Instructor's Manual

Supplementary Analytical Units:
Learning Analysis in Political and Social Science

Three Approaches to Health Care

developed by
Mel Dubnick
Loyola University of Chicago

Test Edition: Fall 1978

Prepared for the project on Instructional Innovation in Undergraduate Education, conducted by the American Political Science Association, supported by a grant from the National Science Foundation.

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The American Political Science Association
1527 New Hampshire Avenue, N.W.
Washington, D.C. 20036

PREFACE

The Supplementary Analytical Units employ a curricular means to pursue a major intellectual end. A series of interactive teaching modules is being designed to clarify the intellectual content of political and social science by allowing students to apply analytical models from several partially competing traditions -- including the traditions of rational choice, information processing, and social structure. These curricular materials will be complemented by essays on the paradigmatic content of social science and by planned encounters of those skilled in the several competing traditions.

Donald E. Stokes
Chairman
Steering Committee

AUTHOR'S PREFACE

This Instructor's Manual provides a detailed guide for the use of the Supplementary Analytical Unit, Three Approaches to Health Care. The manual includes (1) a suggested session log that indicates the progression of classroom activities and student homework assignments, (2) an outline of the module and student activities with a brief description of each exercise or activity, (3) a discussion of the educational objectives of the module, (4) a discussion of the module design, and (5) a description of each module activity, including sample answers to module exercises. For each section of the module, this manual also provides a checklist of skills or knowledge students should acquire as the module progresses.

An effort has been made to provide instructors with a sufficient body of clarifying notations which punctuate and expand upon various sections of the module. Since the module has been intentionally prepared so that activities and exercises progress in terms of their relative difficulty from the very simple to the more complex, instructors may find it useful to read the outline contained in the manual before reviewing the student edition of the module. In this way, the objectives of the exercises and activities and the building-block nature of the module can be more fully appreciated.

Mel Dubnick
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FOREWORD

The development of this unit, in the second series of Supplementary Analytical Units, interactive learning modules on topics of public policy analysis, was supported by Grant SED 77-18486 from the National Science Foundation to the American Political Science Association.

The project is administered by the Association's office of Educational Affairs. Sheilah K. Mann is the project director. Authors served as members of a Developers Task Force, and worked under the supervision of a Steering Committee charged with oversight for the Association's undergraduate education project.

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Elinor Ostrom has chaired the Developers Task Force. Professor Brian Loveman, San Diego State University, has served as Development Coordinator and Editor for this series of modules.

TABLE OF CONTENTS

SESSION LOG

Section I: The Problems of U.S. Health Care Delivery

ASSIGNMENT ONE: (Class Period One)*
- Student Preparation: Read Section I.A.: "The Personal Nature of Health Care Problems"
- In-Class Activities: Activity One
- Take Home Assignment: None

ASSIGNMENT TWO: (Class Periods Two and Three)
- Student Preparation: Read Section I.B.: "Understanding the Problems of Health Care Delivery"
- In-Class Activities: Activities Two and Three (one session each)
- Take Home Assignment: None

Section II: Proposals for Health Care Delivery Reform

ASSIGNMENT THREE: (Class Period Four)
- Student Preparation: Read Section II.A.: "Congressional Proposals" and complete Exercise One
- In-Class Activities: Instructor review of health care proposals and student presentation of answers to Exercise One
- Take Home Assignment: None

Section III: The Debate: Three Views on Health Care Delivery

ASSIGNMENT FOUR: (Class Period Five)
- Student Preparation: Read Introductory remarks to Section III and Section III. A.: "The Radical Reformist Position," including the Coontz article
- In-Class Activities: Activity Four
- Take Home Assignment: Exercise Two

ASSIGNMENT FIVE: (Class Period Six)
- Student Preparation: Read Section III.B.: "Market Reformers," including Pauly article
- In-Class Activities: Activity Five
- Take Home Assignment: Exercise Three

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* This session log is based on the assumption that each class period is fifty minutes in length.

ASSIGNMENT SIX: (Class Period Seven)
- Student Preparation: Read Section III.C.: "Bureaucratic Reformers," including the Garfield article
- In-Class Activities: Activity Six
- Take Home Assignment: Exercise Four

ASSIGNMENT SEVEN: (Class Period Eight: Optional)
- Student Preparation: Read Section IV.A.: "The Problem of Choice," and Section IV.B.: "Comparing Policy Programs"
- In-Class Activities: Activity Seven: optional
- Take Home Assignment: None

ASSIGNMENT EIGHT: (Class Periods Nine and Ten)
- Student Preparation: Read Section IV.C.: "Comparing Policy Assumptions," and begin Exercise Five
- In-Class Activities: Review answers to Exercise Five and reserve time for discussing questions students may have
- Take Home Assignment: Complete Exercise Five

ASSIGNMENT NINE: (Class Period Eleven)**
- Student Preparation: Exercise Six
- In-Class Activities: Review and discuss responses to Exercise Six
- Take Home Assignment: Begin Exercise Seven

ASSIGNMENT TEN: (Class Period Twelve)**
- Student Preparation: Exercise Seven
- In-Class Activities: Review and discuss responses to Exercise Seven
- Take Home Assignment: Begin Exercise Eight

ASSIGNMENT ELEVEN: (Class Period Thirteen)**
- Student Preparation: Complete Exercise Eight
- In-Class Activities: Activity Eight
- Take Home Assignment: Begin Exercise Nine

ASSIGNMENT TWELVE: (Class Period Fourteen)**
- Student Preparation: Exercise Nine
- In-Class Activities: Review and discuss responses to Exercise Nine
- Take Home Assignment: None

ASSIGNMENT THIRTEEN: (Class Period Fifteen: Optional)
- Student Preparation: Read Section IV.D.: "Critical Tests"
- In-Class Activities: Activity Nine (optional)

** It is suggested that instructors consider additional class sessions to allow overlap between these four assignments.

OUTLINE OF MODULE AND STUDENT ACTIVITIES

PART I: The Problems of U.S. Health Care Delivery

Students are introduced to the personal tragedies of American citizens dealing with the U.S. health care delivery system along with basic background information on health care in America. As government responses to perceived problems in health care delivery, health care reform policies may be categorized as either demand-centered, supply-centered, or demand and supply centered. Students are thus introduced to the importance of assessing critically and systematically underlying assumptions of reform policies.

Activities 1-3. Ask students to discuss these personal tragedies and others like them they know about, generate plausible explanations for these problems following the demand-centered/supply-centered categorization, and begin to suggest reform proposals to alleviate these problems -- keeping in mind the feasibility and likely effectiveness of their proposed solutions.

PART II: Proposals for Health Care Delivery Reform

Students are presented with brief descriptions of five major Congressional health care reform proposals, concentrating on the major assumptions underlying each proposal. By placing each of these proposals along a continuum which has demand and supply assumptions at its polar extremes, students are presented with a graphic depiction of the divergence between each of the proposals. Part II concludes with a brief description of the three perspectives of health care delivery reform: "radical reformist," "market reformist," and "bureaucratuc reformist."

Exercise One: Instructs students to place each of the Congressional reform proposals in its appropriate station on a "radical - market - bureaucratic" continuum. Student responses should be accompanied by explanations for each choice.

PART III: The Debate: Three Views on Health Care Delivery

Using the foundation established in Part II, students are here presented with representative selections of each of the three alternative paradigmatic traditions found in the literature of health care delivery reform. Each perspective is summarized in an introduction which is followed by an article using that particular framework. The objective is to introduce students to the on-going debate in health care reform literature and to urge them to critically consider the differences between each of these proposals on the basis of differing perceptions of the nature of the problem. Since we are concentrating on those assumptions underlying representative policy proposals for the three paradigmatic traditions, students are asked merely to summarize the position of each and not to critically

analyze their feasibility, warrantability, consistency, or overall value.

Activities Four, Five and Six, and Exercises Two, Three and Four: Activities Four, Five and Six engage students in an examination of the underlying assumptions of each of the differing reform perspectives. Separate activities are designed to induce students to acquire a "general feel" for the assumptions maintained by each perspective. In so doing, students should ask themselves, "What are the author's basic assumptions regarding the present health care delivery system, its problems, its necessary channels of reform?" That is, what are the perceived problems and how can they be alleviated. In Exercises Two, Three and Four, instruct students to apply the positions advocated and the assumptions maintained by each of the differing perspectives to the personal health care tragedies experienced by those families discussed in Part I. In this way, students can better assess how each perspective squares with a concrete example.

