

**School of Government**

**MAPP 568**  
**APPROVED PERSONAL COURSE OF STUDY**  
**(‘HEALTH POLICY’)**  
**(15 Points)**

**Trimester 2 / 2009**

**COURSE OUTLINE**

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**Names and Contact Details**

**Course Coordinator:**       **Dr Jackie Cumming**  
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**Office Hours:**             8.30am to 5.00pm, Monday to Friday

**Trimester Dates**

Monday 13 July to Saturday 14 November 2009

**Withdrawal Dates**

Students giving notice of withdrawal from this course after **Friday 24 July 2009** will NOT receive a refund of fees.

Students giving notice of withdrawal from this course after **Friday 25 September 2009** are regarded as having failed the course, unless the Associate Dean subsequently gives approval to withdraw.

Notice of withdrawal must be in writing / emailed to the Masters Administrator. Ceasing to attend or verbally advising a member of staff will NOT be accepted as a notice of withdrawal.

## **Class Times and Room Numbers / Course Delivery**

This course has no set class times. The candidate will complete the reading, study and assessment items over the course of the trimester and according to the agreed milestones. The course coordinator will be available for discussion and provide feedback as required by the candidate.

## **Course Content**

This course provides an overview and analysis of health policy and management, with a particular focus on New Zealand and Indonesia, although the course will also consider current policy issues in New Zealand, as well as recent policy developments in the United States, Canada, the United Kingdom and Europe. There are eight broad topics covered in the course:

### **1. Introduction to health policy**

- The nature of health and health care, and health policy and health outcomes
- Market failure and government failure in health care
- Goals of health policy

### **2. Public and private roles and responsibilities in health care**

- Financing and purchasing policies
- Options for delivery and ownership
- The regulatory environment for health care systems

### **3. Health policy in New Zealand**

- New Zealand health and health care goals
- Treaty of Waitangi / Māori health
- Key issues in New Zealand health care
- Reforming New Zealand's health care system
- The politics of health care policy in New Zealand

### **4. Financing health care**

- Alternative means of financing health care; Strengths and weaknesses of alternatives

### **5. Purchasing health care**

- Alternative arrangements for purchasing health care (integration of purchasing and provision; purchaser-provider split; contracting for services)
- Deciding on priorities
- Alternative arrangements for paying providers

### **6. Providing health care**

- Regulating health care professions
- Reforming provision
- Workforce and skill-mix issues
- Integrated care, managed care, disease management

## **7. Competition in health purchasing and provision**

- The role of competition in meeting health and health care goals

## **8. Performance management in health care**

- Developments in performance management in health care

## **Course Learning Objectives**

The course aims to help participants to:

- Gain knowledge of broad trends and issues surrounding health policy and health care systems;
- Understand conceptual and policy issues surrounding the roles of financing, purchasing, providing and regulating health care;
- Have a good understanding of the New Zealand and Indonesian health care systems and the key policy and management issues in a number of other OECD countries;
- Develop a capacity to see the merits and demerits of different institutional arrangements and to evaluate health care systems in terms of their performance in relation to particular policy goals.

## **Expected Workload**

The learning objectives set for each course are demanding and, to achieve them, candidates must make a significant commitment in time and effort to reading, studying, thinking, and completion of assessment items outside of contact time. Courses vary in design but all require preparation and learning. Regular learning is necessary (students who leave everything to the last moment rarely achieve at a high level). Expressed in input terms, the time commitment required usually translates to 65-95 hours (excluding class contact time) per course.

## **Readings**

Reference is particularly made to the following two books:

- Scott, C (2001) Public and private roles in health care systems, Buckingham, Open University Press.
- Gauld, R. (2<sup>nd</sup> Ed, 2009) Revolving Doors: New Zealand's Health Reforms, Institute of Policy Studies and Health Services Research Centre, Victoria University of Wellington.

