

Instructor Resources Sample

This is a sample of the instructor materials for *The United States Healthcare System: Overview, Driving Forces, and Outlook for the Future*, by Stephen L. Wagner.

The complete instructor materials include the following:

- Presentation PowerPoints
- PowerPoints of the book's exhibits
- Answer guide to the in-book discussion questions
- Short answer and short essay questions

This sample includes the materials for chapter 1.

If you adopt this text, you will be given access to the complete materials. To obtain access, e-mail your request to hapbooks@ache.org and include the following information in your message:

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- Course level (graduate, undergraduate, or continuing education) and expected enrollment
- The use of the text (primary, supplemental, or recommended reading)
- A contact name and phone number/e-mail address we can use to verify your employment as an instructor

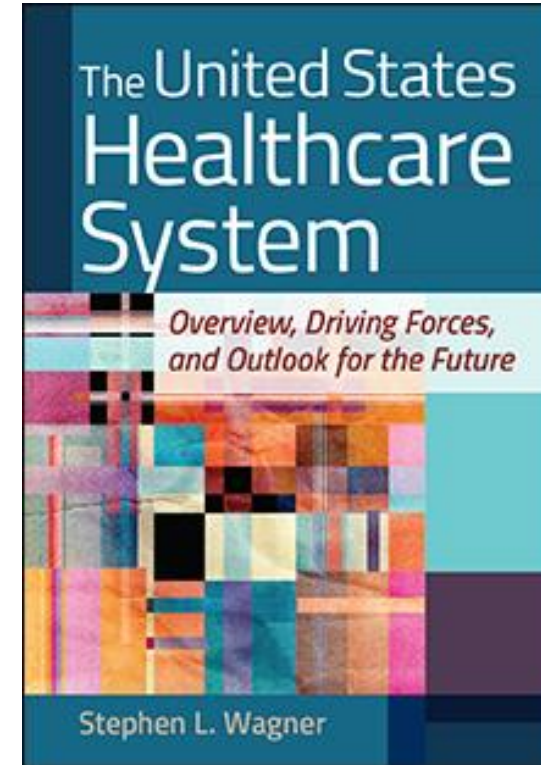
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*The United States
Healthcare System
Overview, Driving Forces, and
Outlook for the Future*

Stephen L. Wagner



Chapter 1

Introduction and Overview of the United States Healthcare System

General Characteristics That Differentiate the US Healthcare System

Learning Objectives:

- Understand the general characteristics that differentiate the US healthcare system.
- Evaluate “the conundrum” of cost, quality, and access.
- Understand the forces acting on the US healthcare system.
- Create a list of areas where America leads and where it lags other countries in healthcare.
- Remember the major sources of concern about the US healthcare system.
- Understand the payment system for healthcare in the United States.

General Characteristics That Differentiate the US Healthcare System

- The Conundrum
 - See exhibit 1.1.
 - Cost
 - Quality
 - Access
 - Provider well-being

General Characteristics That Differentiate the US Healthcare System

- See Exhibit 1.3.
- Physical Environment and Geography
 - Where we live
 - Access to care
- Legal Issues
 - Complex legal environment
 - Complex laws governing healthcare

General Characteristics That Differentiate the US Healthcare System

- Values
- Attitudes
- Beliefs

General Characteristics That Differentiate the US Healthcare System

- Large and Growing Problem: The Number of People with Chronic Medical Conditions
 - Heart disease (high blood pressure)
 - Asthma
 - Diabetes
 - Obesity

General Characteristics That Differentiate the US Healthcare System

- A Perfect Storm
 - See exhibit 1.4.
 - Coalescing of market forces
 - Pressure for change
 - Regulatory pressures
- Making Change Is Difficult
 - See exhibits 1.6 and 1.7.