The combination of Activity Four and Exercise Two, Activity Five and Exercise Three, and Activity Six and Exercise Four provide instructors with a good deal of flexibility and evaluation. For example, instructors may have students complete the Activities before considering each Activity's accompanying Exercise. This may be done either by means of take home assignments or in-class group discussion. The same procedure may be followed for Exercises Two through Four. Another alternative is to have students submit written responses to these exercises, which may then be weighted as midterms or quizzes. Another possibility is to convert these exercises into forums in which students answer the questions you ask differently ("Does the position explain these tragedies to your satisfaction? ...) The primary concern is in providing instructors with as much flexibility as possible, and thereby provide them with the opportunity to gear the class to their own particular needs and interests.

PART IV: Analyzing Competing Policy Alternatives

Students are introduced to alternative analytical approaches for choosing among competing policy alternatives. One such means would be to compare alternative policy programs and empirically test the feasibility, effectiveness, efficiency, and fairness of each. Due to the inherent difficulty of this first approach, students are introduced to a second approach for comparing alternative policy proposals -- an examination of the underlying assumptions of each alternative. Through a series of interactive activities and exercises students learn the technique of diagramming a propositional inventory for each of the alternative proposals. They also are introduced to the idea of critical tests of competing proposals. Central to this approach is the identification of clues to each author's distinct perspective and the underlying assumptions used to rationalize each distinct proposal. To facilitate this process, students are asked to use the same dependent variables to analyze each of the alternatives. These common dependent variables are: efficiency, equity, cost.

Activities and Exercises

Activity Seven (Optional). Ask students to informally compare the Corman-Kennedy, Ullman, and Fulton-Duncan proposals and, operating on the assumption that they are endowed with a blank check for research activities, to develop systematic experiments for purposes of comparing the effectiveness, efficiency, and fairness of the three proposals.

Exercise Five. Treating efficiency, equity, and costs as dependent variables, instruct students to list the related independent variables and the direction of the relationship. That is, students are to list those variables which cause, condition, or otherwise influence the dependent variables according to each alternative perspective, and note whether this relationship is positive or negative in nature.

Exercise Six. Instruct students to present their catalogue of relational propositions gathered in Exercise Five in diagrammatic form. The objective is to have students assess the logic of an author's argument. The connections of relational propositions demonstrate the differing assessment of the problems of U.S. health care delivery and their assumed causes and how proposed policies eliminate those causes.

Exercise Seven. Direct students to consider what causes, conditions, or otherwise influences those variables considered as "independent" in exercises Five and Six. Students are thus asked to transpose their previously held independent variables into dependent. The new relationships are to be listed and the direction of their relationship noted.

Exercise Eight. Instruct students to combine the relationships derived from Exercises Five, Six and Seven so as to obtain a clearer picture of the perspectives each author has on the problems of U.S. health care delivery and the policies each deem essential for alleviating those problems. The product of this endeavor is a propositional inventory for each perspective presented in flow chart form.

Activity Eight. Students are instructed to assign a spokesperson from each of their small groups to present a composite of individual responses.

Exercise Nine. Students are assigned the task of noting those assumptions which are common to each distinct perspective and presenting points of similarity and divergence between pairs of policies.

Activity Nine (optional). Students are introduced to the concept of critical tests and asked to formulate a research project which would test the credibility of competing propositions.

INTRODUCTION

This module seeks to provide students with basic information on the U.S. Health Care Delivery System and to introduce students to a useful technique of public policy analysis. Reflecting the general theme of the Supplementary Analytical Unit Series, the module also seeks "to engage students in exploring the underlying concepts of dominant paradigms utilized as analytical frameworks in political and social science."

Using the issue of health care reform as a reference point, the module presents students with the dilemma of choosing among competing policy reform proposals -- each of which is broadly representative of distinct analytical frameworks or paradigms used in public policy analysis and in the social sciences more generally. As the module progresses, students are confronted with progressively more complex activities and exercises. All of these activities and exercises focus upon the basic concern of reforming the U.S. health care delivery system and simultaneously raise issues regarding the basic assumptions, evaluative criteria, and "reasonableness" of divergent reform proposals. The module proceeds from "uninformed" speculation as to the causes of the personal tragedies recounted in Part I to highly complex diagramatic modeling of explanations for the U.S. health care crisis. In all cases, however, the instructor retains the option of selecting among activities and exercises to adapt the module to the particular needs or orientation of different courses and student background levels.

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Within the past several years the study of public policy, both domestic and foreign, has received an unparalleled proportion of the political scientist's attention, especially students of the American political system. Undoubtedly, the demand for relevance in the 1960's and the general desire to make the discipline useful to policy-makers has prompted many members of the profession to not only pursue an academic study of policy, but even to analyze critically and question the very substance of government activity (if not its inactivity). Indeed, since public policies are influenced by, and have a profound impact upon, society's total political, economic,and social environments, not only political scientists but economists, sociologists, and psychologists as well have focused an increasing amount of scholarly attention on the subject. Unfortunately, however, even with a proliferation of scholarly interest, no clear theory or methodology for the study has evolved.

This is especially true when we select from among alternative policy proposals. Although often concerned with the same substantive issue area, different proposals frequently make competing claims on society's limited resources on the basis of divergent assessments of public problems. This necessitates the articulation of a method for an informed choice -- one which derives from a thorough scrutiny of the validity, warrantability, and logical consistency of a policy's underlying assumptions.

Such a methodology is an important tool in a pluralistic society beset by a multitudinous array of inputs to the complex network of government policy-making. There

are numerous calls for tax revisions, health care reform, innovative educational programs, new human resource and community development policies, etc. The ability to initiate and implement change in our political, economic, and social systems is oftentimes hailed as an indispensable ingredient of our constant search for continual progress and a heightening of societal well-being. However, although we may recognize the need for basic change in a given issue area, the selection of a proper course of action is no simple matter. We are often confronted with a multitude of policy positions concerned with the same substantive issue, yet each advocating a totally distinct avenue of reform. How to best select one proposal from among many has been a constant source of anguish, confusion, and debate. If we were unable to make a reasoned choice, differing reform proposals would essentially be selected or rejected on the basis of uninformed predilections based on emotive rather than analytic criteria. However, a reasoned choice is desirable. Reasoned choice is dependent on one's ability to compare and analyze differing policy positions. Herein lies the explicit objective of this module.

In addition there is an implicit objective for this module reflecting the general theme of all LAPSS units. As noted previously, it is the intent of LAPSS modules "to engage students in exploring the underlying concepts of dominant paradigms utilized as analytical frameworks in political and social science." The three articles used in this module are extensions and representations of three such paradigms as applied to the issue area of health care delivery. Thus, these articles (and the exercises for which they are utilized) can be regarded as one means for introducing students to a variety of paradigms and their characteristics.

The module allows the class instructor some flexibility in decising how best to accomplish this last objective. You may wish to consider the alternative paradigms before undertaking the module, thereby leading up to the three approaches as "examples" of abstract conceptual frameworks used in the social sciences. For example, you might begin by giving the general characteristics of a "social structure" (e.g., Marxist) paradigm as it differs from the paradigms of "rational choice" or "decision-making under uncertainty," and follow this with a detailed discussion of the general Marxist approach in political and social analysis. Turning next to the module, it would not be difficult for the student to see the relationship between Coontz's "radical reform" perspective, the Marxist model, and the social structure paradigm. This can be done as well for the other two paradigms and their respective manifestations.

Another approach would involve waiting until after the module has been completed. Here you might bring in other reform proposals on different issues which share some of the same perspectives. In this way you can indicate that the common thread among many reform proposals is not the object of reform, but the analytic model being applied by the reformer. From there you can discuss related models and, eventually, the paradigm which provides the foundation for those approaches. This can be repeated for each perspective and thus for each of the dominant paradigms.