A reading list is attached. Participants are provided with a coursebook which includes the essential readings for the course. Some material is also available on the World Wide Web; these are listed with the web site addresses. Additional reading for the assessment requirements and for interest is also set out on the reading list.

## **Assessment Requirements**

Two pieces of work are required: An introductory essay of 2,500 words (40%), followed by a case study of 4,000 words (60%).

*Introductory essay 2,500 words, 40%, due by 5.00pm on Monday 14 September 2009.*

### *Financing health care*

The five main approaches to financing health care are through out-of-pocket payments, private health insurance, social (or public) health insurance, government financing through tax-based systems, and donations (including from international agencies). Provide a critique of the financing arrangements for health care in Indonesia, with a particular emphasis on the key strengths and weaknesses of each arrangement in relation to the goals of allocative efficiency, administrative efficiency, equity in financing and equity of access to care.

*Case study 4,000 words, 60%, due by 5.00pm on Friday 13 November 2009.*

### *Issues in health care financing, organisation and provision*

Consider one country – NZ, Australia, UK, USA, the Netherlands, or another country as agreed with the Course Coordinator (e.g. Indonesia) – and assess how well existing approaches to the organisation and provision of health care services promote allocative efficiency, technical efficiency, equity of access, and choice goals. Make recommendations for changes to improve the performance of the system, providing reasons for why you think the changes you suggest will improve performance for each of these goals.

If you wish, you can choose to focus on one particular aspect of the health system – such as indigenous health, mental health, primary health care, etc.

**Please submit ALL assignments by email to [jackie.cumming@vuw.ac.nz](mailto:jackie.cumming@vuw.ac.nz)**

**Students should keep a copy of all submitted work.**

*Note: Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.*

## **Mandatory Course Requirements**

Submit or participate in all pieces of assessment required for this course.

## **Deadlines and Failure to Meet Due Dates**

The ability to plan for and meet deadlines is a core competency of both advanced study and public management. Failure to meet deadlines disrupts course planning and is unfair on students who do submit their work on time. It is expected therefore that you will complete and hand in assignments by the due date. Marks will be deducted at the rate of five per cent for every day by which the assignment is late and no assignments will be accepted after five working days beyond the date they are due. For example, if you get 65% for an assignment, but you handed it in on Monday when it was due the previous Friday, you will get a mark of 50%.

If ill-health, family bereavement or other personal circumstances beyond your control prevent you from meeting the deadline for submitting a piece of written work or from attending class to make a presentation, you can apply for and may be granted an extension to the due date. You should let your course coordinator know as soon as possible in advance of the deadline (if circumstances permit) if you are seeking an extension. Where an extension is sought, evidence, by way of a medical certificate or similar, may be required by the course coordinator.

## **Communication of Additional Information**

Additional information may be provided in class, by post, by email or via Blackboard.

## **Other Information**

For the following important information, follow the links provided:

### **Academic Integrity and Plagiarism**

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

### **General University Policies and Statutes**

<http://www.victoria.ac.nz/home/about/policy/academic.aspx>

### **Faculty of Commerce and Administration Offices**

<http://www.victoria.ac.nz/fca/studenthelp/Contactus.aspx>

### **Manaaki Pihipihinga Programme**

[http://www.victoria.ac.nz/st\\_services/mentoring/](http://www.victoria.ac.nz/st_services/mentoring/)

## Reading List

Numbered readings are in the course book. Those readings highlighted are the core focus of this course; other readings are for further reading.

### **Recommended books:**

- Scott, C (2001) Public and private roles in health care systems, Buckingham, Open University Press. [I will also leave a copy with Maggy Hope, Health Services Research Centre]
- Gauld, R. (2<sup>nd</sup> Ed, 2009) Revolving Doors: New Zealand's Health Reforms, Institute of Policy Studies and Health Services Research Centre, Victoria University of Wellington.