General Characteristics That Differentiate the US Healthcare System

- Major Obstacles to Reform
 - There has been major resistance for change for nearly a century
 - A battle between market justice and economic justice
 - Diverse society
 - The American mindset
- We Are in a Transition State
 - We currently have multiple systems
 - Multiple payers
 - Multiple payment models

General Characteristics That Differentiate the US Healthcare System

- What Is Value?
 - A function of cost and quality
 - Patients often use factors other than clinical outcomes in determining value
 - Clinical outcomes are becoming easier to measure due to electronic systems and other technological tools

General Characteristics That Differentiate the US Healthcare System

- The Paradigm Shift
- Missing the Second Curve Paradigm Shift: The Kodak Story (The Kodak Camera)
- The Quartz Watch

General Characteristics That Differentiate the US Healthcare System

- By the Numbers
 - We spend more than any other country on healthcare
 - Almost 1 in every 5 dollars of our economy goes to healthcare
 - In spite of that, our outcomes for many population health issues are not as good as those of our peer group, which is other Western democracies with modern economies (OECD)

General Characteristics That Differentiate the US Healthcare System

- The Graying of America: US Census Projections
 - See exhibit 1.8.
 - One of the fastest growing groups of Americans
 - Roughly 10,000 people a day turn 65—the Boomers!
- Equality Is a Healthcare Issue
 - Race and healthcare
 - Gender and healthcare

General Characteristics That Differentiate the US Healthcare System

- End-of-Life Care
- Physician Shortage

General Characteristics That Differentiate the US Healthcare System

- The United States Leads the World in Many Ways
 - Medical research
 - Development of new technology

General Characteristics That Differentiate the US Healthcare System

- Pondering the Future
 - See exhibit 1.7 on paradigm shifts.
 - New payment structures
 - New technologies
 - New challenges

General Characteristics That Differentiate the US Healthcare System

- Key Takeaways
 - The Conundrum
 - See exhibit 1.5 future impacts.

The United States Healthcare System: Overview, Driving Forces, and Outlook for the Future

