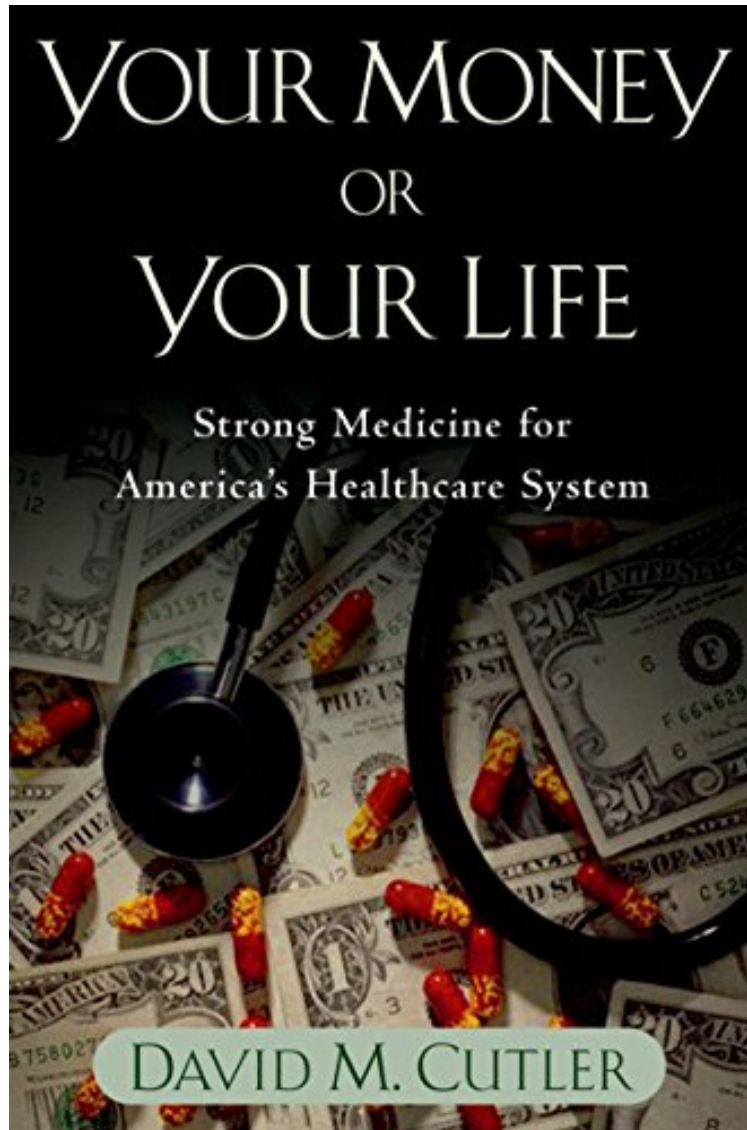


Your Money or Your Life: Strong Medicine for America's Health Care System

David M. Cutler

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David M. Cutler : Your Money or Your Life: Strong Medicine for America's Health Care System before purchasing it in order to gage whether or not it would be worth my time, and all praised Your Money or Your Life: Strong Medicine for America's Health Care System:

0 of 0 people found the following review helpful. Scintillating, Objective Economic Analysis and Sage Guidance for a Better Health Care FutureBy Health365Well researched and well documented with over 25 pages of endnotes, this book is a hybrid: wonderfully readable yet academically sound. As a health economist and member of the prestigious

