

Management in the Healthcare Sector

MGT 3662

Fall 2014

T-Th 9:35 – 10:55 a.m. Room 203

Course Description

This course will explore the healthcare sector in its most comprehensive sense. It will analyze the healthcare “system” across the continuum of patient care – from prevention, to early detection, to diagnosis and treatment, to palliative care. Students will gain exposure to and knowledge of the many components of the industry, including issues in finance, accounting, supply chain, organizational behavior, strategy, healthcare IT, ethics, regulatory policy, and workforce planning and development. Emphasis will be placed on where contemporary management practice can engage for improvement, within the limits allowed by the exercise of clinical judgment.

Course Purpose

The healthcare sector is a large and growing percentage of the nation’s GDP, and yet it is one of the most disjointed and complex industries in America. The sector is in great need of systems-oriented management during this time of rapid change and significant stress.

This course is designed to provide insight and working knowledge of the healthcare sector for those students considering a career in the field. It will demonstrate its vast complexities regarding the regulatory environment, the decentralized and disaggregated nature of the sector, the dynamics of managing within a clinical setting, and the rapidly-changing landscape of financing the industry by multiple parties.

Focus

The course will explore the dynamic tension between medicine and business, medicine and policy, and the many external influences in how healthcare is delivered in the U.S. The course will demonstrate effective examples of managing this inherent friction in a multi-disciplinary approach.

Students from the Scheller College of Business will become aware of career opportunities in healthcare finance, operations, marketing, and organizational behavior.

Students in Engineering will see many applications in systems, IT, digital devices, and biomedical engineering.

Students from Engineering, Business, Policy and the Sciences who are contemplating a career in Medicine, Dentistry, Nursing, or Physical Therapy will have a better appreciation for the environment in which they will work, with a special exposure to the dynamic state of change in which the medical arts have been traditionally practiced.

Approach

The course will use illustrative cases, special readings, and guest speakers to provide a foundation for class participation. Students successfully completing this course will have an advantage in pursuing a career in healthcare management by using an appreciation for the complexity of the industry and the common language in the industry. The course is highly participative and makes extensive use of group work. At the beginning of the semester each class member self-identifies as one three groups based on career aspiration – Pre-Med, Engineering or Sciences, or Business/Policy. These classifications are blended to form small groups, making for a set of rich, diverse discussions.

Course Objectives

On successful completion, this course will enable students to:

- Articulate the major shifts underway in healthcare due to transformation
- Understand the primary relationships among hospitals, medical practices, public and private insurance, and public health
- Describe the commercialization processes in pharmaceuticals and medical devices
- Demonstrate understanding the differences between the U.S. healthcare sector and those of the rest of the industrialized nations, and describe the high-cost/low-results experienced by the U.S.
- Understand the role of ethics in healthcare management, particularly with end-of-life care, privacy with healthcare IT, and resource allocation

Required Readings

The healthcare industry in the U.S. is currently under significant transformation and is changing so rapidly that textbooks are all out-of-date. Therefore, required readings will consist of current events, both provided by the Professor and the news clipping service Zite www.zite.com, available on iPad, iPhone, and Android devices.

Cases

Wheeling Cardiology Associates, HBS| TCG139-PDF-ENG

ThedaCare: System Strategy 708424-PDF-ENG

When Supply is of Public Interest: Roche & Tamiflu, HBS 9-609-061

The cases above may be ordered directly from HBS Press:

<https://cb.hbsp.harvard.edu/cbmp/access/27961595>

Cases provided by the Professor:

Against All Odds: the Successful Hospital Merger that Formed Children's Healthcare of Atlanta, William J. Todd and Kristin Watkins BA '12

The Harbin Clinic: Early Adoption of EMR Advantages and Challenges, William J. Todd and Margaret Singletary, BA '12

The Rollins School of Public Health: Strategic Business Decisions in the Academic Realm, by William J. Todd and Francis LaRossa, BA '12

Work Plan

- Course Construct and Value Proposition. An examination of the high cost of healthcare in the United States, with the corresponding low health status compared to the rest of the world, including emerging nations as well as the developed world. A comparison of healthcare vs. health.

Session 1: Aug 19 – Introductions and Class Organization, Review of Syllabus.

Session 2: Aug 21 -- The Health of Americans: the Cost/Value Dichotomy

- Public Health

A look into the domestic and global public health infrastructure, with special emphasis on the Centers for Disease Control. A historical review of the elimination of certain diseases (smallpox, plague, diphtheria) and the prospects for others (polio, malaria) with a view of the role of management in these efforts.