### **Topic 1 Introduction to Health Policy**

Readings provided in course book:

1. Evans, R. G. and G. Stoddart (1994). Producing health, consuming health care. Chapter 2 in Why Are Some People Healthy and Others Not? The Determinants of Health of Populations. R. G. Evans, M. L. Barer and T. R. Marmor. Hawthorne, Aldine de Gruyter: 27-64.
2. 'Health and health care', Chapter 12 in Barr, N. (1998). The Economics of the Welfare State. Stanford, Stanford University Press.

Reading in Recommended book:

'Introduction', Chapter 1 in Scott, C. (2001). Public and Private Roles in Health Systems: Reform Experience in Seven OECD Countries. Buckingham, Open University Press.

Available on World Wide Web:

King, A. (2001) The New Zealand Health Strategy. Wellington, Ministry of Health. Available at [www.moh.govt.nz/publications](http://www.moh.govt.nz/publications)

King, A. (2001). The Primary Health Care Strategy. Wellington, Ministry of Health. Available at [www.moh.govt.nz/publications](http://www.moh.govt.nz/publications)

OECD (2008) Health Status Determinants: Lifestyle, Environment, Health Care Resources and Efficiency. Economics Department Working Papers no. 627. [http://www.oalis.oecd.org/oalis/2008doc.nsf/LinkTo/NT0000363E/\\$FILE/JT03249407.PDF](http://www.oalis.oecd.org/oalis/2008doc.nsf/LinkTo/NT0000363E/$FILE/JT03249407.PDF)

## **Topic 2      Public and Private Roles and Responsibilities in Health Care**

Readings provided in course book:

3. 'Public and private roles in health care systems', Chapter 2 in Scott, C. (2001). Public and Private Roles in Health Systems: Reform Experience in Seven OECD Countries. Buckingham, Open University Press.

## **Topic 3      Health Policy in New Zealand**

Readings provided in course book:

4. 'Whaingā Māori', Chapter 11 in Durie, M. (1998). Whaiora: Māori Health Development. Auckland, Oxford University Press.
5. Cumming, J. and G. Salmond (1998). Reforming New Zealand health care. Markets and health care: a comparative analysis. W. Ranade. New York, Addison Wesley Longman.
6. Cumming, J. and Mays, N. (2002) "Reform and counter reform: how sustainable is New Zealand's latest health system restructuring?" Journal of Health Services Research and Policy 7 (Supplement 1): 46-55.
7. Ashton, T., Cumming, J, McLean, J. (2004) Contracting for health services in a public health system: the New Zealand experience. Health Policy, 69 (1): 21-31.

Available on the World Wide Web:

Hefford, M. and Crampton, P. (2005). Reducing health disparities through primary care reform: the New Zealand experiment. Health Policy 72: 9-23.

Available at <http://journals.elsevierhealth.com/periodicals/heap>

Ministry of Health (2005). Health Expenditure Trends in New Zealand 1990-2003. Wellington, Ministry of Health. Available at [www.moh.govt.nz/publications](http://www.moh.govt.nz/publications)

King, A. and Turia, T. (2002). He Korowai Oranga: The Māori Health Strategy. Wellington, Ministry of Health. Available at [www.moh.govt.nz/publications](http://www.moh.govt.nz/publications)

Cumming, J and the Health Reforms 2001 Research Team Reports on Health Reforms 2001 Research Project. Health Services Research Centre. Available at [www.vuw.ac.nz/hsrc](http://www.vuw.ac.nz/hsrc)

Cumming J, and the Primary Health Care Strategy Research Team Reports on the Evaluation of the Primary Health Care Strategy. Health Services Research Centre. Available at [www.vuw.ac.nz/hsrc](http://www.vuw.ac.nz/hsrc)

#### **Topic 4      Financing Health Care**

Readings provided in course book:

8. 'Methods of funding health care', Chapter 4 in Donaldson, C., Gerard K., Jan, S., Mitton, V., and V. Wiseman. (2005). Economics of Health Care Financing: The Visible Hand. 2<sup>nd</sup> edition. Basingstoke, Macmillan.
9. Bryant, J., Sonerson, A., Tobias, M., Cheung, J., and McHugh, M. (2005). Population ageing and government health expenditure. New Zealand Treasury Policy Perspectives Paper 05/01.
10. Appleby, J., and Harrison, A. (2006). Spending on Health Care: How Much is Enough? London, King's Fund.