It goes without saying that students will undoubtedly enroll in your class with varying levels of knowledge in policy analysis. Although this module was composed with the expressed purpose of assisting the introductory student, you may nonetheless find it useful to precede or complement its usage with a discussion of the nature of public policy. In this sense it is useful to speak of public policies as problems in need of solutions. First, they are problems in that they must be developed or modified in the process of achieving a desired goal. The elimination of poverty, the educating of the young,

the defense of the country, the provision of adequate health care delivery for the aged, and so on, are all challenges (i.e., problems) for the public sector. Moshe F. Rubinstein has characterized these as synthesis or design problems. In another sense, however, public policies are also analytic problems "in which the solution consists of a transformation or change in representation of given information so as to make transparent the obscure or hidden."*

It may also be noted that not only is the formulation of public policy a particular kind of "problem," but that public policies are reactions to some perceived problem. You may thus consider it of some importance to reiterate a recurrent theme of this module -- that the way in which a problem is identified and ultimately defined reflects the underlying assumptions of the particular policy, the goals or objectives of the formulators, as well as the selection of one of the various paradigmatic traditions. Similarly, you may find it relevant to emphasize the distinction between appearance and reality in the formulation of policy proposals, noting the importance of discerning the policy-maker's perception of the problem.

These are merely suggestions; they are hardly course outlines. How you decide to accomplish the task is up to you. In any case, this module can and should be used for that implicit as well as explicit purpose. There are some other modules in the LAPSS series of publications which would be very helpful in this regard, which you may wish to incorporate into your class discussions.

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DESIGN OF THE MODULE

Since all reform proposals are constructed upon a foundation of propositions derived from varied paradigmatic traditions, we need a means for perceiving and assessing proposals in terms of how well each describes, explains, and evaluates a given situation. In other words, we need tools by which we can dissect and examine the fundamental propositions underlying all reform proposals. The primary purpose of this module is to demonstrate through interactive exercises and activities how one can begin to analyze consciously and systematically and to compare alternative policy positions, the ultimate objective being to facilitate an informed and reasoned choice from among several "reasonable" possibilities.

Although this module presents three reform proposals in the realm of health care delivery (radical, market, and bureaucratic), it should be understood that the reasoning processes elaborated in the exercises can be utilized regardless of the particular issue area or positions under consideration. Every reform proposal is attached to a perspective which describes, explains, and evaluates a particular situation. The utility of this module is in its presentation of a means by which alternate policy positions may be better examined and compared. Thus it seeks to instill in its users a greater appreciation for scrutinizing the author's underlying perspectives, both implicit and explicit.

It must also be noted that there does not exist any definitive answer or set of answers for many of the exercises. The ultimate objective is to have students present a

* See Rubinstein's Patterns of Problem Solving (Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1975).

propositional inventory in flow chart form. They note the linkages between various independent variables and the dependent variables -- efficiency, equity, and cost. They first locate direct links between various aspects of U.S. health care delivery independent variables and their effects on dependent variables -- efficiency, equity and cost. Then they treat our initial independent variables as dependent (or intervening) variables and locate their relation to other independent variables. Instructors should refrain from expecting students to gather each and every relational proposition connected to these variables. Instead, each student should ultimately concentrate on locating and diagramming as many of these relational propositions as possible given their present capabilities. Like detective work, students are searching for clues. The clues in this sense are the relational propositions which serve as the underlying basis for a particular policy position. These clues can be gathered, examined, and connected until the "logic" of the case is diagnosed. Students should thus be able to note both the similarities and differences between each policy position in terms of the causes and consequences of these three variables.

To facilitate this investigatory process, the module is divided into four interrelated sections. Section I explores problems of U.S. health care delivery first by presenting a series of "personal tragedies" and secondly by suggesting that these problems can be viewed from three distinct perspectives: (1) financial/demand centered; (2) organizational/supply centered; and (3) both demand and supply centered. Section II describes several major Congressional proposals for health care delivery reform, each of which can be fitted into one of the three reformist perspectives. Section III is devoted to an examination of each of the paradigmatic traditions, containing a policy proposal applicable to each position. And finally, Section IV briefly sets forth a systematic outline for analyzing (and thus choosing between) alternative policy proposals. Such a format is of a sequential nature, containing various exercises meant to prepare the student in making an informed choice from among competing policy positions.

I

The Problems of U.S. Health Care Delivery

I.A.: The Personal Nature of Health Care Problems

Basic to the strategy of this module is the obvious (yet little utilized) contention that policy decisions reflect choices among competing policy premises as well as alternate conclusions. Policy choices are (more often than not) made from among several explicitly stated policy proposals, each competing with the others for endorsement and adoption. The debate generated by the presence of several policy possibilities is usually substantial, especially in matters where an issue's salience for society is relatively high. This debate creates a "literature" of its own ranging in form and quality from simplistic editorial diatribes to sophisticated scholarly treatises. A characteristic common to these writings is the "advocacy" position assumed by authors who seek to convince, persuade, and otherwise "sell" their policy position to a given audience. Advocates of policy positions are thus, by necessity, "rationalizers"; that is, they intentionally undertake to posit a "reasonable" argument on behalf of their policy choice and counter to competing positions. In so doing they invariably express (sometimes overtly, but oftentimes covertly) the "theory" underlying their proposed "solution" to a given policy problem. This "theory", once made manifest in a clear and logical form explicates the policy proponent's understanding of the issue environment, the problematic situation involved, and the specific factor or factors upon which a solution is contingent. Thus a policy-maker's choice not only involves adoption of a particular policy action (i.e., conclusion), but also acceptance of the "theoretical" underpinnings of that specific alternative.

As a beginning step in realizing the analytical framework developed in later sections of this module, Section I begins with a description of the problems confronting the Johnsons, Cottons, and Thomases in their tragic encounters with the American health care delivery system, together with a description of some of the abuses of the U.S. government's major health care delivery programs, Medicare and Medicaid. After having read these accounts, students are asked to divide into small groups for the purpose of exchanging views and concerns regarding their perceptions of the problems of U.S. health care delivery. Activity One thus seeks to involve students in the first steps undertaken by policy-makers -- identification and definition of the problem under consideration. Small group discussions will also enhance the full learning experience of this module.

Activity One. Although this constitutes a relatively simple activity, instructors may wish to develop the argument in greater detail. It should be pointed out to students that their own examples of various shortcomings in the health care delivery system further dramatizes medical care problems which beg for solutions. A spokesperson should be selected from each group to present a composite of the views expressed by fellow members.

The purposive course of action taken by government to alleviate such problems are manifested in public policies, indicating official objectives and goals in regard to a specific issue, and public programs, describing the actions government will take (or avoid) to attain policy goals and objectives. Instructors may wish to discuss the idea that policy analysis in its broadest sense requires the examination of both governmental goals and objectives as well as the particular actions undertaken in pursuit of these desired ends.

I.B.: Understanding the Problems of Health Care Delivery

Following the discussion of public policies as responses to problems in need of solution, students are informed that the particular manifestation of policy in the area of health care delivery depends upon whether one views the problem as demand-centered (which assumes that health care delivery problems are rooted in forces which determine the claims made upon the limited resources of the American medical profession), supply-centered (which assumes that such problems are expected consequences of the present organizational structure of those providing medical services to the American public), or as we will soon discover, some combination of the two. With this in mind, Activities Two and Three are inserted to demonstrate a process of problem-solving somewhat akin to that applied by policy-makers.

Activities Two and Three. Activity Two instructs students to form in their small discussion groups and posit definitions of the health care delivery problems experienced by the Cottons and Thomases, as well as those occasioned by Medicare and Medicaid programs, from both demand-centered and supply-centered perspectives. Activity Three requires that students develop policies consistent with and responsive to their underlying assumptions of the nature of the problem. With this as our objective, it may be helpful to instruct students to view demand-centered assumptions as those which see health care problems as caused by patients and supply-centered assumptions as those which focus on the providers of health care services.

By focusing attention on the personal tragedies described in the Cotton, Thomas, and Medicaid-clinic excerpts, students are expected to put forward possible demand-centered and supply-centered explanations of the nature of the health care delivery problem. The objective is to enable students to experience the first phases of policy formulation, the identifying and defining of the problem. They are thus expected to form basic assumptions regarding differing conceptualizations of the crises of health care delivery.

The objective of Activity Three is to have students use their assumptions gathered in Activity Two as the basis for generating possible public policies, perceived to be potential solutions to their previously defined problem. Activity Three thus introduces a style of policy-making not unlike that carried out by policy-making bodies. Consciously or unconsciously, policy-makers formulate public policies and programs on the basis of beliefs and assumptions they hold regarding an issue being debated. This is, however, opposed to the ideal process of "rational" policy-making.

