration”, S3-S12.

White, “Cost Control After the ACA”, S24-S33.


April 8 – Evidence Based Health Care & Summing Up—What Do We Know and Not Know and What Should We Do?

Reading:


Brasfield, Health Policy, pp. 215-225.


April 22 –Research Team Presentations: Part 2.


A Note on Plagiarism

Plagiarism is a form of property theft and intellectual dishonesty. It occurs when you appropriate someone else’s words (or data) without attribution. The consequences of plagiarism are severe. Where I suspect plagiarism has occurred, I will require anyone so suspected to meet with me. Depending upon the nature of the violation, the violator may fail an assignment or the course or be reported for violation of dishonorable conduct. I say this to forewarn you, not to berate you. Please be careful and be specific in citing sources.

Some Possible Research Paper Topics
Alternative Methods of Health Care Rationing and Their Impacts
Why Are Comprehensive Reforms so Difficult in the U.S.?
Economic and Political Rationality – Social Insurance Models, Poor Laws, and Incentives for Consumer Sovereignty
Inequality and Health Care – Causes and Effects
Analysis of Cost Drivers – Significant and Insignificant Factors
The Role of Political and Social Structure, Race, Ethnicity, Language, and Identity in the Development of Health Care Insurance Systems
Ideologies, Interests, and Institutions as Factors in Explaining the Development of the Social Insurance State
Coping with Demographics – How are Different Systems Managing It; Compare at least one other comparable OECD country to the US; What explains differences/similarities?
Moral Hazard and Adverse Risk in Health Care: How Can Both Be Minimized, If Possible?
Integration or Competition: What Model Works Best? Evidence?
How Can Evidence-Based Medicine Work If the Evidence is Disputed or Incomplete?
Hope, Aspiration, and Reality in “Desired” Health Care Reforms
What is Quality in Health Care?
Who Wins? Who Loses? Assessing the Affordable Care Act
Alternative Models of Health Care (see T.R. Reid): Analyze Their Strengths and Weaknesses & Make a Case for Your Preference, and Explain Why
Certainty and Uncertainty in Policy Assessment and Analytics – Who and What Can We Trust (If Anything)?
+ More