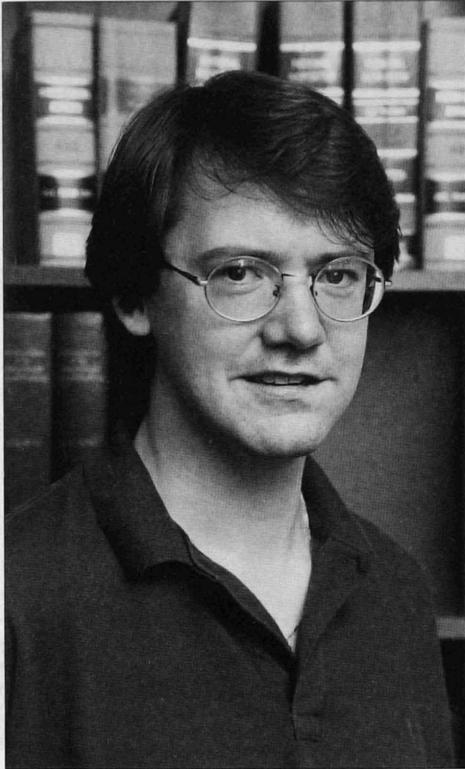


Hammer receives Investigator Award in Health Policy Research



Peter J. Hammer, '89

Assistant Professor of Law Peter J. Hammer, '89, and a co-researcher have been awarded a two-year, \$250,000 grant from the Robert Wood Johnson Foundation to study how policies on competition can affect quality in the increasingly market-dominated American health care system.

Hammer will work with William M. Sage of Columbia Law School on the project. In addition to their law degrees, Hammer has a Ph.D. in economics and Sage has an M.D. Their proposal, "Competing on Quality of Care: Comparing Antitrust Law to Market Reality," was one of nine selected to receive Investigator Awards in Health Policy Research through a competitive peer review process. The foundation received more than 300 letters of intent and requested 45 full proposals in making its decision on the nine recipients of the Investigator Awards.

"As American health care moves from a professionally dominated to a market-dominated model, concerns have been voiced that competition, once unleashed, has focused on price to the detriment of quality," Hammer and Sage wrote in their proposal.

"Although quality has been extensively analyzed in health services research, the role of quality in competition policy has not been elucidated. The goals of our proposed project are to determine what is meant by quality as a potential benefit of competition in health care, and how best to structure oversight of the competitive marketplace so as to advance quality and generate appropriate price/quality tradeoffs."

Hammer and Sage say their project has four parts:

1. To develop a "standardized vocabulary for quality-based competition."
2. To create and analyze "a database of quality issues that have come to the attention of antitrust enforcement."
3. To compare "legal constructs of quality to market preferences and behavior."
4. To fashion recommendations for policymakers on the role that competition policy can play in achieving goals concerned with quality.

Hammer and Sage will approach the issue "through the lens of antitrust law, which represents government's principal tool to promote competition" in health care and other industries. "Our prescriptions will include changes to both antitrust law and the surrounding regulatory environment, and will attempt to resolve the tradeoffs between price and non-price competition, and between competitive objectives and non-competitive objectives" in health law and policy.

"We anticipate that the results of our research will be of broad interest to health policymakers and scholars, judges, health and antitrust regulators, practicing lawyers, health economists, health care providers and purchasers," the researchers say.

"In particular, our conclusions regarding the optimal legal framework for quality competition, and the relationship between antitrust law and other forms of consumer protection, should prove useful to the Health Care Financing Administration and other federal and state health regulatory agencies, both in performing their substantive roles and in promoting dialogue with the Department of Justice and the Federal Trade Commission."

Hammer and Sage also expect their findings to help enforcement agencies and yield "potential applications beyond health care to other sectors of the economy, such as the computer, information services and telecommunications industries, which are likely to present similar challenges."