Although students are here formulating policies based on their beliefs and assumptions regarding their perception of the problem of health care delivery, they should understand that such a process is the antithesis of the ideal or rational model of policy-making, seldom realizable in our complex society. Ideally policy-makers should be aware of the choices they are making when policies and programs are developed. That is, they should be knowledgeable of all possible assumptions available to them, how assumptions differ, and which among them will provide the "best" solution for the policy problem at hand at the least cost. We will return to these requirements in our discussion of an analytical framework for analyzing alternative policy proposals. At that time we will take a very critical look at the assumptions underlying three rather distinct policy recommendations. For now, however, it may be of interest to note the important distinctions between the paradigms of "rational choice" and "decision-making under uncertainty."

Sample Answers for Activity Two:

The answers below are meant as illustrative rather than as an exhaustive list. Although some of the answers may appear somewhat awkward (or at least inapproprite), it must be remembered that students are expected to posit explanations which place the blame for the health care delivery problem on those seeking services and those providing medical services. Depending on one's perspective, one explanation may seem more plausible than the other.

The Cottons:

Demand-centered: From this perspective, Mr. Cotton's failure to plan ahead and realize that he could not obtain private insurance equivalent to his present group coverage was the cause of his health care delivery problem.

Supply-centered: From this perspective, Mr. Cotton's dilemma is rooted in a medical insurance system incapable of providing insurance coverage to all interested parties. More specifically, the problem resides in his inability to convert group insurance into an equivalent and meaningful insurance program due to the structure and strictures of the insurance industry.

The Thomases:

Demand-centered: From this perspective, the problem was Mr. Thomas's lack of sufficient insurance and his inability to satisfy the economic demands of continuous medical care. However, even more disconcerting, although his monthly salary equalled only 50% of his monthly medical expenses, the fact of his marriage and consequent shared income disqualified his wife from state funding of nursing care expenses.

Supply-centered: From this perspective, several explanations have potential utility. It may be posited that the Thomases' dilemma is rooted in the inability of present insurance schemes and government aid programs to (1) set reasonable minimum income levels as criteria for financial aid, (2) assess one's need on the basis of both assets and liabilities, and (3) provide meaningful benefits, i.e., consistent with present medical costs for all citizens regardless of marital or other statuses.

Medicaid Clinics:

Demand-centered: From this perspective, users of medicaid clinics are themselves at fault for present abuses of government aid programs. Their failure to question the number and type of services, treatment and prescriptions for pharmaceutical drugs leads to provision of unnecessary and expensive forms of care.

Supply-centered: From this perspective, the organizational structure of the medical profession is at fault for the various abuses of the medicaid program. It may be reasoned that the present fragmentation of the medical profession prevents supervision and accountability of the varied personnel and institutions of health care delivery. It may also be posited that the present manner in which government insurance payments are made not only increases demand (and thus cost), but also works as an incentive in leading individuals to the most costly services and unnecessary treatments. In brief, medicaid clinics reduce patient concern for cost which, in turn, reduces their concern for questioning prescribed treatments which, in turn, leads to various abuses of medicaid clinics.

Sample Answers for Activity Three:

The Cottons:

Demand-centered: Where the individual is not knowledgeable about the differences between group insurance and private coverage, one could recommend some form of educational program. However, in the case of Mr. Cotton, himself an insurance executive, such a program is not necessary. His need was unexpected and unable to be satisfied by the present voluntary insurance structure. Perhaps making him purchase sufficient coverage -- a national health care insurance system -- would work.

Supply centered: (1) To offset the cost of medical expenses each individual must be afforded adequate insurance coverage with the higher premiums for "high risk" parties underwritten by the government. In short, no one should be "uninsurable."

(2) Reform present insurance conversion policies so that group insurance benefits and costs can easily and meaningfully be converted to private insurance. One possible means would be to require group insurance carriers to underwrite all medical claims on a private insurance basis by those individuals once covered by their group insurance who are no longer covered by that insurance scheme.

The Thomases:

Demand-centered: Mandate "catastrophic" insurance for all so need for aid would be eliminated in such cases.

Supply-centered: Establish alternative sources of medical funding capable of providing financial assistance for continuous health care. For example, the government can offer tax incentives to business and industry for including nursing home care benefits in their group insurance programs.

Reorganize the present organizational structure of health care institutions so that nursing homes would be financed and supervised by a central, public administration. The objective being to provide nursing care services to those in need.

Medicaid Clinics:

Demand-centered: Since the consumers of health care services (the patients) are at fault for the abuses of medicaid clinics in not questioning the types and quantity of prescribed medical services, a means to alleviate the problem would be to introduce an educational program, whereby all users of medical services became informed of medical practices. Another proposal is to make the patient more responsible for the type of medical service he/she selects. This can be done by making the patient, i.e., the demander, incur part of the cost of health care services.

Supply-centered: (1) Elimination of third party payments to health care providers.

(2) Organizationally, the government must act as ultimate overseer of the health care delivery system. Periodic inspections and financial auditing of providers of medical care services should be developed to prevent abuses.

Section I. Checklist: After completion of this section and its accompanying exercises, students should be able to:

a. Differentiate between public policies and public programs;
b. Define and give the significance of a "demand-centered" and "supply-

centered" perspective in health care policy analysis.

c. Discuss the general relationship between perceived public problems and policy formulation.

II

Proposals for Health Care Delivery Reform

II.A.: Congressional Proposals

Section I sought to introduce students to distinct conceptualizations of several problems inherent in the present U.S. health care delivery system in a very general way. That is, rather than focusing on actual public policies initiated and implemented with the expressed purpose of resolving some perceived problem of health care delivery, we elected to involve students in the first phases of policy formulations -- identification and definition of a problem. In doing so, students read various excerpts expressing "personal tragedies" experienced in particular contacts with the U.S. health care delivery system, and one excerpt detailing reported abuses of the Medicaid program. The objective was to have students first define the nature of the problem from two opposing perspectives (financial/demand and organizational/supply), and secondly to propose potential solutions in the form of public policies.

The approach and objectives of Section II follow naturally from the focus of the preceding discussion. What students are asked to do, in effect, is turn the previous process around, examine actual policies formulated as potential solutions to the health care delivery crisis, and understand where each falls upon the demand-supply continuum. Here it may be instructive to reiterate the idea that what distinguishes one reform proposal from another is not the object of reform but the analytic model being applied by the reformer. Since each of these policy proposals contains a unique emphasis on differing analyses of the health care crisis, they represent a wide range of alternatives and various assumptions made in many health care reform plans. The ultimate objective is to have students clearly understand alternative policy proposals by recognizing the hidden underlying assumptions.

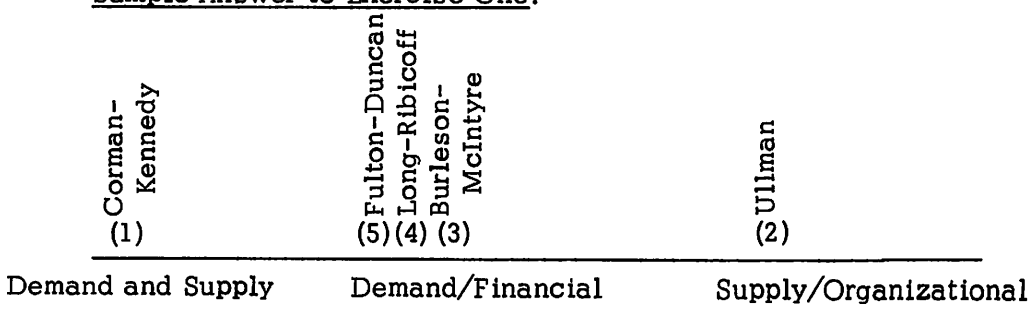
After depicting the various assumptions of recent proposals for health care delivery reform, emphasizing the particular perspective of each, students are introduced for the first time to the three paradigmatic traditions prevalent in many health care delivery reform proposals. The objective is to enable students to understand how each perspective has found expression in actual policy proposals, and how they can differentiate between them.

