

*Introduction
to
Health
Services*

4th edition

Stephen J. Williams

Paul R. Torrens



INTRODUCTION TO HEALTH SERVICES

FOURTH EDITION

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*For D. and N. Williams
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Foreword

Dramatic changes have occurred in our nation's health care system since the first edition of this book appeared in 1980. Yet the challenges and opportunities to provide the best possible health care for all of our citizens remain much as they were more than a decade ago. Ultimately, we still have a long way to go to ensure that the great promise of our health care system becomes reality for everyone.

We live in an exciting time in health care and medicine. We have reached frontiers in science that promise greater rewards in preventing, detecting, and curing disease than we could ever have imagined. We must make sure that this great knowledge is transformed into medical practice and provided to our citizens; that is the primary goal of the nation's health care system. As providers, administrators, and policy makers, that should be our goal as well.

Introduction to Health Services has, since its inception, served to inform and educate its audience about the health care system in an objective, analytical, and thoughtful manner. By bringing together some of the nation's most knowledgeable and articulate observers of the health care system, and by carefully crafting a logical, well-planned framework, the editors have designed a highly effective and informative work.

Everyone involved in health care has a duty to understand how the system functions and an obligation to participate in our search for better approaches. This book can be an integral component of the reader's search for such understanding.

It is also a personal pleasure, as a contributor to earlier editions of the book, including the first edition, to note the continued success of *Introduction to Health Services*. The editors have indeed served their readers well.

William C. Richardson, Ph.D.
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Preface

For over 50 years our nation has faced a crisis in health care. We have struggled with the fundamental goals of providing cost-effective, high-quality care to all Americans. Yet politically, economically, and socially acceptable answers to these problems have continued to elude us.

The debate has continued and intensified since the last edition of this book was published. The nature of the system continues to evolve, but dramatic changes still may be needed. The objective of this book remains the same as in earlier editions: to educate the reader about the organization, structure, and operation of the nation's health care system in such a manner as to help him or her serve more effectively as provider, manager, decision maker, and analyst.

The fundamental structure of the book has been retained from previous editions. The book begins with an overview (in Part One) of the nation's health care system, as presented in Chapter 1. The overview provides an opportunity to set the stage for the chapters that follow as well as to present a coherent and relatively comprehensive perspective on the nation's health care system; each of the system's components is dissected and discussed individually in subsequent chapters. While the bulk of the book presents detailed analyses of each component of the system, it is always important to remember the larger contexts and interrelationships within which each of these components functions.

Part Two discusses the causes and characteristics of health services utilization in the United States. The nature of disease and illness is discussed in Chapter 2, particularly in the context of the principal categories of illness that lead to the use of health care services. Chapter 3 presents a comprehensive and integrated examination of the characteristics of utilization of services in the United States with particular emphasis on the variables that are associated with utilization.

Part Three presents detailed discussions of individual provider settings within which health care is offered to patients. The first chapter in this section, Chapter 4, discusses the history and current functions of public health services. Public health services remain our principal line of defense against disease and illness in society. Although public health services account for a relatively small fraction of health care expenditures, their importance far outweighs our spending in this area. In addition, the history and role of public health services in the United States is of immense importance in helping us address such societal issues as the priorities that we should assign to health care versus other activities in our economy, the obligations of government to protect the population collectively, and the responsibilities for ensuring access to care for individuals who lack services.

Chapter 5 focuses on the provision of ambulatory health care services. The increasing importance of ambulatory care in facilitating the integration of care is a key theme of this chapter and parallels the increasing focus of the book on the competitive marketplace, systems of care, and the financing of health care services.

Chapter 6 discusses the role of the hospital as well as the internal structure and operation of these important institutions. The hospital, too, has changed dramatically over the past few years as reflected by the changing content of this chapter. Hospitals have increasingly sought a more competitive posture for themselves individually and collectively, have aligned themselves with other organizations, and have

battled for market share to ensure their long-term viability. The hospital is also changing in response to technological developments, changes in the role and power of the physician, and other developments. And, of course, as discussed throughout the book, dramatic changes in the way hospitals are paid, by both the private and public sectors, are forcing equally dramatic responses by all institutional providers of care.

