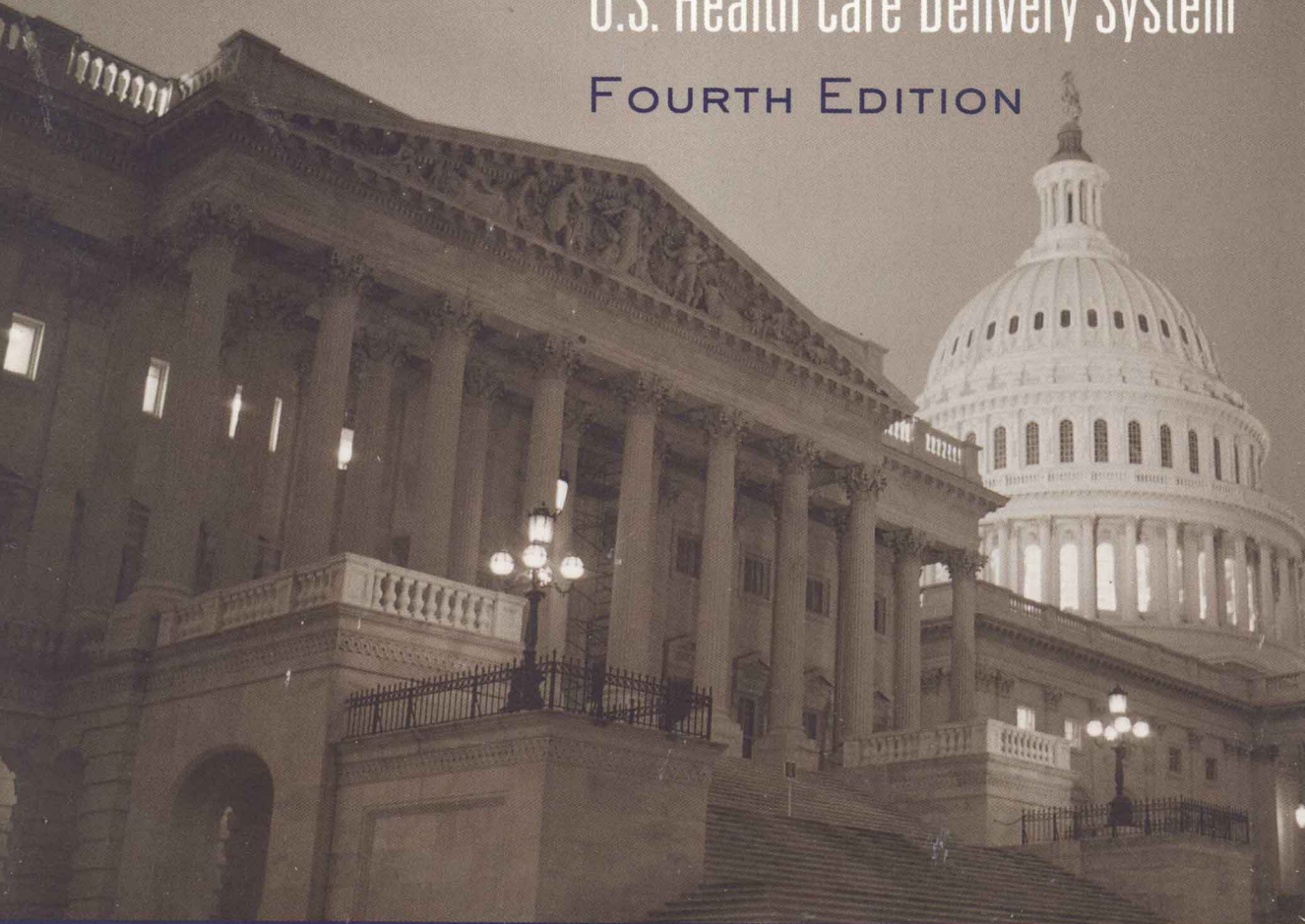


HEALTH POLICY

Crisis and Reform in the
U.S. Health Care Delivery System

FOURTH EDITION



CHARLENE HARRINGTON AND CARROLL L. ESTES

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HEALTH POLICY

*Crisis and Reform in the U.S.
Health Care Delivery System*

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FOREWORD

The issues discussed in this fourth edition of *Health Policy* are truly the issues of the millennium, though many of them have remained the same over the years since the first edition was published. That they seem so intractable should not surprise us because views of universality, the poor, access to care and organization of care are difficult for all of the countries in the world, whether industrialized or developing. However, American's idiosyncratic views about money and justice, among other things, lead to ambivalence and changeability with regard to political solutions on local and national levels. There appears to be little question that the public has great concern about the current state of health care, and the flaws in current approaches. In fact, as this edition is being published there are polls that place concerns about health care at the top of American's priorities and there are various political approaches anticipated to quell these concerns. It is unfortunate that some of these approaches seem beneficial to much of the public but have potentially negative outcomes for costs of pharmaceuticals and for the continuing power of the private for-profit sector in dominating health care delivery.

