
David Asch, Rachel Werner, Bimal Desai, Krisda Chaiyachati, Benjamin Chartock
Frontmatter

[More Information](#)

SEEMED LIKE A GOOD IDEA

Consumers, public officials, and even managers of health care and insurance are unhappy about care quality, access, and costs. This book shows that is because efforts to do something about these problems often rely on hope or conjecture, not rigorous evidence of effectiveness. In this book, experts in the field separate the speculative from the proven with regard to how care is rendered, how patients can be in control, how providers should be paid, and how disparities can be reduced – and they also identify the issues for which evidence is currently missing. It provides an antidote to frustration and a clear-eyed guide for forward progress, helping health care and insurance innovators make better decisions on deciding whether to go ahead now based on current evidence, to seek and wait for additional evidence, or to move on to different ideas. It will be useful to practitioners in hospital systems, medical groups, and insurance organizations and can also be used in executive and MBA teaching.

MARK PAULY is Bendheim Professor in the Department of Health Care Management at the Wharton School at the University of Pennsylvania.

FLAURA WINSTON is Professor of Pediatrics and Distinguished Chair in the Department of Pediatrics, Perelman School of Medicine, University of Pennsylvania. She is Director of the Innovation Ecosystem and Scientific Co-Director of the Center for Injury Research and Prevention, Children's Hospital of Philadelphia, PA, and is a member of the National Academy of Medicine.

MARY NAYLOR is Marian S. Ware Professor in Gerontology and Director of the NewCourtland Center for Transitions and Health at the University of Pennsylvania School of Nursing.

KEVIN VOLPP is Director of the Center for Health Incentives and Behavioral Economics, Health Policy Division Chief of the Department of Medical Ethics and Health Policy, and the Founders President's Distinguished Professor of Medicine, Medical Ethics and Policy, and Health Care Management, at the Perelman School of Medicine and the Wharton School, all at the University of Pennsylvania.

David Asch , Rachel Werner , Bimal Desai , Krisda Chaiyachati , Benjamin Chartock
Frontmatter

[More Information](#)

LAWTON ROBERT BURNS is James Joo-Jin Kim Professor of Health Care Management at the Wharton School and Co-Director of the Roy & Diana Vagelos Program in Life Sciences and Management, all at the University of Pennsylvania.

RALPH MULLER is former Chief Executive Officer (CEO) of the University of Pennsylvania Health System.

DAVID ASCH is John Morgan Professor at the Perelman School of Medicine and the Wharton School and Executive Director of the Center for Health Care Innovation at Penn Medicine.

RACHEL WERNER is the Executive Director of the Leonard Davis Institute of Health Economics, Professor of Medicine at the Perelman School of Medicine, and the Robert D. Eilers Professor of Health Care Management at the Wharton School, all at the University of Pennsylvania.

BIMAL DESAI is Assistant Vice President and Chief Health Informatics Officer at Children's Hospital of Philadelphia and Associate Professor of Clinical Pediatrics, Perelman School of Medicine, University of Pennsylvania.

KRISDA CHAIYACHATI is Assistant Professor, Medicine, at the Perelman School of Medicine and a senior fellow at the Leonard Davis Institute of Health Economics at the University of Pennsylvania as well as Medical Director, Penn Medicine OnDemand Virtual Care (telemedicine).

BENJAMIN CHARTOCK is a doctoral candidate in the Department of Health Care Management at the Wharton School, University of Pennsylvania.