Exhibit Slides

EXHIBIT 1.1
Areas of Focus
for This Book

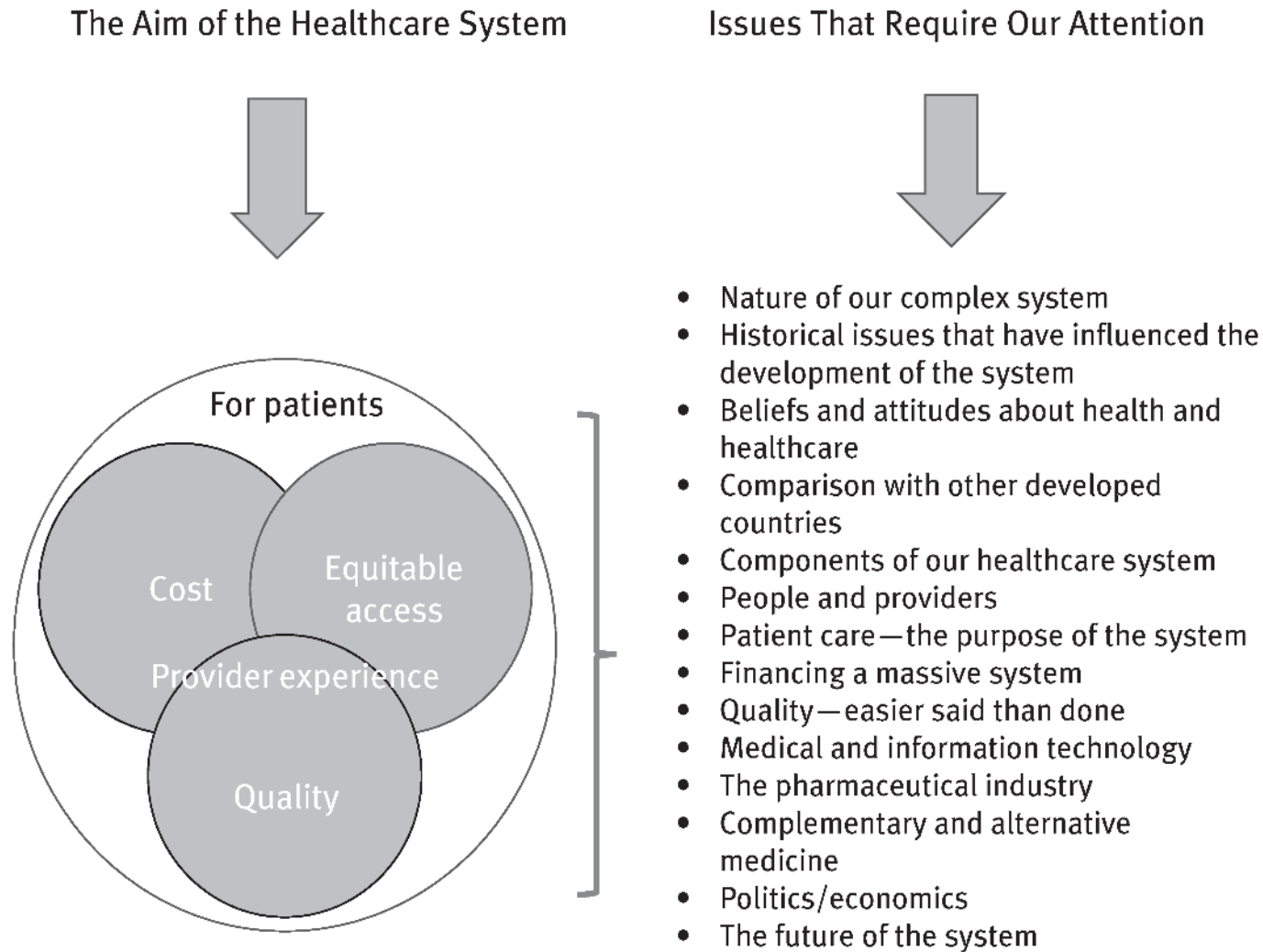
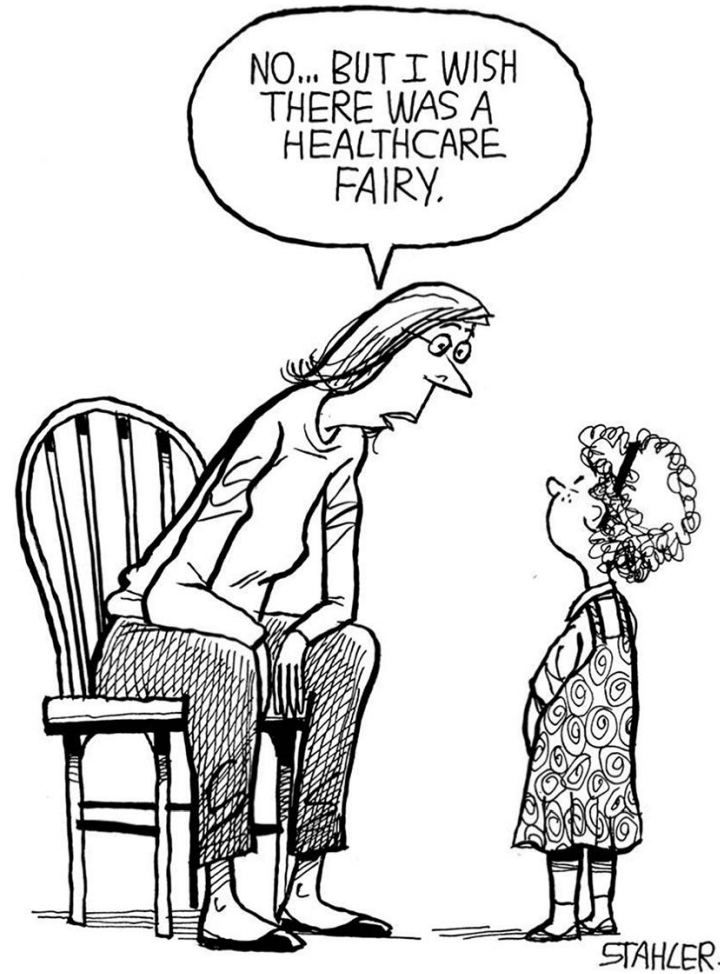


EXHIBIT 1.2
Healthcare Fairy



Source: STAHLER © 2009 Jeff Stahler. Reprinted by permission of ANDREWS MCMEEL. SYNDICATION for UFS. All rights reserved.