There has not been a strong national coalition behind the development of a public movement for a universal health care system. As a result of the inability to mobilize the political force of the nation at this time, there are a number of state efforts to get the question of universal care on the agenda. The value placed on quality of care and access to care by the American public has to be revealed in the voting booths. If that value is high, change is inevitable; however, if the American public is fearful of the consequences of an inclusive health care policy, decades will pass with millions of people unserved, underserved, and receiving care of questionable quality.

The fourth edition of *Health Policy* has a few articles from the previous edition. These articles are classic in that they provide a frame of reference and backdrop for understanding the problems in the U.S. health care system and the basic health policy issues. Most articles in the volume are new, and are vital to permit us to keep up with the constantly changing issues in health policy issues at the leading edge of current discussions. Part I begins with a review of what health policy is and how the political system operates. Focusing on issues of health status of the population and vulnerable groups, Part II details issues of race, gender, and income disparities as well as discrimination. Some of the issues at the core of access are the uninsured, social inequality, mental health, aging, long term care, and end-of-life care policies.

In discussing health care delivery system issues, articles in Part III deal with organizational change, labor issues, and quality of care. Mergers and restructuring, primary care, staffing issues in hospitals and nursing homes, shortages in the workforce, errors in

health care, and public reporting of quality indicators are invaluable reading for health professionals on first reading and as references for repeated readings and use.

Part IV of the book discusses the economics of health care with articles on public and private financing and insurance and managed care, while Part V deals with reform of the health care system in the United States. The outstanding analysts of health care systems discuss trends and systems in Canada, the United Kingdom, and other industrialized countries. In addition, definitions of health policy, failures in policy, crises in nursing caused by misapplied policy and public inaction, and finally solutions through two discussions of health reform for the future are presented.

The fourth edition of *Health Policy*, originally addressed to nurses, now is designed for all health professionals and anyone interested in or involved in the health care field. The authors are experts in their subject matter. As a composite, the most challenging issues facing the nation are explicated. The content provides information to enrich one's own understanding of the specifics and generalities of the problems we Americans face in health care, its present and future. It also provides the impetus for individual and collective action.

Claire M. Fagin, Ph.D., FAAN

INTRODUCTION

This edited volume is designed for health professionals and for students of health policy and economics. Health policy and economics are constantly changing and the literature in the area is growing at an alarming pace. This makes it difficult for those learning about the area to identify the most important topics for study and the changing issues and trends. This volume attempts to identify the key issues and trends that we use in our policy courses in the Department of Social and Behavioral Sciences at the University of California, San Francisco. We have selected our favorite articles about health status and access, delivery systems, costs and economics, politics and health reform.

Health policy is a new arena for many health professionals, and many realize that they must become knowledgeable in this area in order to improve health care for their patients and for the public. Health professionals at the bedside, in public health, in primary care, and in management positions are all directly affected by the organization and financing of the health care system including the policies and politics that shape the system. Health policy does not come naturally to many health professionals who have had long and arduous clinical training focusing on caring for individuals and families. The organizational, systemic, and political issues sometimes seem too overwhelming to comprehend. Health professionals must move beyond their basic training to become more politically aware and active in shaping policy and advocating for their own interests and those of their patients. They also must move beyond clinical research into policy-relevant research, addressing the larger issues impacting their patients and the health professions. A research and clinical focus on organizations and systems of care can have more impact than small-scale clinical studies of individual patients.

This book is designed to focus on the big picture issues and to present the viewpoints of sociologists, economists, political scientists, and health experts. The language these experts use is different and sometimes difficult, but understanding the language is essential to be able to communicate with public policy makers and health services and policy researchers.

Health professionals come to the policy arena with many strengths and liabilities. Their greatest strength is that they are viewed positively by the public and the policy makers as caring providers with a real commitment to patients and the health of the public. Consequently, the public and the policy makers are willing to listen to their viewpoints on health issues. They are knowledgeable about the day-to-day problems of their patients and families and are able to present these problems in a way that the public and policy makers can understand. Moreover, nurses, the largest health professional group, can use their size and energy to have a major influence on policy making.