Available on World Wide Web:

Thomson, S., Mossialos, E., and Jemai, N. (2003). Cost Sharing for Health Services in the European Union. European Commission. Available at [www.euro.who.int/observatory](http://www.euro.who.int/observatory)

Chapters 1, 2, 3 in Mossialos, E, Dixon, A, Figueras, J & Kutzin, J (2002). Funding health care: options for Europe. European Observatory on Health Care Systems. Available at: [www.euro.who.int/observatory/Publications/20020524\\_21](http://www.euro.who.int/observatory/Publications/20020524_21)

Ministry of Health (2008). Health Expenditure Trends in New Zealand 1990-2006. Wellington, Ministry of Health. Available at [www.moh.govt.nz/publications](http://www.moh.govt.nz/publications)

#### **Topic 5      Purchasing Health Care**

Readings provided in course book:

11. Forder, J., Robinson, R., Hardy, B. (2005). Theories of Purchasing. In Figueras, J., Robinson, R., Jakubowski, E., (2005). Purchasing to Improve Health Systems Performance. Maidenhead, Open University Press, pp. 83-101.
12. LeGrand, J. and W. Bartlett, eds. (1993). Chapter from Quasi-markets and Social Policy. Basingstoke, Macmillan.



13. Mooney, G (1994). "Priority setting in health care". Chapter 3 from Key Issues in Health Economics. Hemel Hempstead, Harvester Wheatsheaf.
14. Ashton, T., J. Cumming, & Devlin, N. (2000). "Priority-setting in New Zealand: translating principles into practice." Journal of Health Services Research and Policy 5(3): 170-175.

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| <b>Topic 6</b> <b>Providing Health Care</b> |
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Readings provided in course book:

15. 'Models and techniques of managed care', Chapter 1, and 'Summary of overall evidence on managed care', pp. 115-120 in Robinson, R. and A. Steiner (1998). Managed Health Care. Buckingham, Open University Press.
16. Chaix-Couturier, C, Durand-Zaleski, I, Jolly, D & Durieux, P (2000). "Effects of financial incentives on medical practice: results from a systematic review of the literature and methodological issues." International Journal of Quality in Health Care, 12(2):133-142.

Available on the world wide web:

Saltman, R. (2006). Drawing the strands together: primary care in perspective. In Saltman, R., Rico, A., and Boerma, W.G.W., (2006), Primary Care in the Driver's Seat? Maidenhead, Open University Press, pp. 68-82.

Also available at [www.euro.who.int/observatory/Publications/20060117\\_1](http://www.euro.who.int/observatory/Publications/20060117_1)

Sibbald, B., Laurant, M., and Scott, A. (2006). Changing task profiles. In Saltman, R., Rico, A., and Boerma, W.G.W., (2006), Primary Care in the Driver's Seat? Maidenhead, Open University Press

Also available at [www.euro.who.int/observatory/Publications/20060117\\_1](http://www.euro.who.int/observatory/Publications/20060117_1)

Robinson, J.C. (2001). Theory and practice in the design of physician payment incentives. The Milbank Quarterly, 79 (2).

Available at [www.milbank.org/quarterly/7902feat.html](http://www.milbank.org/quarterly/7902feat.html)

Feachman, R.G.A., Sekhir, N.K. and White, K.L. (2002). Getting more for their dollar: a comparison of the NHS with California's Kaiser Permanente. British Medical Journal, 324 (733). Available at [www.bmj.com/](http://www.bmj.com/)

Mays, N. and K. Hand (2000). A Review of Options for Health and Disability Support Purchasing in New Zealand. Wellington, Treasury paper. Available at [www.treasury.govt.nz](http://www.treasury.govt.nz) under Working papers.