EXHIBIT 1.3
Unique
Characteristics
of the US
Healthcare
System

-
- Highest cost of all Organisation for Economic Co-operation and Development countries
 - Technological leader
 - No system to provide universal coverage
 - Highly fragmented delivery of care
 - Many payer arrangements
 - Major industries around performance, electronic systems, delivery system restructuring, and quality
 - Lack of standardization, leading to inefficiencies and variation
 - High administrative cost
 - Leader in medical education and research
 - Complex and sophisticated organizational structure and delivery models
-

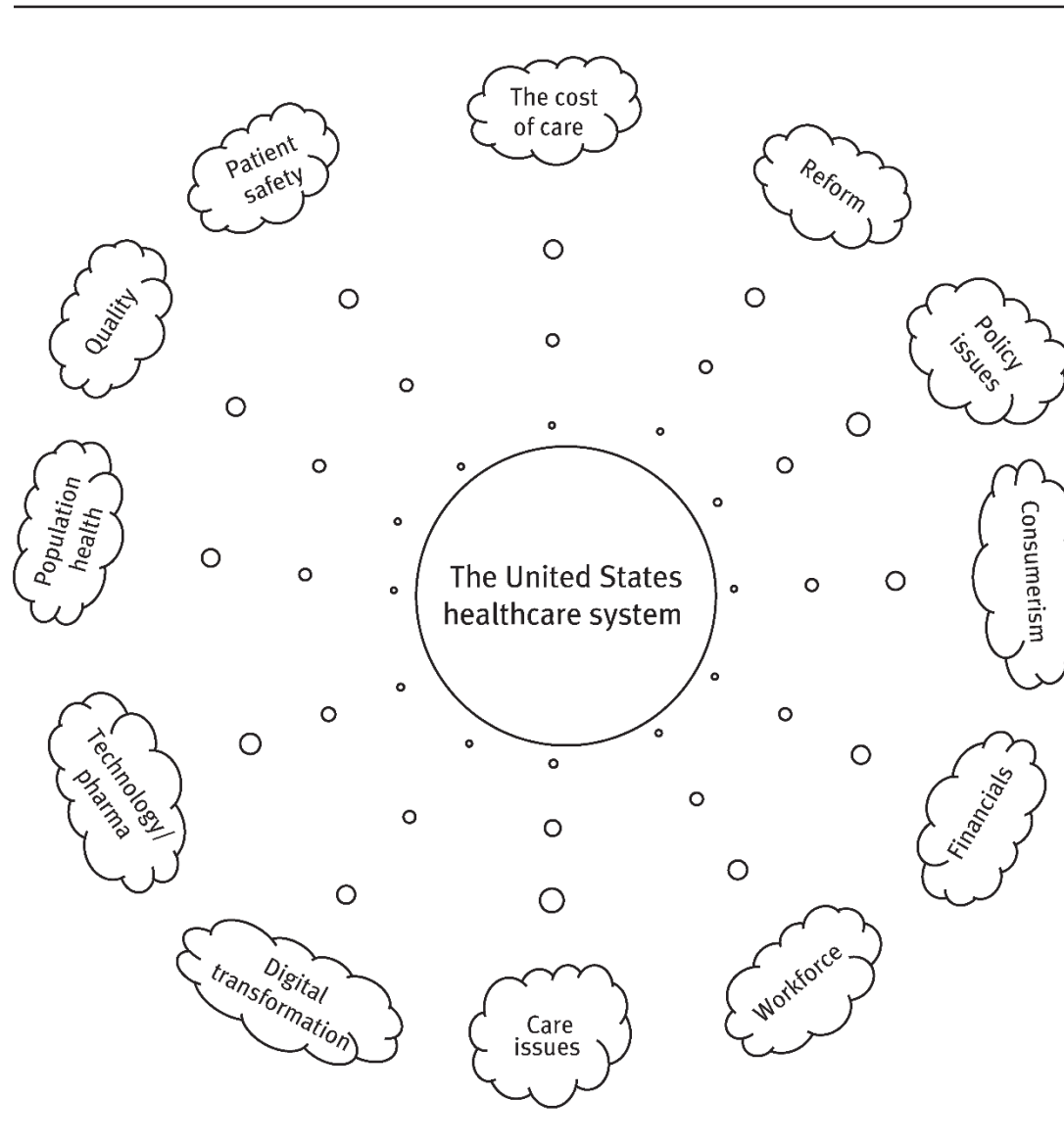


EXHIBIT 1.4
The Perfect Storm: Forces of Change Acting on the US Healthcare System

EXHIBIT 1.5
 Select Issues
 That Will Have a
 Major Impact on
 Future Health
 and Healthcare
 Delivery in the
 United States