Seemed Like a Good Idea

Alchemy versus Evidence-Based Approaches to Health Care Management Innovation

MARK PAULY

Wharton School of the University of Pennsylvania

FLAURA WINSTON

Children's Hospital of Philadelphia

MARY NAYLOR

University of Pennsylvania School of Nursing

KEVIN VOLPP

University of Pennsylvania Health System

LAWTON ROBERT BURNS

Wharton School of the University of Pennsylvania

RALPH MULLER

University of Pennsylvania Health System

DAVID ASCH

University of Pennsylvania School of Medicine

RACHEL WERNER

University of Pennsylvania School of Medicine

BIMAL DESAI

University of Pennsylvania School of Medicine

KRISDA CHAIYACHATI

University of Pennsylvania School of Medicine

BENJAMIN CHARTOCK

Wharton School of the University of Pennsylvania



CAMBRIDGE
UNIVERSITY PRESS

Cambridge University Press & Assessment
978-1-316-51903-5 — Seemed Like a Good Idea

Mark Pauly, Flora Winston, Mary Naylor, Kevin Volpp, Lawton Robert Burns, Ralph Muller,

David Asch, Rachel Werner, Bimal Desai, Krisda Chaiyachati, Benjamin Chartock
Frontmatter

[More Information](#)

CAMBRIDGE UNIVERSITY PRESS

University Printing House, Cambridge CB2 8BS, United Kingdom

One Liberty Plaza, 20th Floor, New York, NY 10006, USA

477 Williamstown Road, Port Melbourne, VIC 3207, Australia

314–321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre, New Delhi – 110025, India

103 Penang Road, #05-06/07, Visioncrest Commercial, Singapore 238467

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning, and research at the highest international levels of excellence.

www.cambridge.org

Information on this title: www.cambridge.org/9781316519035

DOI: 10.1017/9781009004534

© Mark Pauly, Kevin Volpp, Ralph Muller, Rachel Werner, Mary Naylor,
Flora Winston, Lawton Robert Burns, Bimal Desai, Krisda Chaiyachati,
Benjamin Chartock and David Asch 2022

This publication is in copyright. Subject to statutory exception
and to the provisions of relevant collective licensing agreements,
no reproduction of any part may take place without the written
permission of Cambridge University Press.

First published 2022

A catalogue record for this publication is available from the British Library.

Library of Congress Cataloging-in-Publication Data

Names: Pauly, Mark, 1941– author.

Title: Seemed like a good idea : alchemy versus evidence-based approaches to healthcare
management innovation / Mark Pauly, Wharton School of the University of Pennsylvania
[and 10 others].

Description: New York, NY : Cambridge University Press, [2022] | Includes index.

Identifiers: LCCN 2021060099 (print) | LCCN 2021060100 (ebook) | ISBN 9781316519035
(hardback) | ISBN 9781009001274 (paperback) | ISBN 9781009004534 (epub)

Subjects: LCSH: Evidence-based medicine. | Health services administration. | BISAC: BUSINESS &
ECONOMICS / Entrepreneurship

Classification: LCC R723.7 .P38 2022 (print) | LCC R723.7 (ebook) | DDC 610.68–dc23/eng/
20220216

LC record available at <https://lcn.loc.gov/2021060099>

LC ebook record available at <https://lcn.loc.gov/2021060100>

ISBN 978-1-316-51903-5 Hardback

ISBN 978-1-009-00127-4 Paperback

Cambridge University Press has no responsibility for the persistence or accuracy
of URLs for external or third-party internet websites referred to in this publication
and does not guarantee that any content on such websites is, or will remain,
accurate or appropriate.

David Asch , Rachel Werner , Bimal Desai , Krisda Chaiyachati , Benjamin Chartock
Frontmatter[More Information](#)

Contents

<i>List of Figures</i>	<i>page</i> vii
<i>List of Contributors</i>	ix
<i>Preface</i>	xi
1 Baseline Observations <i>Mark Pauly</i>	1
2 Evidence and Growth in Aggregate Spending and Changes in Health Outcomes: <i>Where Has the Battleship Been Going, and How Can We Turn It?</i> <i>Mark Pauly and Benjamin Chartock</i>	11
3 The Benchmark Decision Model, the Value of Evidence, and Alternative Decision Processes <i>Mark Pauly</i>	29
4 Care Coordination <i>Lawton R. Burns and Rachel M. Werner</i>	64
5 Evidence-Based Programs to Improve Transitional Care of Older Adults <i>Mary Naylor and Rachel M. Werner</i>	132
6 Vertical Integration of Physicians and Hospitals: Three Decades of Futile Building upon a Shaky Foundation <i>Lawton R. Burns, David Asch, and Ralph Muller</i>	161
7 Evidence on Provider Payment and Medical Care Management <i>Ralph Muller and Mark Pauly</i>	246