Session 3: Aug 26 -- Video: Presentation by Dr. William Foege, Bill and Melinda Gates Foundation, former Director of the Carter Center, former Director of the CDC, on the occasion of his awarding of the Ivan Allen, Jr. Prize for Social Courage

Case: The Rollins School of Public Health: Strategic Business Decisions in the Academic Realm, by William J. Todd and Francis LaRossa, provided by the Professor

Session 4: Aug 28 – Guest Lecture: Jim Curran, MD, MPH, Dean, Rollins School of Public Health, Emory University, *Public Health, the CDC, and Solving the AIDS Crisis*

Session 5: Sep 2 – Video: *And the Band Played On*

Session 6: Sep 4 – Video: continued. Discussion and Analysis

- Primary Care

Insights into the role of primary care in moving from healthcare to health, including trends in prevention, medical home, and accountable care organizations. Emphasis on the role of electronic medical records in coordination of care between primary and specialty care.

Session 7: Sep 9 – Healthcare Workforce Planning: Imbalance between Primary Care and Specialty Care

Session 8: Sep 11 -- Guest Speaker: Dr. William Warren, CEO/Founder, Good Samaritan Health Clinic, *Primary Care – the Backbone of the Healthcare System*

Session 9: Sep 16 – Group Exercise: Selecting a Primary Care Physician

- Healthcare IT

An understanding of the poor utilization of IT in the industry compared to other industries (banking, transportation, retail, etc.), the unique problems of an industry with few standards, and the lack of significant market share of any players and the barriers that exist for widespread adoption and portability of medical information. Prospects for industry turmoil with the 2014 mandate in place for 100% adoption.

Session 10: Sep 18 – The State of Healthcare IT: Video and Discussion, *If Airlines Worked like Healthcare*

Session 11: Sep 23 – Case: The Harbin Clinic: Early Adoption of EMR Advantages and Challenges, William J. Todd and Margaret Singletary (**Graded – Individual Assignment**)

Session 12: Sep 25 – Guest Speaker: Pam Arlotto, IE '80, CEO Maestro Strategies. *The HITECH Act and the Rush to “Meaningful Use.”*

- Pharmaceuticals and Medical Devices

Prospects for dramatic advances in diagnosis and detection based on major advances in sensor technology and advanced imaging through nanotechnology. Exposure to product development issues, FDA requirements, medical liability, and the role of management in forecasting markets and business cases. An appreciation for the process of discovery, development, testing, and marketing in the prescription drug industry, including issues in pipeline development of new products and market analysis on selecting therapeutic targets.

Session 13: Sep 30 -- Guest Speaker: Tiffany Wilson Karp, Executive Director, Global Center for Medical Innovation (GCMI), *Medical Devices*

Session 14: Oct 2 -- Case: When Supply is of Public Interest: Roche & Tamiflu (HBS Case 9-609-061). (**Graded-Group Assignment**)

Session 15: Oct 7 -- Guest Speaker: Leanne West, MS Physics '94, MS EE '97 Chief Engineer for Pediatric Technologies, GTRI, *The Raschbaum Grasper*

Session 16: Oct 9 -- Guest Speaker: Cheryl Weldon, ChE '85: Vice President, Investor Relations (ret'd), Novoste Corporation, *Clinical Trials*

- Hospitals and Integrated Health Systems -- A historical look at the role of the non-profit model, the nature of philanthropy, the growth in for-profit systems, and market consolidation. A look to the future with particular emphasis on the pressures of health reform and engineered innovation. An analysis of merger dynamics.

Session 17: Oct 16 -- Case: ThedaCare: System Strategy Michael E. Porter; Sachin H Jain, Harvard Business Publishing, 708424-PDF-ENG

Session 18: Oct 21 -- Case: Against All Odds: the Successful Hospital Merger that Formed Children's Healthcare of Atlanta, William J. Todd and Kristin Watkins (**Graded-Group Assignment**)

Session 19: Oct 23 -- **Mid-Term Exam**

Session 20: Oct 28 – Case: Wheeling Cardiology Associates, HBS| TCG139-PDF-ENG

Session 21: Oct 30 – Guest Speaker: T.E. Hassett III, IM '70, Retired Hospital Executive, *Hospital 101*

Session 22: Nov 4 – Guest Speaker: Dr. Dan Salinas, Children's Healthcare of Atlanta, *The Role of the Medical Director*

- Future Trends in Healthcare

A forecast for the role of management in using tools in process re-design, bioinformatics, personalized medicine, and outcomes assessment for improving the cost/value equation.

An examination of the simultaneous highly-regulated and free-market environment in US healthcare compared to the rest of the world, and how it creates opportunities and inefficiencies with particular management challenges.

Session 23: Nov 6 – Guest Speaker – Kelley Hundt, EE '88, Georgia Tech Enterprise Innovation Institute, *Opportunities for Lean Principles in the Healthcare Setting*

- Health Insurance and Healthcare Finance

A comparison of the traditional large pool, shared risk systems with new capitated models, health maintenance organizations, and the role of government programs (Medicare/Medicaid/S-CHIP/VA) on private insurance, plus the presence of uncompensated care on all private payors.