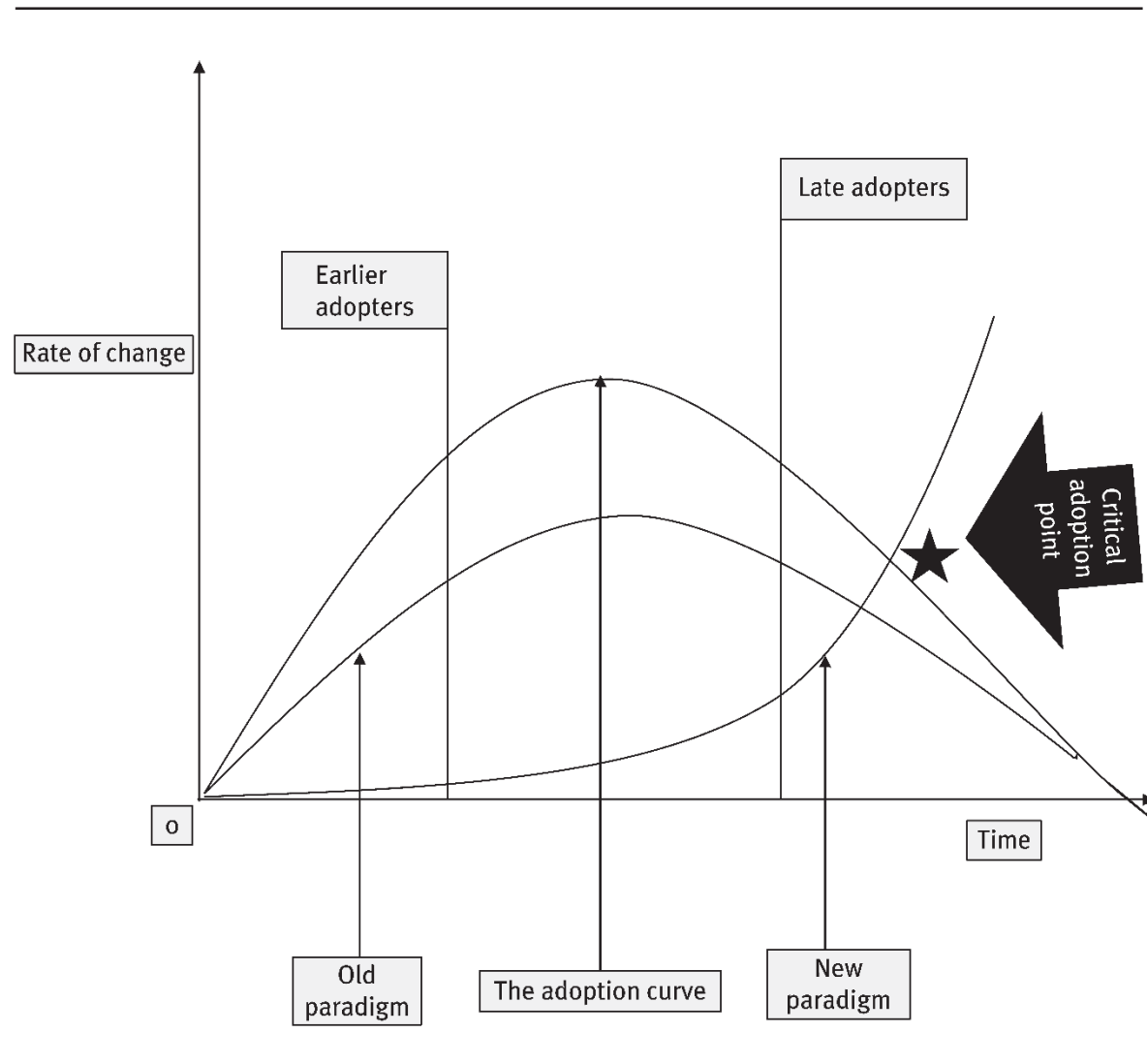
**Changes in Environmental and
 Demographic Factors**

Operational Changes and Challenges

Aging population
 Increasing diversity
 Addressing end-of-life care
 Genomics
 Shortage of certain healthcare
 workers (e.g., home health
 care workers)
 Effect of climate change on the
 nature and spread of disease
 New emerging diseases
 Zoonoses
 Population expansion
 Pollution
 Environmental degradation
 Anthro-cultural forces
 Patient activation
 Continued political uncertainty
 Competing funding interests