Exercise One:

Commentary: The objective of Exercise One is to introduce students indirectly to the three differing paradigmatic traditions prevalent in health care delivery reform by having them specify the tradition represented by each of the proposed reforms. In brief, students are to depict on a continuum whether the proposed policies emphasize the assumptions, and thus reforms, of demand-centered reformers, supply-centered reformers, or those who posit reforms along both dimensions. For this purpose, students need to know that the latter group seeks to revamp both the financial and organizational mechanisms of health care delivery; demand-centered policy proposals rely on financial reforms only, leaving the current pluralistic and fragmented structure of the health care system to carry out the efficient allocation of scarce resources; and the supply-centered reformers seek to reorganize the health care delivery system through organizational consolidations,

rationalizations, and the centralization of administration. These reform policies and their underlying assumptions will receive extended treatment in Sections III and IV of the module. Instruct students to explain their answers.

Sample Answer to Exercise One:



Section II Checklist: After completion of this section, students should be able to:

a. Describe the basic assumptions of demand-centered and supply-centered perspectives of health care delivery reforms and note the differences between the two.
b. Describe how present policy proposals coicide with the assumptions which attribute crises of health care delivery to either demand factors, supply factors, or both.

III

The Debate: Three Views on Health Care Delivery

As previously noted, assumptions concerning health care delivery problems focus on financial/demand factors, organizational/supply factors, or both. These sets of assumptions coincide with the concerns of three paradigmatic traditions utilized in the literature of health care delivery reform: "Market Reformist," "Bureaucratic Reformist," and "Radical Reformist," respectively. In this section students are presented with representative selections of each perspective, and obtain an understanding of each alternative set of assumptions. Since we are concentrating on assumptions underlying representative policy proposals for these three paradigmatic traditions, students are asked to summarize the position of each and not to analyze critically their feasibility, warrantability, consistency, or overall value. Rather than prematurely demand a critique of each argument, the objective is to establish a general feel for the alternative assumptions of each reform. Although the focus is narrowly confined to summarizing the basic position of each proposal, such understanding is crucial in developing a "reasoned choice" between alternative policies. In so doing, students should be cautioned not to dig too deeply into each position and possibly bury themselves in the intricacies of the argument, but simply to understand the general perspective. They should be warned to refrain from making premature judgments on each position and, of course, to guard against becoming influenced by the labels attached to each perspective.

III.A.: <u>The "Radical Reformist" Position</u>

The first position students confront is termed "Radical Reformist." The radical perspective (radical in terms of the changes it mandates for the current health care delivery system) perceives health care delivery problems as rooted in the financial and organizational structure mandated by capitalist society. In brief, according to radical reformists, capitalist society treats health care as a commodity to be purchased in a highly monopolized market, rather than a right supplied to every individual. As capitalist structures, health care delivery institutions and personnel operate according to a profit-making incentive, seeking to maximize profit at the expense of those in need of medical services. In addition, the present health care delivery system is regarded as too fragmented with many organizations and three main groups of actors vying for manipulative control of the medical profession. The profit-making, fee-for-service principle escalates the cost of medical services; insurance schemes increase demand for health care services; meanwhile various institutional restraints prevent countering by increasing supply (thus increasing the overall cost, inefficiency, and inequity of the health care delivery system). Radical reformers thus assert that demand and supply factors are both at fault for the problems in health care delivery and therefore propose a total revamping of the financial and organizational structure of medical services. This perspective is presented in Stephanie Coontz, "You Can't Afford to Get Sick," as well as in the Corman-Kennedy reform proposal.

Activity Four:

Commentary: The objective of Activity Four is to increase students' understanding of the general argument of the radical reformist position by focusing on the basic assumptions of the Coontz perspective. Coontz's account of the health care delivery crisis is heavily ladened with assumptions regarding the problems of U.S. capitalism as well as medical delivery and is substantially supported by numerous relational propositions. These relational propositions will become the target of analytic assessment in Section IV of this module where they are analyzed as logical and coherent bodies of thought, i.e., as rationalizations for advocating particular policies. For now we are primarily concerned with understanding Coontz's major assumptions regarding (1) the nature of the U.S. health care delivery crisis; (2) the present capacity of the U.S. health care delivery system to satisfy patient expectations; and (3) the policy measures deemed essential for alleviating the problems of U.S. health care delivery.

To facilitate this activity, instructors should remind students that they are seeking a general overview of the radical reformist position. In so doing, they should ask themselves, "What are the author's basic assumptions regarding the present health care delivery system, its problems, its necessary channels of reform? That is, what are the perceived problems, and how can they be alleviated?"

Answers: Although these answers do not exhaust the full range of choices available, they nonetheless present greater detail than can be expected from students' first cursory reading of the Coontz text. Their objective is limited to gathering a general overview of the radical reformist perspective as presented by Coontz.

1. Nature of the Problem: According to Coontz's radical reform perspective, the problems of health care delivery in the U.S. are rooted in the financial and organizational structure mandated by capitalist society. As evidenced in the U.S., capitalist society treats health care as a "commodity" to be purchased in a highly fragmented yet professionally monopolized medical market, rather than as a right afforded to all needy individuals. Thus health care delivery in the U.S. is associated with the institution of private enterprise and to the system of providing medical services to the highest bidder. Private enterprise, in turn, contributes to the creation of fragmented medical care institutions and to the overwhelming concern with profit-making. Coontz further argues that when the medical profession relegates humanitarian concerns to profit maximization, a number of unfavorable developments ensue: neglect of medical treatment for the poor, geographic maldistribution of physicians, proliferation of unnecessary and costly services, creation of proprietary hospitals, etc. Consumer costs steadily increase, and along with it the cost of medical insurance. Meanwhile, government responses in the form of medicare and medicaid only perpetuate and increase the crises of health care delivery. With government insurance paying the bill, consumers of health care services do not become overly concerned with the cost of medical treatment; unnecessary and expensive forms of health care are thus sought and readily prescribed.

From a demand-centered perspective, Coontz (representative of the radical reformist position) asserts that the consumer of health care services (the patient) is partly at fault for the problems in U.S. health care delivery. The patient's failure to question the type and costs of medical treatment creates an incentive for providers to prescribe unnecessary and expensive forms of care.

From a supply-centered perspective, Coontz asserts that capitalist society ultimately leads to a fragmented yet professionally monopolized health care delivery system. The overwhelming concern for maximizing profits is associated with the consolidation and coordination of hospitals and physicians which, in turn leads to the growth of medical monopolies. Organizationally, concern with profit maximization leads to the maldistribution of physicians into specialist practice, a reduction of medical treatment for the poor, geographic maldistribution of physicians into "wealthy" areas, proliferation of unnecessary and costly services, an increase in expenditures for drug advertising, reduction of expenditures for drug research, competitive drug sales, creation of proprietary hospitals, etc.

2. As depicted by Coontz's account, the present system of U.S. health care delivery fails to satisfy patient expectations. The relegation of humanitarian concerns to profit-maximization, the transference of health care as a "right" to health care as a "commodity," and the financial and organizational structure of the health care delivery system as mandated by capitalist society diminishes concern for consumer (i.e., patient) health. Rather than receive the health care services they need, demanders of medical care must select that form and quality of care which they can afford. Where private insurance or government insurance programs are involved, consumers of health care are prescribed unnecessary and costly services. Since patients assess the quality of medical care on the basis of cost and the perceived prestige of the medical institution, they opt for the most expensive and elaborate forms of care. Their expectations, however, are not satisfied.

3. Since Coontz perceives the problems of U.S. health care delivery to be rooted in the structures of capitalist society, she proposes a revamping of the financial and organizational structures of society and health care delivery. The targets of her reform proposal encompass both demand-centered and supply-centered problems. In brief, Coontz proposes the nationalization of the health care delivery system. Nationalized health care delivery would abolish the present "fee-for-service" system and its consequent abuses. It would also remove the private sector, with its private interests, from the medical establishment in favor of central planning for our nation's medical needs. Central planning, in turn, would bring about an equitable supply and distribution of medical personnel. In addition, a nationalized health organization would establish supervision of medical personnel, integration and coordination of all aspects of health care services, effective mobilization of health care resources, programs of preventive medicine, etc. In effect, Coontz (and the radical reformist perspective) assumes that a nationalized health care delivery system would eliminate the present abuses of the prevailing profit-making, fee-for-service medical care institution. By guaranteeing that all health care needs will be insured, she also eliminates concern for the financial aspects of the problem.