Institute of Medicine, Cutler offers a scintillating, objective economic analysis of our existing health care system, exposing the embarrassing inadequacies and problems while also highlighting its successes. He also offers sage guidance for a better health care future: increasing the value of our health care system primarily by aligning incentives with desirable outcomes. Many but not all of his ideas are reflected in the Accountable Care Act. If every policy maker had read this book with an open mind, we would have been spared much of the political drama surrounding the enactment of the Affordable Care Act, as well as the post-enactment machinations to undo it. To pick nits, Cutler's view that just about everyone believes that everyone should have health insurance is not supported by the facts. If that were the case, we would have had comprehensive health reform many decades ago and few if any would be trying to repeal, nullify, or starve the Accountable Care Act. Also, his lumping regulation along with litigation as necessarily punitive suggests a rather limited view of regulation. Overall, though, this book is superb, a "must read" for everyone who cares about health care and the health of their fellow Americans.¹² of 13 people found the following review helpful. Four and a Half Stars...By C.N. Steelesince nothing is perfect.Authoritative, clearly written, and quite interesting; I recommend to anyone -- professionals, academics, laypersons -- interested in these issues.Specifics:1) The first 5 chapters convincingly argue that the enormous increases in health care spending are first attributable to new technology and treatments, and well justified, benefits substantially exceed the costs. The arguments are based in substantial part on Cutler's own academic research. By themselves, these chapters are sufficient to justify the book. Cutler does a good job of explaining both the technical economic concepts and the medical issues, and I suspect anyone interested in the topic will find the chapters fascinating, eye-opening.He reaches a very important conclusion: we ought to spend MORE, not less.2) Subsequent chapters survey sources of waste and problems of distribution. I found these helpful in outlining some important problems, and well worth reading, but incomplete (see below). In part these explore the incentives created by different systems of paying for health care; this helps explain why some sorts of technologies and procedures are favored over others in any particular case.3) The concluding chapter contains his solution to the problems, a system of universal insurance (mostly private) coverage, subsidized and supervised by the federal gov't; worth reading, but inadequate. Cutler focuses on a subset of problems proposes a solution, with little consideration for other problems or possible solutions.For example, he ignores 'public choice' issues: how would his proposal work in a world of self-interested government official, bureaucrats, insurers, medical professionals, patients, etc.? The system he proposes might work on paper, but is quite susceptible to "gaming." USDA crop insurance is a real world example, and its poor performance should make us hesitant to expand this approach to health care.Similarly, Cutler argues that gov't and insurers should develop a payment system that rewards providers for measurable health improvements. Cutler greatly underestimates the difficulty. Soviet planners wrestled this problem for 75 years and were unable to solve it, how to specify a set of desired production outcomes from above and then have them realized as one envisions. It's a very difficult problem, I think unsolvable. Cutler underestimates it, and devotes essentially no attention to possible solutions which would make the individual consumer directly responsible for payment, and evaluation, of health care services.4) Cutler provides a lengthy set of citations from the scholarly literature, excellent for further study. He also features, on his website, a technical appendix. It's clear he's trying to spread light, not heat, in the health care debate. Good on him!5) Despite any weaknesses, Cutler does a fine job of framing the issues. The book is accessible and a good read. OK, OK, 4.9 stars.C.N. Steele Ph.D.0 of 0 people found the following review helpful. Four StarsBy Kindle CustomerGood book.

The problems of medical care confront us daily: a bureaucracy that makes a trip to the doctor worse than a trip to the dentist, doctors who can't practice medicine the way they choose, more than 40 million people without health insurance. "Medical care is in crisis," we are repeatedly told, and so it is. Barely one in five Americans thinks the medical system works well.Enter David M. Cutler, a Harvard economist who served on President Clinton's health care task force and later advised presidential candidate Bill Bradley. One of the nation's leading experts on the subject, Cutler argues in *Your Money or Your Life* that health care has in fact improved exponentially over the last fifty years, and that the successes of our system suggest ways in which we might improve care, make the system easier to deal with, and extend coverage to all Americans. Cutler applies an economic analysis to show that our spending on medicine is well worth it--and that we could do even better by spending more. Further, millions of people with easily manageable diseases, from hypertension to depression to diabetes, receive either too much or too little care because of inefficiencies in the way we reimburse care, resulting in poor health and in some cases premature death.The key to improving the system, Cutler argues, is to change the way we organize health care. Everyone must be insured for the medical system to perform well, and payments should be based on the quality of services provided not just on the amount of cutting and poking performed.Lively and compelling, *Your Money or Your Life* offers a realistic yet rigorous economic approach to reforming health care--one that promises to break through the stalemate of failed reform.

From Publishers WeeklyNot to be confused with the bestselling personal finance volume (by Joe Dominguez and Vicki Robin), this work examines the health care crisis in America. Many people readily admit they're unhappy with

both the cost and the care they receive from their doctors and are very frustrated with the health-care system. However, according to Cutler, an economics professor at Harvard and health-care adviser in the Clinton administration, the advances made in health care over the past 50 years have been quite positive and have contributed to longer and more productive lives. But people have a hard time understanding their choices-paying more for medicine that will keep them alive or choosing costly surgery that may not guarantee a better quality of life. Cutler offers numerous examples of medical progress along with economic reasoning to persuade readers that more and more medical advances should be sought, along with better medical coverage for everyone. "For medical care to be effective, people must be able to afford it. The issue of affordability is clearly a concern of the uninsured. The uninsured rely on the largesse of the medical system as a whole." Cutler's discussion of managed care and how doctors are reimbursed for certain procedures but discouraged from other practices is especially clear. Cutler's position-health insurance for all and doctor reimbursement by quality, not simply service-is clear and compelling. This book will be of most interest to government officials, doctors and others in the health-care industry. Copyright 2003 Reed Business Information, Inc. From The New England Journal of Medicine