Cybersecurity and the Internet of Things
 Social media
 Artificial intelligence
 Big Data / data analytics
 Robotics in surgery
 Robotics in instruments of daily living
 Robotics in machine-assisted care
 Precision medicine
 Culinary medicine
 Telemedicine and virtual care
 Narrative medicine
 Addressing end-of-life care
 Mini-hospitals
 More nontraditional providers
 Consolidation and larger healthcare
 systems
 More horizontal integration, funding
 Organization and delivery are combined

EXHIBIT 1.6
The Second
Curve and
Adoption of
Innovation

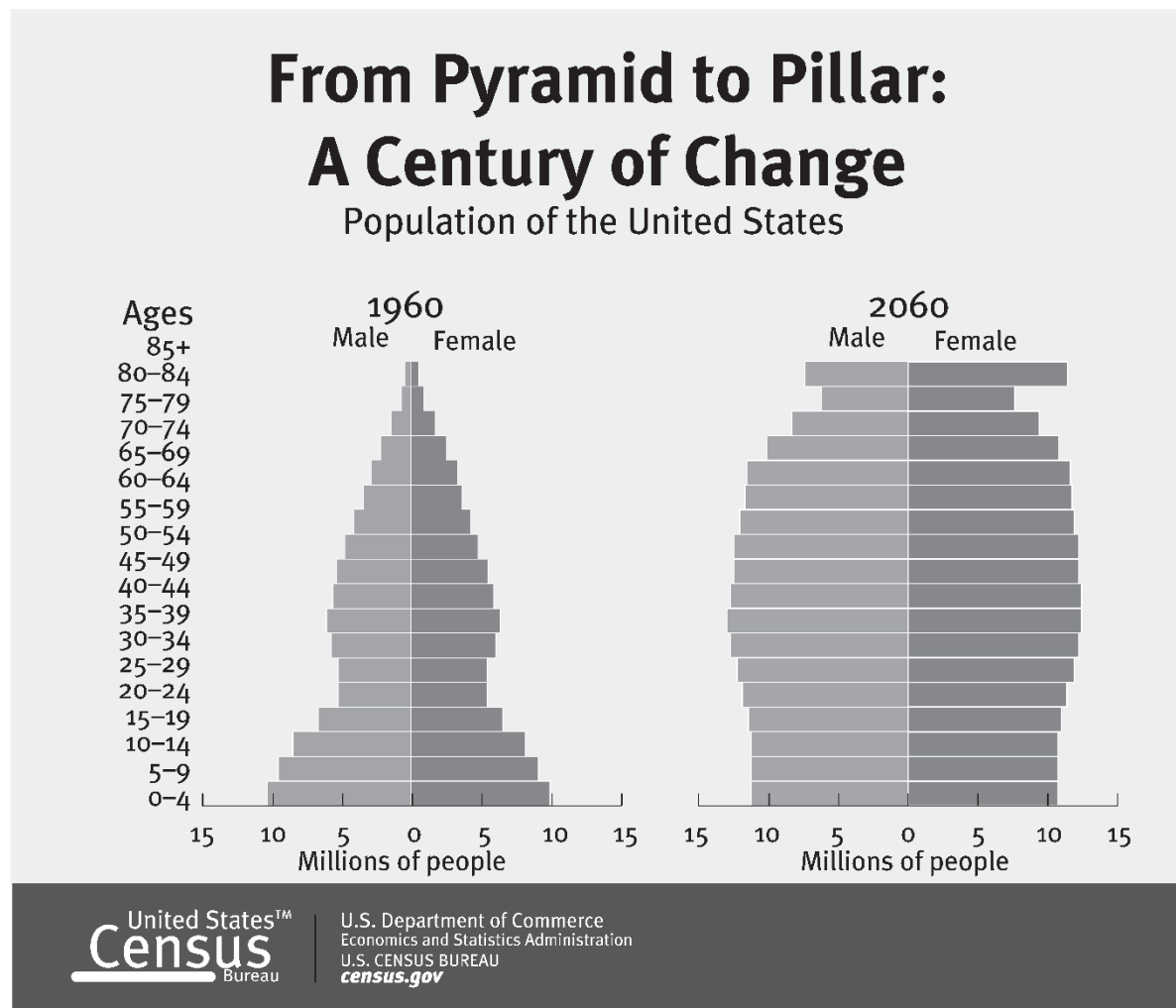


Source: Adapted from Morrison (1996).