Exercise Two:

Commentary: Following their group discussion of the underlying assumptions of each of the three policy positions (Activities Four, Five, and Six) students are asked to write a short essay which explains the personal tragedies of the Johnsons, Cottons, and Thomases from each of the separate perspectives (Exercises Two, Three, and Four). Although these exercises appear as separate projects, instructors may wish to have the class, either by way of group discussions or through well constructed essays, consider

the explanatory strength of each perspective in relation to the personal tragedies of the Johnsons, Cottons, and Thomases. That is, you may find it easier (and perhaps less time-consuming and demanding) to have your students read each representative selection of the differing reform perspectives, discuss how each defines the nature of the problem and the measures they each deem essential in alleviating their perceived problem in health care delivery. This exercise can then be followed by a discussion of the strength of each position in explaining the dilemma faced by the Johnsons, the Cottons, and the Thomases. In so doing, students are instructed to consider whether the radical reformist, market reformist, and/or bureaucratic reformist perspective explains the crises experienced by each of the three families, asking themselves "if yes, how?" and "If not, why not?"

Although not meant to prematurely rule out any of the students' offered responses, it should be noted that the health care delivery crisis occasioned by each family can be explained from any of the three perspectives. The applicability of each paradigmatic tradition depends on the student's own perception of the nature of the problem. Their assessment of the explanatory strength of each reform proposal may thus depend on how well each perspective squares with their own interpretation of the problem. Since students may hold differing assessments of the health care delivery problem confronting each family, they may also differ among themselves as to the applicability of the three positions in explaining each family's dilemma. In this case students should be instructed that their responses cannot be analyzed as either right or wrong, but rather evaluated in terms of their reasoning, i.e., in view of the explanations offered in support of their choices.

Although Activities Four, Five, and Six, and Exercises Two, Three and Four are herein treated as separate considerations, instructors may combine them as offered above. The primary objective is to facilitate the student's understanding of each of these reform positions. This can be done by having the students apply them to "real" situations. How you decide to accomplish this objective is entirely left to your discretion. The feasibility of the proposed reforms will be a matter for consideration in Part IV of the module.

Answers to Exercise Two:

In calling for a comprehensive nationalized health care delivery system, radical reformers propose a revamping of the current financial and organizational structure of the U.S. health care delivery system. They thus maintain both a demand-centered and a supply-centered perspective of the ills confronting the present manner in which health needs are provided for. Regardless of the particular conceptualization of the nature of the health care delivery problem besetting the Johnsons, the Cottons, and Thomases, Coontz's perspective can and does take issue with each.

For example, whether we view the problem faced by Mr. Johnson as his inability to demonstrate to the personnel at St. George's hospital that he had the financial resources or insurance coverage to warrant treatment for his son (demand-centered), or to be rooted in a health care delivery system incapable of delivering medical services to a patient in need of immediate care (supply-centered), Coontz offers an explanation of the reasons for American's health care delivery problems cognizant of both perspectives.

The same can be said whether we elect to view Mr. Cotton's dilemma as rooted in his failure to plan ahead and thus realize that he could not obtain insurance coverage equivalent to his original group coverage, or in his inability to satisfy the substantial financial demands of private insurance (demand-centered); or in a medical insurance system incapable of providing meaningful coverage to all interested parties at a reasonable cost (supply-centered). And, in the case of Mr. Thomas, Coontz's perspective assumes that he was forced to divorce his wife, thus enabling her to gain eligibility for state funding of her medical expenses on the basis of her lack of income, both because he lacked the financial resources to pay for his wife's continuous medical care (demand-centered) and because of the inability of present medical institutions to provide health care services to those in need (supply-centered).

Since Coontz focuses on both the inability of the prospective or actual patient to satisfy the financial demands of medical care and on the inability of the present organizational structure of U.S. health care delivery to provide medical care to all parties in need, she is able to explain the problems confronting the Johnsons, Cottons, and Thomases from both a demand-centered and supply-centered perspective. In fact, she assumes that it is not the sole fault of the demander or the supplier of health care services, but rather the combination of the two. She thus argues that any meaningful reform measure must embrace both perspectives, and must, therefore, revamp both the financial and organizational structure of U.S. health care delivery and, when all is said and done, the capitalist structures which mandate and support it.

III.B.: Market Reformers
Activity Five and Exercise Three: Commentary

III.C.: Bureaucratic Reformers
Activity Six and Exercise Four: Commentary

The objective of Activity Five and Six are the same as that of Activity Four, except that here we are focusing on the general assumptions and policy proposals of the Market Reformist and Bureaucratic Reformist perspective, respectively. Students are to read each alternative policy position in an attempt to gain an understanding of an appreciation for the general assumptions underlying each position. Again, as we indicated in our previous commentary, students are seeking an overview of the author's perception of the nature of the problem, of the reform measures deemed essential in alleviating the problem, and in the case of these two perspectives, of the general similarities and differences between the alternative policy positions. To facilitate this process, instructors should remind students to pay careful attention to the introductory comments preceding each perspective. These comments will suggest what is unique about the alternative proposals, and thus give students an idea of the kinds of assumptions they are searching for.

The objective of Exercises Three and Four is to have students assess the explanatory strength of the Market Reformist and Bureaucratic Reformist perspectives in relation to the problems confronting the Johnsons, Cottons, and Thomases. Here again, you are referred to our previous commentary on Exercise Two.

Answers to Activity Five:

1. From Pauly's perspective, the problems confronting U.S. health care delivery are rooted in the financial structure of medical care. In brief, as demand for medical services increases, so does product cost. The increasing cost of medical care is further aggravated by present insurance schemes which lessen consumer concern for cost, thus increasing demand for medical care and thereby increasing cost. The present third-party-payment system, in effect, distorts the demand for medical services by removing the consumer from direct financial responsibility for the kind and amount of medical services he chooses. Physicians, too, react in a predictable fashion. Since the majority of consumers are not meeting their medical expenses from out-of-pocket funds, physicians are not being questioned about the appropriateness or cost of their prescribed treatment. They thus tend to overtax hospital facilities, which, due to its great volume of cases, are not only inefficient but equally expensive. Meanwhile, rising hospital costs turn a greater number of people to insurance plans, and as demand increases so does the cost of private insurance. Where group insurance is unavailable, individuals must turn to either private insurance, government insurance plans, or face the potential risk of being uninsured. At the same time, administrators and physicians each have particular incentives in fostering the growth and technological sophistication of their hospitals, which cost must be borne by consumers. In the face of rising costs there does not exist adequate consumer protection. Insurance companies do not combat rising hospital costs because such increases are matched by increases in insurance premiums; consumers do not combat rising hospital costs because they are covered by insurance. The only constraint on increasing hospital costs is the small but very significant minority (10%) of uninsured individuals.

Although Pauly's reasoning is substantially more thorough and tightly knit, his perception of the problem is clearly evident. The cost of medical services far exceeds the capacity of most Americans to satisfy their medical needs. They are, for the most part, insured in case of small medical expenses, but they are left relatively unprotected in case of large catastrophic expenses. This may be due to the fact that the government offers tax subsidies to large expenses and/or because comprehensive coverage is too costly. Thus, the bulk of the population that does have insurance has too much of the wrong kind, leaving them virtually unprepared in case of a catastrophy. The number of Americans covered by insurance furthermore, causes inefficiency (by overcrowding medical facilities). The problem of U.S. health care delivery thus emanates from the demand side.

2. It must first be noted that Pauly views the present health insurance system, even with its inadequate and overly expensive coverage of catastrophic expenses, as creating an unfulfilled demand on present health care resources. This demand causes inflation of both consumer costs and hospital expenditures. The effects of third-party-payments must be eliminated so that consumers bear greater responsibility for the economic consequences of their choices, and suppliers must make attempts to hold down prices. To place some control on suppliers, Pauly proposes a regulation scheme which would identify the appropriate use of hospitals, or appropriate lengths of stay, or appropriate levels of hospital costs. In addition, he suggests the establishment of a system of indemnity-like insurance to replace the present third-party structure. This would instill cost consciousness in consumers, which would decrease demand for and thus overall cost of health care.

Since these proposals seek to bring the cost of medical care within reach of those in need, it focuses on the financial structure of U.S. health care delivery. What causes inefficiency, inequity, and increased cost is not organizational deficiency, or its decentralization and fragmentation, but rather the tendency of insurance to increase demand and thus cost to the extent that most Americans cannot afford adequate coverage, let alone medical expenses.