David Asch, Rachel Werner, Bimal Desai, Krisda Chaiyachati, Benjamin Chartock
Frontmatter

[More Information](#)

vi

Contents

8	Evidence on Ways to Bring about Effective Consumer and Patient Engagement <i>Kevin Volpp and Mark Pauly</i>	274
9	The Unmet and Evolving Need for Evidence-Based Telehealth <i>Krisda H. Chaiyachati and Bimal Desai</i>	301
10	Evidence and the Management of Health Care for Disadvantaged Populations <i>Mark Pauly, Ralph Muller, and Mary Naylor</i>	332
11	Driving Innovation in Health Care: External Evidence, Decision-Making, and Leadership <i>Flora Winston and Mark Pauly</i>	369
12	Concluding Chapter <i>All Authors</i>	398
	<i>Index</i>	409

Figures

2.1	Historical health spending	<i>page</i> 12
2.2	Medicare payments (total & per-beneficiary)	15
2.3	Annual spending deflated by medical care component of CPI	17
2.4	Life expectancy at 65 in the USA	20
2.5	USA vs. other OECD countries	22
2.6	Life expectancy at birth in the USA	24
2.7	Annual spending & spending relative to GDP	24
2.8	Retail prescription drug spending	25
2.9	Source of payment (percent of national health consumption)	26
2.10	Medical employment and percent of workforce	26
4.1	Starfield's model of primary care	77
4.2	Elements of primary care	77
4.3	Theory of care coordination	131
6.1	Physician-hospital contracting vehicles 1993–2017	177
6.2	Different cultures in PHI	215
6.3	Different orientations in PHI	215
6.4	Goals pursued in PHI	216
6.5	Reimbursement methods (percent of net patient revenue)	222
9.1	Rank ordering information richness of ambulatory health care interventions	311
10.1	Life expectancy at birth, both sexes	337
10.2	Additional years of life expected at age 65	337
10.3	Infant mortality by race & ethnicity (rate per 1,000)	338
10.4	Age-adjusted death rates for heart disease, by race and Hispanic origin: 1999–2017	339
10.5	National life expectancy, by income percentile at age 40	339

Cambridge University Press & Assessment

978-1-316-51903-5 — Seemed Like a Good Idea

Mark Pauly , Flora Winston , Mary Naylor , Kevin Volpp , Lawton Robert Burns , Ralph Muller ,

David Asch , Rachel Werner , Bimal Desai , Krisda Chaiyachati , Benjamin Chartock

Frontmatter

[More Information](#)

David Asch, Rachel Werner, Bimal Desai, Krisda Chaiyachati, Benjamin Chartock
Frontmatter

[More Information](#)

Contributors

David Asch, John Morgan Professor at the Perelman School of Medicine and the Wharton School, and Executive Director of the University of Pennsylvania Medicine Center for Health Care Innovation

Lawton Robert Burns, James Joo-Jin Kim Professor of Health Care Management at the Wharton School, and Co-Director of the Roy & Diana Vagelos Program in Life Sciences and Management, all at the University of Pennsylvania

Krisda H. Chaiyachati, Assistant Professor of Medicine at the Perelman School of Medicine and a Senior Fellow at the Leonard Davis Institute of Health Economics at the University of Pennsylvania, as well as Medical Director, Penn Medicine OnDemand Virtual Care (telemedicine)

Benjamin Chartock, Doctoral Student in the Department of Health Care Management at the Wharton School, University of Pennsylvania

Bimal Desai, Assistant Vice President and Chief Health Informatics Officer at Children's Hospital of Philadelphia and Clinical Associate Professor of Pediatrics, Perelman School of Medicine, University of Pennsylvania