The Old Paradigm	The New Paradigm
Volume of service	Value of service
Acute care (specialty-focused inpatient)	Primary care (outpatient-focused)
Treating illness	Preventive care
Fragmented care	Care on a continuum
Individual care	Population health
Generalized treatment for medical conditions	Precision medicine
Healthcare independent of social needs	Community well-being as part of healthcare
Independent organizations	Integrated delivery systems (e.g., accountable care organizations)

EXHIBIT 1.7
A New Paradigm
of Healthcare

EXHIBIT 1.8
 Census Bureau
 Projections



Source: Reprinted from US Census Bureau (2018a).

***THE UNITED STATES HEALTHCARE SYSTEM:
OVERVIEW, DRIVING FORCES, AND OUTLOOK FOR THE FUTURE***

By Stephen L. Wagner

ANSWER GUIDE TO IN-BOOK DISCUSSION QUESTIONS

The discussion questions at the end of each chapter of *The United States Healthcare System* serve as a framework for presenting the material contained in the textbook. These questions are broad in nature and allow for diverse, spirited discussions of the issues involved. They further learning opportunities by allowing new points of view to be presented and discussed, and they also allow for peer learning since students will be exposed to various perspectives, experiences, and ideas regarding the US healthcare system.

The way we look at our healthcare system may also vary based on where we live. A student body may be diverse geographically, so students in rural environments may see the healthcare system quite differently than those in urban areas do. Similarly, some students have enjoyed positive contacts with the healthcare system whereas others have had little experience. The insured and the uninsured may see things differently, and those who have had chronic illness in their families may view the healthcare system as either a blessing or a curse.

Diversity is also an important element. American society is one of cultural, ethnic, and racial diversity, and although this is a strength, it also presents challenges for providers of healthcare services and society in general. Diversity also frames our relationship with and our perspective on the healthcare system. Above all else, our healthcare system is made up of people and provides care to people, making it fallible and variable. With these thoughts in mind, the sample responses to the book's discussion questions presented below may serve as a starting point for discussions. These answers are not intended to be exhaustive or all-inclusive.

A note to instructors: The book's discussion questions may also be used as essay prompts in a testing environment, since they cover the material of each chapter quite well. This use may be preferable to short answer or multiple-choice testing because the questions provide better insight into the learner's understanding of each of the topics presented. In addition, many of the discussion questions may serve as an excellent basis for an assignment. It is important to remember that the healthcare system is changing constantly, and new information is coming out at a torrid pace; consequently, it is essential that students of the healthcare system stay current with new developments. In my mind, one of the best ways to do this is to have students research aspects of the discussion questions on an ongoing basis to discover new and current information that may not be presented in the text. It is also a great opportunity to delve deeper into topics that are of interest. This may be particularly true when the textbook is used as a supplement to more focused courses, such as economics, policy, or law in healthcare management.

Another teaching element is worth considering: I use a high-quality casebook to apply the learning from the textbook to more “real-world” scenarios. One of the best casebooks I have found is *Health Services Management: A Case Study Approach*, currently in its 11th edition, by Ann Scheck McAlearney and Anthony Kovner and published by Health Administration Press. A wide range of interesting and challenging cases are presented that can be applied in every chapter of this textbook.

Chapter 1

1. What is the healthcare system’s place in US society?

Example answer: The healthcare system in the United States plays a major role in our society. Not only does it represent almost 20 percent of our economy, but it is also a reflection of our society since many social dysfunctions find their way into the healthcare system in the form of disease and injury. The healthcare system is also a major driver of research, economic development, and employment.

2. What challenges does the US healthcare system face?

Example answer: The US healthcare system faces many challenges, which the textbook presents in the context of managing the relationship between cost, quality, and access. The concern for provider health and an increased focus on patient care are also very important issues. The “perfect storm” is a metaphor for the many forces that are driving change in our healthcare system and should be discussed in the context of the challenges facing our system.

3. What are some of the obstacles to healthcare reform?

Example answer: Many obstacles are frustrating attempts at reforming our healthcare system, and those frustrations are not new. Attempts to reform the healthcare system go back almost a century, when Theodore Roosevelt proposed a universal healthcare system for the United States. Several major attempts have been made since then, with the latest being attempts to repeal the Affordable Care Act. Political pressures and divides have a major influence on attempts to reform the healthcare system. The differences in perspective tend to fall along the lines of those who believe in a social justice approach versus those who believe in a market justice approach. These ideas stem from our most basic beliefs about how Americans should conduct policy.