3. Whereas Coontz asserts that the U.S. health care delivery system follows the profit-making, private enterprise, fee-for-service system of capitalist society, and thus proposes a total revamping of both the financial and organizational structure of health care delivery, Pauly views the roots of the problem from a demand perspective. Coontz suggests both that the consumer is unable to meet the economic demands of medical care and that those services which are provided are substantially inefficient, inequitable and costly. Insurance plans remove the consumer from direct responsibility for his actions, thus increasing demand for medical services which, in turn, increases costs. Furthermore, the organizational structure of American health care delivery, with its decentralized and fragmented structure, leads to waste, inefficiency, unnecessary and costly services, duplication of effort, etc. Pauly, on the other hand, asserts that there is no better alternative to the present organizational structure of health care delivery. What causes inefficiency is the fact that present insurance schemes and tax subsidies for medical expenses increases demand for medical services, thus overcrowding medical facilities.

What each perspective holds in common is the belief that present insurance schemes remove the consumer from direct responsibility for the consequences of his medical decisions, increase demand for medical services, thus increasing the cost of health care.

Although both authors fault present insurance plans for part of the health care problem, they differ as to the consequences of the present organizational structure on the delivery of health care. Since Coontz perceives a financial and organizational problem in the present health care delivery system, she proposes a solution to both simultaneously, i.e., nationalized health care. Pauly, on the other hand, favors the present organizational structure, and thus does not recommend any organizational reforms. Without organizational reform, nationalized health care would increase demand for medical services which, in turn, would overtax an already overcrowded health care delivery system. Coontz would suggest that Pauly is viewing only half of the problem. And Pauly would suggest that Coontz fails to note the ability of the market place to efficiently and equitably distribute costs and benefits to buyers and sellers of medical care. Coontz's perspective is a relatively "all or nothing" proposition. A compromise between the two is difficult to imagine.

Answers to Exercise Three:

Since the particular predicaments of the Johnsons, Cottons, and Thomases can be assessed from a demand-centered perspective, Pauly's argument can be relevant in explaining the problems confronting each. From a demand-centered perspective the problem confronting Mr. Johnson was his inability to demonstrate to the personnel at St. George's hospital that he had the financial resources or

health insurance to pay for his son's medical treatment; Mr. Cotton's dilemma was his inability to obtain private insurance equivalent to his previously held group coverage, attributed to the fact that his wife's medical history placed her in a "bad risk" category; or other financial aid to pay the cost of his wife's nursing home care. Pauly's proposed reform would make private insurance available at a reasonable cost, and, since it would amount to a form of indemnity insurance, it would ultimately result in an overall reduction in the cost of insurance and eventually medical costs. He proposes that such a plan would lower the cost of comprehensive insurance coverage, thus aiding cases similar to the Cottons. Furthermore, his regulatory scheme would bring medical costs to a reasonable level, thus assisting cases such as Thomas. It would also provide the type of insurance, at a reasonable cost, needed by Mr. Johnson.

Answers to Activity Six:

1. From Garfield's perspective, the significant growth in medical knowledge and technology has not improved the delivery of medical care to the needy. In fact, such growth has led doctors away from general practice to specialist practice, while at the same time spurring hospitals to mete out vast expenditures for technical equipment which, in turn, increases the cost of health care. Present insurance schemes also increase demand, placing more and more people, both the well and the sick, in the medical system. The present organizational structure, with its fragmented, decentralized character and its solo, fee-for-service practice is unable to efficiently, equitably distribute its scarce resources within an overtaxed network. The present practice of charging a fee for entry into the system regulates the flow of inputs to the system, but since insurance plans pick up the fee in the great bulk of cases, a substantial number of relatively well consumers make demands on physicians' limited time and medical resources. The fee system also keeps out the poor and the uninsured. At the present time, the physician is at the heart of the medical system, involved from the time of the first interview. His time is thus spent in treating many patients who may not be in need of his scarce resources. Elimination of the entry fee, however, would only accelerate the increasing demand on medical resources. Nationalized health insurance would thus confound the problem. The uncoordinated and fragmented structure of health care delivery produces duplication of effort, inefficient and inequitable, as well as costly, use of present facilities, and fails to provide a proper mechanism for regulating the flow of demands on the health care delivery system. Garfield thus perceives the problem to be one of an inability of providers to distribute their scarce resources efficiently and equitably.

2. Although Garfield focuses primarily on the inadequate organizational structure of U.S. health care delivery, he does not neglect financial deficiencies. He notes that one aspect of the health care delivery problem is the inability of consumers to meet the financial demands of continuous health care. But reasons for this are rooted in supply problems. He suggests a number of reasons for the growth of medical care costs beyond the reach of all individuals. The significant growth in medical knowledge and technology has increased the technical sophistication of hospital facilities, and has led many doctors to enter some specialist practice. Both increase the cost of medical care to the consumer. Meanwhile, insurance schemes increase the demand for medical services. This increasing demand confronts limited medical resources, and as demand increases so does cost.

If Garfield assumed a demand-centered perspective, he would probably opt for either a nationalized health insurance system or indemnity-like insurance. Whereby, as the former would provide insurance coverage to all individuals, the latter would make the consumer more responsible for the financial consequences of his choice of medical care. The former would, according to Garfield, confound the problem by increasing demand beyond that which the present organizational structure could handle, and the latter would not solve the problems of distribution.

3. The alternative policy positions of Coontz, Pauly and Garfield are relatively irreconcilable. Each perceives the problems of U.S. health care delivery as rooted in opposing structures; thus, each proposes alternative measures of reform. Although Pauly and Garfield both suggest that present insurance plans aggravate the problems of health care delivery by increasing demand (and with it, cost), their analysis of the problem is greatly dissimilar. For Pauly, the problem is one of consumer inability to meet the financial demands of medical care. For Garfield, the reason people can not meet the financial demands of medical care is that the health care delivery system is organizationally inefficient.

Since Garfield perceives an organizational problem in health care delivery he proposes a prepayment insurance system which would serve as an incentive for physicians and hospitals to carefully assess an individual's need for hospital care. The primary focus of his reform, however, calls for a coordination of all medical services into four major groupings: health testing, health care service, preventive maintenance, and sick care. There would be central planning of all medical decisions by both hospital administrators and physicians. In addition, paramedics could carry on many responsibilities of the first three groups, leaving physicians with greater time to care for the sick. The first grouping, and the heart of his proposed reorganization, would serve as a regulator of the number of entries to the medical system. Coontz, on the other hand, suggests that there are both financial and organizational problems in U.S. health care delivery. She thus proposes the nationalization of health services.

Answers to Exercise Four:

Let us first restate that Garfield proposes a revamping of the present organizational structure of U.S. health care delivery. His proposal establishes a four-tier medical network: Health-Testing and Referral Service, Health Care Center, Sick Care Center, and Preventive Maintenance Service. In the case of Mr. Johnson, such reorganization would (1) lessen demand on emergency care, thereby affording his son access to treatment, (2) provide health-testing services which would maintain a complete medical portfolio on his son, thereby expediting the pretreatment and treatment process, and (3) provide community based treatment centers, HMOs, able to deliver immediate service. His proposed prepayment insurance plan would provide the necessary coverage for Mr. Cotton, and Mrs. Thomas would receive nursing home care in a community-based HMO. However, due to the specificity and narrowly confined focus of his proposal, it may be easier to apply the general bureaucratic perspective to these personal situations.

IV.

Analyzing Competing Policy Alternatives

IV.A.: The Problem of Choice

After having considered various conceptualizations of the health care delivery crisis, proposals viewed as potential solutions to the problems, and the three paradigmatic traditions found in health care delivery reform literature, students are now to embark upon an exploration of the problem of choice. It is one thing to understand the differing perspectives of various reform policies, and quite another to choose rationally among them and consider problems of legislation and implementation. How to approach this problem of choice is central to the understanding and utilization of problem solving techniques in political and social analysis. Instilling in students the ability to make a reasoned choice from among competing alternatives is also the central objective of this module.

The problem confronting all policy makers is how to best select from among competing policy proposals. It is the intent of this section to familiarize students with two ways in which the problem of choice can be made. First, we can select that program which best accomplishes its policy goals of health care efficiency, equitable treatment of users of health care services, and minimization of costs and cost increases. Second, we may view the first approach as unfeasible and instead concentrate on assessing the credibility of the assumptions and premises underlying the rival perspectives. The second part of this section presents a detailed discussion and instructional guide for making the latter type of assessments. Instructors may wish to further analyze the problem of choice and may even ask students to think of some recent government decisions arrived at in ways which resemble either the process of considering program alternatives or choosing that which seemed based on the more credible assumptions. What should be gained from this discussion is an appreciation for the kind of analysis students will undertake in the final section of this module.