Ralph Muller, former Chief Executive Officer (CEO) of the University of Pennsylvania Health System

Mary Naylor, Marian S. Ware Professor in Gerontology and Director of the NewCourtland Center for Transitions and Health at the University of Pennsylvania School of Nursing

Mark Pauly, Bendheim Professor in the Department of Health Care Management at the Wharton School of the University of Pennsylvania

David Asch , Rachel Werner , Bimal Desai , Krisda Chaiyachati , Benjamin Chartock
Frontmatter

[More Information](#)

x

List of Contributors

Kevin Volpp, Director of the Center for Health Incentives and Behavioral Economics, Health Policy Division Chief of the Department of Medical Ethics and Health Policy, and the Founder's Presidential Distinguished Professor of Medicine, Medical Ethics and Policy, and Health Care Management at the Perelman School of Medicine and the Wharton School, all at the University of Pennsylvania

Rachel Werner, Executive Director of the Leonard Davis Institute of Health Economics, Professor of Medicine at the University of Pennsylvania Perelman School of Medicine, and the Robert D. Eilers Professor of Health Care Management at the Wharton School

Flora Winston, Professor of Pediatrics and Distinguished Chair in the Department of Pediatrics, University of Pennsylvania Perelman School of Medicine, Director at Innovation Ecosystem, Scientific Co-Director at the Center for Injury Research and Prevention, Children's Hospital of Philadelphia, and member of the National Academy of Medicine

Preface

This book grew out of conversation among senior faculty and administrators from the University of Pennsylvania (Penn)'s Wharton School, School of Nursing, and Perelman School of Medicine and Health System, as well as the Children's Hospital of Philadelphia, all part of the Leonard Davis Institute of Health Economics at Penn, which transformed into an informal seminar – in person at first and then virtual due to the pandemic. The subject was our disappointment at the relative neglect by real-world decision-makers in health systems and health insurers of our major product – rigorous research findings on the effectiveness (or lack thereof) of managerial and financial interventions in health care. There was also an acute awareness among the group of experts that clinical research results were required for the approval and use of drugs and devices and were disseminated widely, while equally consequential interventions in management – whether published in peer-reviewed journals or developed in the health system's innovation center – were not required and were less well disseminated.

In the course of writing these chapters, we found evidence of innovations for many of the problems identified, but more commonly we found a lack of evidence. We also found, however, reasons why the need for evidence should be less compelling when the production of evidence is costly or time consuming. We hope we have provided a comprehensive picture of what evidence there is on some crucial issues in health care and insurance management, as well as how it is or is not used. Current focus on implementation of effective interventions adds to our hope that this story will matter for the US health care system going forward, as will our own observations on managerial decision-making and the determination of when evidence is enough for good choices.

David Asch , Rachel Werner , Bimal Desai , Krisda Chaiyachati , Benjamin Chartock
Frontmatter

[More Information](#)

xii

Preface

In this effort we were greatly assisted by many people, and enumerating everyone who helped make this book a reality would be too enormous a task. However, we would like to call out a few individuals who went above and beyond to help turn a few good ideas into a fully-fledged book. Tina Horowitz of the Wharton School Department of Health Care Management provided invaluable guidance, sifted through literally hundreds of references, and looked at drafts at various stages of writing. Chris Tachibana and Peter Stokes provided thoughtful, critical, and timely editorial feedback. University of Pennsylvania students Harriet Jeon, Sasmira Matta, and Brianna Carvalho provided comments as well. Doctoral student Ben Chartock helped to marshal the whole operation, coordinating among many authors and navigating the process of weaving together experts of various backgrounds and areas of knowledge. Finally, we thank Valerie Appleby of Cambridge University Press, without whom this book would not have come into existence.

We hope that readers find enjoyment and insight in the accompanying pages. If we have moved the needle at all, it is only by standing on the shoulders of those who provided the evidence we summarize and whose use we encourage. And the usual caveat applies: all errors are our own.