Session 24: Nov 11 – Lecture: The Affordable Care Act

Session 25: Nov 13 – Guest Speaker: Dr. Rob Schreiner, Executive Medical Director, Kaiser Permanente, *Healthcare Transformation: the Intersection of Insurance, Finance and Performance*

Session 26: Nov 18 – Guest Speaker: Mendal Bouknight, President, Piedmont Foundation, *The Role of Philanthropy in Healthcare*

- **Medical Ethics**

A look at the growing ethical challenges presented by advanced technology, rationed care, end-of-life care, and the responsibilities and duties of management in ensuring the highest standards

Session 27: Nov 20 – Ethical Issues in Healthcare

Lecture: Case studies and exercise

Session 28: Nov 25 – Group Reports on Ethical Cases

Session 29: Dec 2 -- Guest Speaker: Dr. Karen Head, Director, Communication Center, *“The Heart of Medicine”*

Session 30: Nov 4 – Semester Review

Exam 2, Final Exam – Tuesday, December 9, 8:00 – 10:50 a.m.

End of Semester

Course Administration

Exams

In order to assess how well class participants understand the concepts presented in the course and to provide feedback for improvement, students will complete a mid-term exam and a final exam. Material covered will come from readings, case studies, class discussion, and guest lectures.

Students are expected to abide by the Georgia Tech Honor Code

<http://www.catalog.gatech.edu/rules/18b.php>

Class Participation

Class participation is a critical part of this course. A total of 50 points out of the possible 500 will be related directly to a demonstration of critical thinking and analysis of the issues covered in our review of the course material. In the great tradition of the leading business schools in America, students will be both called upon (cold calls) by the professor, and also be recognized by raised hands to answer a question or provide a comment. In many cases, there are no right answers, but rather relevant contributions to the class discussion by thoughtful comments and ideas.

Speaking in the large class and in the small groups assembled from time to time is an important skill for leaders, whether in medicine, engineering, or business. Students are encouraged to think of this class as a laboratory to develop these skills.

If a student does not participate in class discussion they will receive no class participation points and thus will receive no points toward the maximum of 50. **In the experience of the Professor, it is very unlikely that a student who does not participate in class discussions will earn a top grade in the course.**

The Professor will indicate if a student's class participation merits a class a participation point that day **by handing that student \$1 of Buzz Bucks for each high quality response that day which is pertinent and reflective of critical thinking and absorption of reading materials.**

At the end of each class period, the sign-sheets will be collected and the points transferred to a spreadsheet. Point standings will be updated on T-Square periodically.

The Professor will use the class participation sheets from each of the class periods to access the amount of class participation contributed by each student, and the Professor will use his own notes and memory to additionally access the quality of each student's class participation. It is important to remember that the quality, not just the quantity, of a student's class participation is critical in determining if a student's grade should be increased by class participation points.

The class participation points offered in this class are intended to promote (i) reading the course material indicated in the syllabus prior to each class, (ii) participation in the lectures to help create an open discussion and case study learning format for the class, and (iii) practice speaking skills necessary in a career.

There may be some extra credit participation points to be earned by students attending a lecture during the semester, either at Georgia Tech or Emory. The Professor will announce those opportunities that arise in class and post the particulars in Announcements on T-Square.

Laptop Policy

Smartphones, laptops, and tablets are an integral part of modern life, and this is a senior-level elective course, so no laptop prohibition will be necessary. However, please be mindful that inappropriate social use of a laptop can be very distracting to a student behind you, and is very disrespectful to your fellow students. It is also quite disrespectful to the high-level guest speakers who will often present in class, will make a bad impression on you and Georgia Tech to someone who can be very helpful to you in your job search or medical school admission.

On occasion, laptops will be needed for a group project during class and an announcement will be made verbally or on T-Square.

T-Square/Changes to the Syllabus

Grades and attendance, class presentations, announcements, and student resource materials will be loaded to this site. It is the student's responsibility to check the web site before each class session. Any changes to a specific class session syllabus and discussion questions will be posted no later than 24 hours before the effected class session

Grades

Grades will be earned as follows:

- Mid-Term Exam – 150 points
- Class Participation – 50 points
- Case Analysis Reports – 150 points
- Final Exam – 150 points

450-500 points = A
400-449 points = B
350-399 points = C
300-349 points = D
< 300 = F

Contact

William J. Todd
Professor of the Practice
Executive Director for Health Care Initiatives
Scheller College of Business
Georgia Tech
800 W. Peachtree Street
Room 420
Atlanta, Georgia 30308
404-385-2312
<http://scheller.gatech.edu/todd>
Office Hours: Monday 3:00-4:00 pm/Wednesday 2:00-3:00 pm