Note to instructors: These concepts (market justice vs. social justice) should be fully discussed in the context of our healthcare system.

4. What is or should be the goal for the US healthcare system?

Many say that the healthcare system is neither a system, nor is it about maintaining the health of our citizens. Those points may be argued, and should be. However, the goal of the healthcare system should be to improve the health of all Americans in the most equitable and efficient way possible. This will require a collaboration between all sectors of the healthcare system and full engagement of the patients whom the healthcare system serves. Healthcare will be expensive no matter how efficiently it is delivered, so one of the best solutions to address rapidly increasing healthcare costs is improving the overall health of our population.

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SHORT ANSWER AND SHORT ESSAY QUESTIONS

Note: In addition to the questions listed here, the discussion questions at the end of each chapter may be used as short answer or short essay questions.

CHAPTER 1

Short Answer

1. Generally speaking, how much of its gross domestic product does the United States spend on healthcare?

Answer: Although the number varies from day to day, it is between 17 percent and 20 percent of our gross domestic product. Any answer in this range would be acceptable.

2. What are the elements of the “conundrum” described in chapter 1?

Answer: Cost, quality, access, and provider well-being.

3. According to the US Census Bureau, what is the fastest-growing age group in the United States?

Answer: Those 85 years old and older.

4. What is the primary way people in the United States receive health insurance coverage?

Answer: Through their employer.

5. In 1965, two significant federal programs were enacted for older citizens and those in poverty. What were they?

Answer: Medicare (Title XVIII of the Social Security Act) and Medicaid (Title XIX of the Social Security Act).

6. Rogers discusses two important types of innovation adopters. What are they, and how do they affect change?

Answer: Early adopters and late adopters, which have a significant effect on the rate of change.

7. What is meant by a *paradigm shift*?

Answer: In essence, a paradigm shift is a radical change in the way we think about the way we deliver healthcare. In a macro sense, it is moving from a volume-based reimbursement system

and a focus on how much service we have delivered to looking at the value of those services as a means of reimbursement.

8. Name three examples of the paradigm shift from volume to value.

Answer: There are several possible answers to this question, but three good examples would be a shift from (1) individual health to population health, (2) specialty-focused care to primary care, and (3) fragmented care to the continuum of care. Exhibit 1.7 provides a more complete list.

9. Name a good source for demographic information.

Answer: The US Census Bureau.

10. Does the United States have more specialist physicians or primary care physicians?

Answer: Specialists.

Short Essay

1. Why is the “conundrum” described in chapter 1 so difficult to address?

Answer: Key points: It represents a constrained relationship, where it is hard to maximize all parts at the same time. Maximizing one part often cause another element to diminish. An example is cost and access: Improving cost may reduce access and vice versa.

2. Describe some of the characteristics that makes the United States healthcare system unique.

Answer: As seen in exhibit 1.3, the key elements relate to cost, technology, payer arrangements, lack of standardization, complexity, and sophistication.

3. Why would you say “the perfect storm” is or is not a good metaphor for the American healthcare system?

Answer: The perfect storm represents the coalescing of multiple forces into one extraordinary force for change, just as coalescing storm fronts can create a superstorm.

This meteorological metaphor helps us envision many of the forces of change shown in exhibit 1.4 being exerted upon our system at this time. In the author’s view, it would be difficult to argue that our healthcare system is not facing a perfect storm.

4. List and discuss at least three demographic or environmental factors that are having a dramatic change on the operations of our healthcare system.

Answer: As shown in exhibit 1.5, a number of options could be chosen for this answer. Age, zoonotic infections such as COVID-19, and genomics are three examples. Generally speaking, each of these requires changes in operational strategy, allocation of resources, and adoption of new technologies.

5. What is meant by the *second curve*?

Answer: The second curve represents a transition from one operating model to another. Most businesses experience a shift in their operating curve as one element of their business matures and another emerges. The trick often is knowing when to make the shift from the first curve to the second curve. The textbook describes an example where Kodak was very late in recognizing a shift from film-based to digital photography, which caused it to go bankrupt. Healthcare is experiencing a second-curve shift from a volume-based reimbursement structure to a value-based one, which will require major changes in how we operate healthcare systems and evaluate success.