

## MANAGED CARE INDUSTRY RESEARCH CENTER 6.0

HARVARD UNIVERSITY ◉ EST. 1995

PROFESSOR JOSEPH P. NEWHOUSE, *Director*

[HTTP://WWW.HCP.MED.HARVARD.EDU/SLOAN/INDEX.HTML](http://www.hcp.med.harvard.edu/sloan/index.html)

The dizzying pace of change in the emerging health care market poses significant challenges for practitioners and public policy decision makers alike. The Managed Care Industry Research Center at Harvard University undertakes research with an "inside the industry"

focus to provide accurate, in-depth information that describes and characterizes the emerging industry and its components. For instance, the Center helped redesign and field the American Association of Health Plans national survey for the most systematic look to date at the organization, medical management, and use of financial incentives by health plans. This major survey is of immediate benefit to the managed care industry, government, and purchaser and provider groups with an interest in health plans, since the resulting data focus on quality assurance and improvement efforts, marketing and access to care, and contracting practices as they exist in the industry.

The Center has also produced findings from its study of industry components in California, where managed care has advanced most rapidly. Based on relationships with PacifiCare, a large HMO; Pacific Business Group on Health, a coalition of purchasers; the California Medical Association; independent practice and trade associations; and consumer advocacy groups, the Center compiled the first in-depth study to characterize the incentives used by medical groups and independent practice associations that affect the

behavior of individual physicians. This study is expected to influence the course of legislation affecting financial incentives and physician compensation. Center research is influencing how two national plans, 10 large employers, and the state of Massachusetts contract for managed behavioral health services.

The Center is studying the effect of varying consumer incentives on use of health care services, the shifts in labor relations and human resources issues in health care, the role of provider-sponsored organizations as physicians seek greater control and a larger share of the premium dollar in the managed care environment, and the relationship between information systems and organizational performance as the structure of the health care industry undergoes dramatic change.

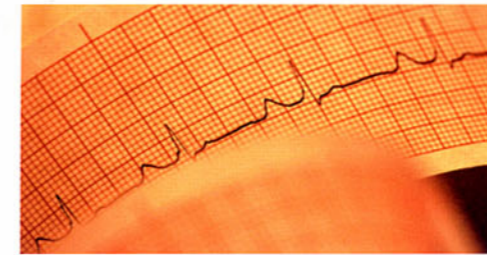


## 7.0 PROGRAM ON THE PHARMACEUTICAL INDUSTRY

MASSACHUSETTS INSTITUTE OF TECHNOLOGY ◉ EST. 1991

PROFESSORS THOMAS J. ALLEN, CHARLES L. COONEY, AND STAN FINKELSTEIN, M.D., *Co-Directors*

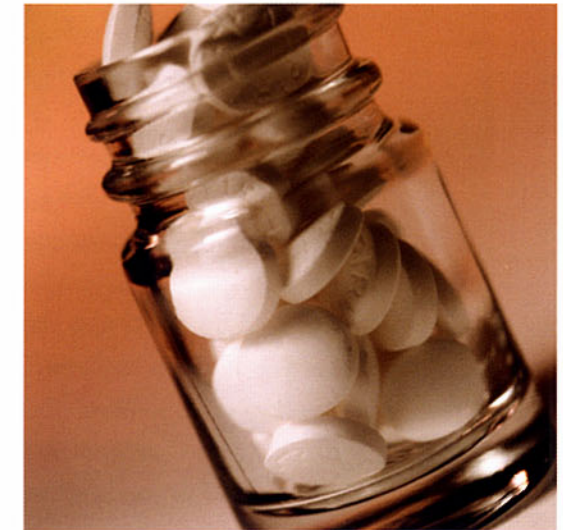
[HTTP://WEB.MIT.EDU/POPI/INDEX.HTML](http://web.mit.edu/popi/index.html)



The global pharmaceutical industry is continuously evolving in the face of advances in medical science and technology, changing regulatory requirements, and rapid shifts in the structure of the health care market. The MIT Program on the Pharmaceutical Industry (POPI) collaborates with its industry partners to investigate the factors that drive, constrain, and enhance the productivity and competitiveness of the industry, helping to strengthen and sustain its success.

In assessing the productivity of drug discovery, Center researchers helped build a financial simulation model that has added to the industry's understanding of costs, risks, and returns in successfully developing new drugs. Innovation and technology transfer research projects include: the Economic Impact of Pharmacogenomics and Personalized Medicine, Technology Transfer and the Integration of Technological Innovation, and The Role of Publicly Funded Research in Private-Sector Pharmaceutical Innovation. An in-depth examination of pharmaceutical manufacturing led to influential findings on the increasingly important strategic role that manufacturing can play in enhancing the competitiveness of firms in the industry. Research on the pharmaceutical marketplace has led to important success in quantifying the quality attributes of cardiovascular, gastrointestinal, antidepressant, and antihypertensive drugs, and helped inform the debate over drug prices. The Center's groundbreaking work in the area of economic benefits and workplace productivity first quantified the tremendous adverse economic impact of untreated mental depression in a study that was presented at a news conference attended by Tipper Gore and widely covered in the media. The Center has also been involved in an evaluation of the World Health Organization's "Essential Drug List" of pharmaceutical therapies available in the developing world.

The Center offers specialized executive education to capacity attendance in forums such as its Summer Professional Programs, Briefings for Senior Corporate and Technical Management, and short courses on Management Issues in the Pharmaceutical and Biotechnology Industry, and Economic and Statistical Methods in the Assessment of Health Outcomes.



**COLLABORATION WITH THE CENTER AT HARVARD HAS PROVIDED PACIFICARE WITH AN EXCEPTIONALLY VALUABLE RESOURCE - LINKING ROBUST ACADEMIC RESEARCH WITH MISSION-CRITICAL OBJECTIVES. RIGOROUS ANALYSES OF ORGANIZATIONAL STRUCTURE, FINANCIAL MODELS AND PHYSICIAN INCENTIVES, AND PHYSICIAN ORGANIZATIONAL PERFORMANCE, CONTINUE TO ASSIST US WITH OUR STRATEGIC PLANNING, BUSINESS PRIORITIES, AND NETWORK MANAGEMENT.**

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**SAM HO, M.D.** *Vice President, Corporate Medical Director, PacifiCare Health Systems*

**WE COUNT ON POPI FOR RESEARCH THAT IS INDEPENDENT, AUTHORITATIVE, AND CREDIBLE. POPI IS PERFORMING AN IMPORTANT SERVICE TO THE PUBLIC BY CREATING RESEARCH THAT SUPPORTS AN INFORMED DEBATE ON THE PHARMACEUTICAL INDUSTRY AND THE DELIVERY OF HEALTH CARE.**

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**STEPHEN PROPPER** *Senior Director, Pharmaceutical Economics and Financial Analysis, Merck & Co., Inc.*