In the past, health professionals have had relatively little political impact and power because they have not exercised their potential influence. Many health professionals have lacked confidence in themselves outside of the clinical arena and have had little education about policy and system issues. In addition to having a wide range of political views from liberal to conservative, and affiliations from Republican, Democrat, to Independent, health professionals are divided into many specialty groups and organizations with only a small percentage participating in their national organizations. They are frequently reluctant to pay membership dues and to volunteer their time and energy to do organizational work. This is understandable because health professionals are often managing jobs, families, caring for sick parents and children, and going to school, among many other day-to-day responsibilities, leaving little time for political action. As the overall job market competition intensifies, professional work pressures and stress may further reduce health professionals' participation in professional and political organizations.

This book is designed to persuade health professionals that the profession needs them to add political work to their lives. The strength to influence health policy can only come when health professionals are better informed about policy, economics, and politics and by uniting behind some common goals. In order to be effective, political and professional actions should be undertaken through organizations rather than as individual health professionals. Enthusiasm for specialty organizations should not divert health professionals from participation in the local, state, and national organizations that address the broader issues of the health profession.

This book focuses on the important policy issues of our times. It attempts to arm health professionals with facts about the system and the names of key policy shapers. Because health care statistics are updated frequently, it is important not to memorize facts but to learn the most important sources for information so that current information can be retrieved when needed. We also attempt to show trends that tend to move forward until public policy changes or private system changes are made.

Public policies are the public actions that can be taken by policy makers at the federal, state, and local levels. These actions can include budgetary changes, legislative changes, regulatory changes, and often judicial rulings. Before health professionals can advocate for public policy changes, they need a clear understanding of the current federal policies that are impacting the health system and how the system operates, including the financial incentives that influence health providers and organizations.

Part I of the book begins with a basic overview of health policy and the political process. The vested interests in and politics of the failure of President Clinton's health plan are examined, as well as the potential role of health professionals in changing the health system. Part II examines the health status of the U.S. population, examining health disparities and discrimination among different population groups, including issues of access to care, aging, disability, and long-term care. The overall poor health status of the U.S. population is, in part, the result of limited access to services, especially for the poor, uninsured, and vulnerable populations. Part III discusses dramatic changes occurring in the health care delivery system and in organizations, including labor issues and quality of care.

Part IV focuses on how economics drives the entire health system in the United States and impacts the day-to-day operations of health care organizations and professionals. Trends in financing health care services and the health industry are described, including the growth in public financing of Medicare and Medicaid and private financing. Private insurance and managed care are emphasized because of the rapid shift to managed care. Part V, the final section of the book, is dedicated to health care reform. Articles examine health systems in other countries, particularly the United Kingdom, Canada, and Germany, as potential models for the United States. Finally, a vision for the future of health-care reform is presented.

This book is not designed to represent a broad spectrum of political ideas but rather the perspectives of expert health services researchers as well as policy leaders who are consumer-oriented. Most articles are critical of the existing health care system and hold the underlying assumption that changes in the system are needed. The status quo of millions of individuals in the United States continuing without access to health insurance, and millions of women and children with unacceptably poor health status must be corrected.

To this end, reform is needed, and yet a consensus has not emerged among health professionals and the public about how such reform should be accomplished. We show the urgent need for reform and urge health professionals to become politically active using their political power and influence. Although the political problems of our health care system seem overwhelming, the system can be changed if we develop an understanding of the underlying problems and can unite behind reform strategies. The failed efforts of health reform in the early 1990s can be corrected in the coming decade.

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PART I

HEALTH POLICY

Health policy can be a confusing concept and field of study. As an orientation to the field, Lester Block describes the array of definitions and the dynamic and complex policy-making process. Health policy is designed to address problems or changes that need to be made, but the key is initially identifying and understanding the problem and then following a model to direct or intervene in the public policymaking process.

As health professionals have begun to understand the importance of policy and politics in their practices they are increasingly involved in politics and political actions. Since participating in the political process is an art, health professionals need to know the basic rules of politics. The article by Catherine Dodd, an experienced political leader, gives practical guidelines for understanding and participating in politics. As a nurse who previously held a high-level presidential administrative appointment, she continues to shape public policy as a top staff person to Congresswoman Nancy Pelosi, Democratic Minority Leader in the U.S. House of Representatives.

The political scene in the United States is not a pretty picture, with large corporate health insurers, health care organizations, and the pharmaceutical industry wielding influence through massive political contributions. An example of the political control of corporations is the historical failure of national health insurance legislation over the years and the failure of President Clinton's health reform legislation in 1994. Even the most conservative economists have noted the power that the health industry has had to stop any significant government reform. Interest group politics are involved, and the health industry seeks to protect its economic position. Vincente Navarro's article points out that corporations have not wanted government guaranteed benefits that give workers more power and freedom to move between companies and in and out of the workforce without penalty. Even the carefully crafted Clinton health plan, which was designed to appeal to the large corporate interests, was not able to win support. The media and academia were also heavily influenced by corporate ideology in America so