## **Topic 7            Competition in Health Purchasing and Provision**

Readings provided in course book:

17. Enthoven, A. C. (1994). "On the ideal market structure for third-party purchasing of health care." Social Science and Medicine 39(10): 1413-1424.
18. White, J. (2007). "Markets and Medical Care: The United States, 1993-2005. The Milbank Quarterly 85(3): 395-448.

## **Topic 8            Performance Management in Health Care**

Readings provided in course book:

19. Cumming, J. and Scott, C. (1998). "The role of outputs and outcomes in purchaser accountability: reflecting on New Zealand experiences." Health Policy, 46, 53-68.
20. Freeman, T., (2006). Performance measurement and improvement. In Walshe, K. and Smith, J. (2006). Healthcare Management. Maidenhead, Open University Press, pp. 300-320.

## **Additional Readings**

Reading in Recommended book:

'Public and private roles in health care systems', Chapters 3-5 in Scott, C. (2001). Public and Private Roles in Health Systems: Reform Experience in Seven OECD Countries. Buckingham, Open University Press.

Readings provided in course book:

21. Scott, C (2001). "Glossary". In Public and Private Roles in Health Systems: Reform Experience in Seven OECD Countries. Buckingham, Open University Press.
22. Culyer, A J (1991). "The promise of a reformed NHS: an economist's angle". British Medical Journal, 302: 1253-1256.
23. Klein, R. (1995). "Big bang health care reform - does it work?: the case of Britain's 1991 National Health Service Reforms." The Milbank Quarterly 73(3): 299-337.

24. Hurley, J., S. Birch, et al. (1995). "Geographically-decentralized planning and management issues in health care: some informational issues and their implications for efficiency." Social Science and Medicine 41(1): 3-11.
25. Bankauskaite, V & Saltman, R.B. (2007). "Central issues in the decentralization debate" in Saltman, R.B., Bankauskaite, V & Vrangbaek, K. Decentralization in health care. Maidenhead: Open University Press, pp. 9-21.
26. van de Ven, W.P.M.M & Schut, F.T. (2008). "Universal Mandatory Health Insurance in the Netherlands: A Model for the United States?" Health Affairs 27(3): 771-781.
27. OECD (2008). The OECD Health Project: Towards High-Performing Health Systems: Summary Report. Available at: <http://www.oecd.org/dataoecd/7/58/31785551.pdf>

**Websites worth watching, include:**

British Medical Journal site, with updates on United Kingdom health care and international policy: [www.bmj.com](http://www.bmj.com)

NHS website: [www.dh.gov.uk](http://www.dh.gov.uk)

Health Affairs site, with articles on developments in the USA: <http://healthaffairs.org>

Ministry of Health in New Zealand, with many documents now available electronically: [www.moh.govt.nz](http://www.moh.govt.nz)

European Observatory website, where a large number of country studies are reported: [www.euro.who.int/observatory](http://www.euro.who.int/observatory)

**Journal articles, book chapters, reports etc**

Davis, P. and T. Ashton (2001). Health and Public Policy in New Zealand. Auckland, Oxford University Press.

Ham, C. (1997). Health Care Reform: Learning from International Experience. Buckingham, Open University Press.

Health Benefits Review (1986). Choices for Health Care: Report of the Health Benefits Review. Wellington, Health Benefits Review.

Hospital and Related Services Taskforce (1988). Unshackling the Hospitals. Wellington, Hospital and Related Services Taskforce.

Le Grand, J., N. Mays and J.-A. Mulligan. (1998). Learning from the NHS Internal Market: A Review of the Evidence. London, King's Fund

Upton, S. (1991). Your Health and the Public Health: A Statement of Government Health Policy. Wellington, Minister of Health