Course Syllabus

Course Objectives
This course will acquaint students with policy issues pertaining to the pharmaceutical sector, together with tools of economic analysis that may be used to design and evaluate policies. Though the share of national health expenditures allocated to pharmaceuticals is smaller than that allocated to either hospitals or physician services, there are several reasons why this particular sector deserves independent, serious study. The first reason is that the relatively small share of expenditures belies the significant effect that drugs have in improving the efficiency of other health system inputs, especially hospitals, physician services, nursing homes, and home care. The second is the important role that the pharmaceutical industry plays in development of America’s high-tech industrial base. It derives from and contributes to the enormous increase in the nation’s stock of intellectual and human capital. The pharmaceutical sector also contributes favorably to the nation’s financial and commodity trade balance. Lastly, the sector illustrates many conflicts inherent in allocating new technology in a health system that utilizes government intervention as well as free markets.

Parts of this course will be held jointly, by videoconference, with a similar course taught at the Ecole Superieure de Science Economique et de Commerce (ESSEC) in Paris, one of the leading business schools in France.

Course Readings
The text for the course will be S.O. Schweitzer and J.Z. Lu (2018), Pharmaceutical Economics and Policy 3rd ed (New York: Oxford University Press). The text is noted as PEP in the schedule of readings. Additional readings will be available on the web. UCLA students can access the readings through the website at http://ccle.ucla.edu/course/view/18W-HLTPOL205.

Course Organization and Requirements
Student performance in the course will be evaluated through class discussion (50 percent) and a series of 1-2 page discussions of particular pharmaceutical policies (50 percent). The pharmaceutical policy papers will be due Monday 4 March 2019 at 8am. The course will be in a seminar format, with students reporting on required readings. Classes will be held Mondays and Wednesdays from 8-9:50 am in room 41-235 CHS, with the videoconference sessions held in the FSPH Square Conference Room (off of the Foyer of the FSPH).

Office Hours
The instructor is available to meet with students during office hours Tuesday from 10-11am in 31-293. He is also available through email at sschweit@ucla.edu.
### Course Learning Objectives and Competencies for FSPH Core and HPM Masters and PhD Students

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<tr>
<th>Course Learning Objectives</th>
<th>FSPH Core Competencies</th>
<th>Department of HPM Competencies</th>
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<tr>
<td></td>
<td>E1. Apply epidemiologic and statistical reasoning and methods to address, analyze, and solve problems in public health</td>
<td><strong>Policy Track</strong></td>
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<td>E4. Discuss the policy process for improving the health status of populations</td>
<td>L1.9 Analyzes economic decisions related to health care organizations and the health care system.</td>
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<td>E7. Apply quality and performance improvement concepts to address organizational performance issues</td>
<td>L.1.3 Describes and understands the main characteristics, components and issues of the organization, financing, and delivery of health services and public health systems in the U.S.</td>
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<td></td>
<td>F4. Collaborate with communication and informatics specialists in the process of design, implementation, and evaluation of public health programs.</td>
<td>K1.8 Analyzes economic decisions related to health care organizations and the health care system.</td>
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<td>F5. Demonstrate effective written and oral skills for communicating with different audiences in the context of professional public health activities.</td>
<td>K1.13 Describes and understands the main characteristics, components and issues of the organization, financing, and delivery of health services and public health systems in the U.S.</td>
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1. Given either numerical data or a graph, students shall be able to apply graphical analysis to accurately describe a microeconomic situation.
2. Given a case example, students shall be able to work independently and in groups to summarize, explain, and predict consumer and producer behavior using the relevant microeconomic concepts such as supply, demand, elasticity, and utility.

3. Given an article from the popular press, students shall be able to understand the performance of present and proposed health insurance markets.

4. Given raw numerical data pertaining to consumer demand and production, students shall be able to calculate prices, elasticity, quantities produced and purchased, and surplus and shortage.

5. Given an example...
Given a summary of a current problem in health care policy, such as the use of hospital emergency departments, students shall be able to describe policy options and be able to argue the merits and demerits of each.

E.1  Apply epidemiologic and statistical reasoning and methods to address, analyze, and solve problems in public health.

E.6  Apply principles of strategic planning and marketing to public health.

F.7  Identify public health programs and strategies that are responsive to the diverse cultural values and traditions of the communities being served.

F.14  Apply evidence-based principles and the scientific knowledge base to critical evaluation and decision-making in public health.

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L.311  Analyzes interest group and stakeholder concerns.

K3.12  Seeks to understand more deeply by searching for the root of issues, asking penetrating questions, uncovering complexity and going beyond routine questions.


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The Course Schedule

Introduction

Monday 7 Jan

Readings: PEP Introduction

The Industry

Wednesday 9 Jan

Pharmaceutical Industry Research and Development
Readings: PEP Chapter 1, 2, and 3

The Consumer and the Market

Monday 21 Jan - Martin Luther King Day: NO CLASS

Wednesday 23 Jan

Marketing Pharmaceuticals to the World
Readings: PEP
Chapter 4, 5, and 7 Including drug pricing

Monday 28 Jan

The Demand for Pharmaceuticals
Readings: PEP Chapter 6, 8

Public and Private Intervention in the Pharmaceutical Market

Wednesday 30 Jan  Drug Approvals in the US and Abroad
Readings: PEP Chapter 9

Monday 4 Feb  Drug Approvals in the US and Abroad:
Readings
Intriligator, M  “The Conundrum of Type One and Type Two errors in drug approval”, UCLA Economics Department, unpublished manuscript.

Wednesday 6 Feb  Evaluating and Regulating Drugs
Readings: PEP Chapters 14 and 15

Monday 11 Feb  The Role of Patent Protection in Maintaining Innovation
Readings: PEP Chapter 13

Wednesday 13 Feb  The Role of Patent Protection in Maintaining Innovation: Two important court decisions about the roles of patents and firms: marketing:
Readings: PEP Chapter 16
Court Decision on Off-label marketing

Court Decision on Pay-to-Delay

Monday
Balancing Interests in the Pharmaceutical Sector: Consumers, Regulators, Industry, and Insurers

Wednesday
What’s so “special” about “specialty drugs”?

Monday 18 Feb
President’s Day Holiday: No class

Wednesday 20 Feb
Resolving Conflicts in Pharmaceutical Policy: A Look Ahead, Consider conflicts between R&D incentives, financial access, quality of existing drugs, safety and efficacy of new drugs, and lowering cost of care while assuring appropriate use of medication.

Monday 25 Feb*
(Paris)
The French Health Care System and Pharmaceutical Policy:
Gerard de Pouvourville, ESSEC, Paris
Grandfils N and Sermet C, “Pharmaceutical policy in France: Evaluating and Regulating Drugs
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<tr>
<th>Date</th>
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<td>Monday 4 March</td>
<td>Presentations of term papers</td>
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**Readings:** PEP Chapters 10-11 (pp 209-237).  
| Wednesday 13 Mar    | Last day of class. New issues in pharmaceutical policy  
Supply issues, such as biotechnology and patents  
Demand factors, such as demographics, cost, and value.  
Third-party payers: Balancing coverage and cost  
Government dilemmas, such as drug approvals vs maintenance of quality |

*Note that two class sessions are at an irregular place. On March 1 and 8 we will have our class meetings together with students at the ESSEC Business School in Paris! These sessions take place in the “square” conference room in the main lobby of the FSPH (first floor) at 8am SHARP. The time that each class begins is critical, so please allow enough extra time to find the venue and take your seat.*