Both long-term care and mental health services are undergoing change; the rate of change in these two areas is probably accelerating at a somewhat slower pace than is the case for the hospital or ambulatory care. Nevertheless, very significant changes have occurred since the last edition of the book in both long-term care and mental health services. The focus in Chapter 7 on the continuum of care is particularly germane to the increasing integration of providers in organized systems of care. Chapter 8 is an up-to-date and comprehensive discussion of the history and current status of mental health services in the United States. Change in this area has been more evolutionary than revolutionary, but the challenges for our society continue to grow.

Part Four deals with the nonfinancial resources needed to provide health care services. One of the most important of these resources is the technology used by physicians and other providers in identifying and combating illness. Technology is integral to the health care system since the nature of the technology often determines how care is provided, affects the structure of the institutions that provide care, and influences financing mechanisms. Advancements in technology and their critical evaluation can lead to lower morbidity and mortality and increased rationalization of resources. These key issues are discussed in detail in Chapter 9.

The second major area of resources used in the provision of health care is people. The health care system is one of the largest employers in the United States and as such is key to the economic well-being of the nation. In addition, of course, the increasingly specialized personnel required today make possible the provision of sophisticated, high-quality care. Trends and issues regarding health care personnel are discussed in detail in Chapter 10.

Part Five addresses financial resources: sources of funds, uses of funds, reimbursement mechanisms, incentives, insurance approaches, and related topics. This part begins with Chapter 11, which primarily focuses on reimbursement and financing mechanisms. Two new chapters have been added to the book to substantially expand this content section. Chapter 12 comprehensively addresses the insurance industry, employee benefits, and insurance plans. Chapter 13 discusses managed care plans, programs, and policy issues.

Part Six (Chapter 14) has been revised to discuss more concisely and directly measurement of system outcomes: quality of care, regulation and planning, and evaluation of services. Part Seven addresses, in Chapter 15, national health policy formation and execution. To conclude the book, Chapter 16 reviews our options for the future and possible directions for achieving national health care goals.

The nation has undergone many years of significant and wide-ranging changes in health care. Most Americans would probably like a health care system that is somewhat apolitical and more focused on meeting the health care needs of the American population. The reality, of course, is that politics are integral to all decision making. As a result, understanding the political process, and its implications, is critical to any realistic appraisal of where our health care system has been and where it is headed in the future. Thus Chapters 15 and 16 serve a very important function in helping the reader to evaluate the shifting political winds and the implications for the nation's health care system.

Chapter 16 also pulls together a number of key integrating concepts discussed throughout the book. But this chapter only sets the stage for the reader's further integration of knowledge and personal assessments of the health care system and thoughts about his or her role in that system.

It is important for readers to think through their value systems and personal ethical perspectives in reading this book. Health care cannot be divorced from individual and societal opinions and biases. Understanding one's personal perspectives is the key to forming assessments about where the health care system has been and the directions that are appropriate for the future.

As a nation, we have made dramatic changes in how we provide health care services. The rate of change itself may change in the future; but the fact remains that we will likely continue to modify the delivery system, attempt new approaches, discontinue old approaches, and make other judgments that will significantly affect how health care is provided, whom services are provided to, and how the bill is paid. Everyone—providers, payers, and consumers alike—has a key and active role in the health care system. The better everyone understands his or her role and the system itself, the better prepared all Americans will be to develop the best possible system.

As in the previous edition, a multidisciplinary approach is used. Empirical research is presented and summarized. The comments of colleagues, readers, and students have been integrated into the book.

Many people assisted in the preparation of the manuscript, reviewing drafts prepared for this edition, and in putting together the final manuscript itself. We are grateful to all who helped.

The goal of this book, to reiterate, is to provide information and a useful perspective from which readers can analyze what they do as a part of providing or consuming services. It is hoped that whatever this book can contribute to each individual's understanding of the system and its complex interactions will lead to a more rational, fair, and equitable system for all Americans.

Stephen J. Williams
Paul R. Torrens

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