

Health Services 433
Health Care Management Strategy
Spring 2006

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Class Location/Time: 41-235 CHS; Mondays 9:00 am – 12:00 pm (except as noted below)
Office Hours: Call or e-mail for appointment. I will generally be in my UCLA office immediately before and after class, but can be reached via phone or email at all other times. I will usually respond to email within 3-4 hours.

Course Objectives

This course is intended to:

- Introduce you to the industrial organization economics view of competitive strategy, i.e., how buyers and sellers create and sustain market power. This includes topics such as differentiation advantage vs. cost advantage and industry life cycles (including fragmented, growing, mature, and declining industries).
- Introduce you to the resource-based view of competitive strategy, i.e., how firms design and improve their processes as a source of competitive advantage. This includes how new management practices such as quality improvement, production and inventory management, and reengineering can be used to create competitive advantage.
- Apply these concepts, through cases studies and examples, to particular health care markets, such as hospitals, health plans, physician services, and drug/device firms.
- Teach you to develop a strategic plan or business plan for a health care organization.
- Describe the factors that drive mergers and acquisitions in the health care industry.
- Describe the unique features of strategic management in public sector and not-for-profit organizations, especially the multiple goals and emphasis on accountability to community interests inherent in such organizations.

Textbook and Readings

The required text for the class is RD Luke, SL Walston, and PM Plummer, *Healthcare Strategy: In Pursuit of Competitive Advantage*. Chicago: Health Administration Press, 2004. Copies are available in the Health Sciences Store. Additional readings and cases will be available online or distributed during class. All assigned reading should be completed prior to the applicable class session.

Grading

Grades will be assigned on the basis of class participation, written assignments and class presentations; see the grading specifications below. All written case assignments must be turned in at or before the start of the class session in which the case will be discussed.

The final project (in lieu of a final exam) will entail development of a comprehensive written strategic plan or business plan and presentation of the plan to the class during finals week. Detailed instructions will be provided partway through the quarter, but key details are as follows:

- The final project will be completed by teams of 3-4 students.
- The plan should discuss a startup organization (for-profit or non-profit), a new unit of an existing organization, or an existing organization facing severe threats.
- Drafts of preliminary portions of the plan will be due during the quarter. The written plan will be due at the start of finals week and presented during the final exam session.

<u>Assignment</u>	<u>% of Grade</u>
Written analysis of San Jose Clinic case (3-4 pages, individual)	20%
Written analysis of VA case (3-4 pages, individual)	20%
Business plan presentation (group)	10%
Business plan (group)	25%
Class participation (individual)	25%

Grading notes:

1. Be prepared to discuss each reading and case in class; prepare examples to illustrate key ideas.
2. Active class participation is critical for your learning and the learning of your fellow students. Your class participation grade will be computed on the basis of individual scores for each session (except the first). Attendance without meaningful contributions will be scored 1; attendance with adequate participation will be scored 2; attendance with exceptional participation will be scored 3. Non-attendance will be scored zero. If you cannot attend a session or expect to be unable to contribute meaningfully on a regular basis (e.g., due to language problems), please see me to discuss alternatives (e.g., extra written assignments).
3. Group discussions to prepare for class discussions and case presentations will improve the quality of your work. However, all written reports must represent your own work (i.e., your own summary of any group discussion plus your individual analysis, interpretation and ideas).
4. If you are unable to turn in an assignment when it is due, please contact me as soon as possible but no later than the start of class when due. Late assignments will receive only partial credit.

Course Sessions, Topics and Assigned Readings

Session	Date	Topics	Readings
1	3 Apr	Introduction: overview of course and strategy Discussion of health care vs. other sectors	
2	11 Apr	Concepts and history of business strategy Industries and competition; strategy analysis and industry analysis frameworks	Chapters 1, 2
3	Class meets 19/20/21 Apr	External forces: markets and segmentation Segmentation analysis	Chapters 4, 7 (selected)
4	24 Apr	Competitive advantage: cost leadership, differentiation, integration	Chapters 5, 6
5	1 May	Horizontal and vertical integration Case: San Jose Clinic	Chapters 8, 9 SJC case
6	8 May	Strategic planning process Industry life cycles	Readings distributed
7	15 May	Government organizations Case: Department of Veterans Affairs	Chapter 3; VA readings (Kizer articles)
8	22 May	Current topics in strategy	Readings distributed
9	29 May	No class. Extended office hours May 30-31 to discuss business plan papers and presentations	Chapter 2
10	5 Jun	Strategy implementation: social information, leadership and symbolic management	Thomas & Griffin, Salancik & Pfeffer, Pfeffer
final	16 Jun (8-11)	Business plan presentations	