The rising cost of health care -- and what to do about this problem -- is perhaps our nation's most pressing health policy issue. The recent spike in private-insurance premiums has alarmed both employers and employees. More telling is the lack of clear policy options designed to discourage the introduction and use of high-cost, low-benefit medical care. As if the problem were not bad enough, other research findings tell us that evidence-based medical care is dramatically underused. David Cutler makes an important contribution to our thinking on this important issue in *Your Money or Your Life*. The book provides a nice forum for Cutler to present much of his research that has framed how we should think about rising health care costs and whether the additional spending is worth it. Most of the popular discussion concerning rising health care spending neglects the obvious questions -- what we are buying with the additional spending and whether we are producing commensurate increases in health benefits. Cutler's conclusion is a clear "yes": the incremental health care benefits that patients receive exceed their costs. However, he provides the important caveat that we could produce the same level of health care benefits at even lower costs. The book is a good introduction to the policy debate over health care spending. It starts by appropriately framing the issue that we cannot look at the rise in spending without first measuring and comparing the benefits purchased. Chapters 3 through 5 methodically track the growth in spending to treat low-birth-weight infants, patients with depression, and those who have had heart attacks. These initial chapters contain compelling information and should be read by all who are interested in health care policy. Underlying the growth in spending is the persistent march of science. The introduction of new forms of technology allows us to treat more patients with particular medical conditions, though generally at a high price per case. The heart of the book examines these trends and, in the three case studies that it follows, compares the added spending to the change in health benefits. In each case, total spending per case has risen, driven largely by the introduction of new medical technology. In some cases, the medical returns have been impressive. In the treatment of low-birth-weight newborns, medical advances (e.g., incubator design, new drugs), although expensive, have produced a dramatic reduction in mortality rates. As discussed in chapter 3, each additional \$1 spent on treating low-birth-weight babies has produced \$5 of additional health benefits -- an expensive, though worthwhile, investment. Chapters 4 and 5 present the same evidence for treatment, respectively, of depression (a seven-to-one return on investment) and heart attacks (a four-to-one return on each dollar spent). Chapter 6 attempts a broader extrapolation of the medical value of health care spending -- a somewhat tougher sell. Some of the later chapters, such as chapter 8, which examines what went wrong with managed care, seem to wander slightly off target. If the health care we are purchasing is worth it, why the general malaise? Some of it is clearly traced to the perceptions of purchasers and consumers that we spend too much, that we could buy the same benefits for far less money, and that the system is hopelessly complicated. Along these lines, chapters 9 and 10 attempt to address the issue of providing better care more efficiently. One suggestion is to give physicians bonus payments for providing high-quality, evidence-based medical care. Though controversial, the idea is a good one that should be debated seriously. The final chapter wanders into the hornet's nest of universal health insurance coverage. Cutler proposes an expansion of the Federal Employees Health Benefits Program to those who want to join. This chapter is too short for such a complex topic, and it meanders slightly from the compelling story and analyses presented in the first five chapters. Who should read this book? Health policymakers and people who are troubled with the rise in health care spending and are perplexed about what to do about it. *Your Money or Your Life* makes an important contribution to this debate, and I highly recommend it. Kenneth E. Thorpe, Ph.D. Copyright copy; 2004 Massachusetts Medical Society. All rights reserved. The New England Journal of Medicine is a registered trademark of the MMS. From Booklist

When economics and medicine mix, there is bound to be confusion unless someone like Harvard economics professor Cutler, who seems to effortlessly make a complex issue comprehensible, is doing the mixing. In this mighty volume, he constructs a compelling case for universal health care by taking readers through a number of orderly steps. In a clear expository voice he establishes the value of a human life, explains the contributing costs of health care to sustain a life, and weighs the cost of universal health care against the value received--namely, extended life and improved quality of life for all concerned. In the process, he defines how to determine whether a particular health-care option is effective and elaborates on how it ought to be compensated. Additionally, he examines various ways America's current system is, based upon his

criterion for efficacy, succeeding and ways it is not. As long as providers are paid for what they perform rather than the efficacy of treatment, he says, medical costs will soar. An elegant investigation. Donna Chavez
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