IV.B.: Comparing Policy Programs

Activity Seven (optional): The objective of Activity Seven is to have students first compare the Corman-Kennedy, Ullman, and Fulton-Duncan proposals in terms of the feasibility, effectiveness, efficiency and fairness of their programs. Although these concepts are discussed as simply as possible given our limited space, instructors may wish to delineate their significance in greater detail. In brief, students must understand that an assessment of a program's feasibility must consider three distinct areas. Thus they must ask themselves three rather important questions: Given our present state of knowledge of the problems and state of medical and administrative science, do we as a nation possess the technical capacity to carry out the proposed reform? Do policy makers and implementors possess the necessary knowledge of technological sophistication to carry the reform policy? If not, the programs are not technically feasible. Secondly, do we have the financial capacity to carry out the policy? Is the "opportunity cost" of adopting a given policy too great? If so, then the program is not financially feasible. And thirdly, what is the likelihood of the proposal's receiving support necessary for passage? Although this may depend on a great number of factors, students must realize that without political support policies cannot be passed, let alone implemented. It would be politically unfeasible.

The second area students of public policy must consider is the supposed effectiveness of the proposed policy. That is, what is the likelihood that the programs will achieve their objectives? The third basis for comparison is cost efficiency. That is, when comparing alternatives for a reasoned choice one should select that which attains its objectives at the least cost. This necessitates a weighing of the objectives (those which are feasible) and costs. And finally, we must compare alternative programs on the basis of fairness. That is, does the policy under consideration provide health care on an equitable basis?

Instructors should remind students that a "reasoned choice" ought to be judged as such on the basis of empirical and analytic criteria, not personal predilections, intuition, speculation, or even emotive criteria. Even a logical speculation founded on available data leaves much to be desired. The kind of comparisons students must make are dependent on empirical analysis. When comparing alternative policies we want to know empirically which alternative is most feasible; empirically which is most effective and cost efficient; empirically which is most equitable.

In this section students were introduced to three ways of gathering empirical answers to the questions asked above: random innovation (where government tries a particular reform in some sector of the country); natural experiments (where the analyst finds a system similar to that which the reform program would produce, studies it, and uses his findings as a basis for empirical comparisons); and systematic experimentation (which requires that each program be implemented under identical conditions, and their consequences analyzed and compared). When they consider alternative means for testing these policies, they should consider all three forms.

Empirical accumulation of evidence should allow those responsible for choosing from among alternative reform policies an opportunity to assess the success potential of the policy if implemented on a national scale. However, in many areas (including health care delivery reform) empirical findings have proven difficult -- at times impossible -- to gather. Instructors should discuss both the advantages of and problems inherent in arriving at answers to the empirical questions of health care delivery. To facilitate this discussion, you may wish to discuss the general outline of random innovation, natural experiments and systematic experimentation, and have students propose reasons why such techniques are not presently feasible and why this is so. This fact should lead to the realization that the problem of choice must be solved by other means. The remainder of the module presents one such path to this end.

IV.C.: Comparing Policy Assumptions

As previously noted, the best approach to arriving at the most appropriate choice from among competing reform proposals is through empirical analysis, by comparing and choosing from among actual programs. However, such comparisons are clearly limited in the area of health care delivery reform. We do, however, wish to make a reasoned choice, and thus turn to what we have characterized as the "second best" approach. Following the rules of formal logic, since every reform proposal is founded upon a set of assumptions about the real world, we can assess the credibility of the assumptions and premises in an attempt to determine the validity of the conclusion. From this perspective, a policy program is only as credible as the assumptions and assertions upon which it is based; and where one is faced with several alternative sets of assumptions, an effort can and should be made to compare them and determine which set is more credible.

In order for students to carry out this process of analysis, it is important that instructors aid them in understanding the logic of the exercise. First, this type of analysis is based on the fact that we can perceive alternative policy perspectives as containing differing hypotheses which might explain the world the policy maker wishes to influence. The first task is then to break down these alternative perspectives into their particular sets of assumptions. Once made explicit these assumptions can be compared to each other, noting both similarities and differences among them. We then develop critical tests or crucial experiments which tell us something about the credibility of the alternative assumptions. Having done this for a number of policy assumptions, we might eventually be able to render an informed judgment regarding the relative credibility of the alternative perspectives.

Although it is possible to dissect a reform proposal into every one of its assumptions, such a task may be beyond the grasp of most beginning students. Instead, students are instructed to note each policy's assumptions regarding the three basic dimensions of the health care delivery crisis: efficiency, equity and cost. These three aspects of the system provide us with a common point of focus and departure in our analysis of the alternative reform perspectives. What we are trying to ascertain is what each proposal says about the causes and conditions which effect efficiency, equity, and rising costs in the U.S. health care delivery system? Which factors, according to each position, create medical service delivery inefficiencies, inequitable distribution, or cost inflation? And which factors are regarded by each as relevant to the improvement of these qualities?

Exercise Five:

Introductory Commentary: Exercise Five signifies the beginning of our systematic analysis of the underlying assumptions of alternative reform policies. Although each proposal focuses on competing definitions of the nature of the health care delivery crisis, in varying degrees, they focus on inefficiency, inequity, and increasing costs in health care delivery. In scrutinizing an author's underlying assumptions, we are, in fact, asking ourselves what the author perceives to be the problem, and what causes the problem. Reform policies thus contain a body of relational propositions. We are seeking to ascertain the author's view of the relationship between the independent and dependent variables. Confining our focus for the moment to three dependent variables -- efficiency, equity, and cost -- students are asked to depict graphically the relationship between independent variables and these pre-stated dependent variables (or their negatives). A few words of clarification are in order.

Every reformer starts with a basic perspective which is used to describe, explain, and evaluate a situation. Such perspectives, manifested implicitly and explicitly in propositional statements, provide us with a basis for comparing and analyzing alternative reform positions. Since the recognition of one form of proposition, the relational proposition, is at the center of the analytic approach used in this module, it is imperative that students (1) learn how to differentiate between different kinds of statements and, ultimately, (2) to differentiate relational propositions from all other types of propositional statements. Although this module is intended for use by students at all levels, it would be an error to assume that all students easily grasp the characteristics of each kind of statement.

Relational propositions, as interconnections among two or more variables, may take several forms. Some are causal, e.g., X determines Y. Causal relationships occur whenever we attribute the occurrence of one variable to the existence of another. The statement, "The roof collapsed due to the weight of the snow," designates one such causal relationship; that is, the weight of the snow caused the roof to collapse. In this sense, "weight of snow" is the independent, affecting, or causing variable, whereas, the "collapsing of the roof" is the dependent, affected, or caused variable. Other relational propositions are more qualified even though they denote an ordered relationship. There are propositions which do nothing more than state an association or correlation among variables, e.g., X is positively or negatively associated with Y; that is, as X increases Y correspondingly increases (in a positive relationship) or decreases (in a negative relationship). One such correlational relationship is the assertion that "high LSAT scores are positively associated with a student's potential for success in law school." This proposition does not state that "high LSAT scores" cause the student to succeed in law school but, rather, that there is a correlation, a positive relationship, between high LSAT scores and success potential; that is, as LSAT scores increase so does the student's chances for success. It is oftentimes difficult to distinguish between causal and correlational relationship.

In regards to relational propositions, the instructor may wish to discuss in class the following terms: (1) variable, (2) independent variable, (3) intervening variable, (4) dependent variable, (5) correlation, and (6) causation.

Prior to the start of this exercise, instructors should be sure to remind students of several important factors. First, although we have stated that the crisis of health care delivery deals with matters of efficiency, equity, and cost, students should bear in mind that all three variables may not be addressed in the same fashion by a particular perspective. Students must also bear in mind that they will sometimes have to use their interpretive abilities in arriving at some of the relational propositions presented by each perspective. The authors do not always make explicit in a single sentence the relational propositions they perceive. It may be necessary to interpret a whole paragraph or even a number of pages to arrive at particular assumptions/premises. The important point is that students must be cautioned that they must not let their interpretive abilities run astray; they must remain true to what the author actually suggests. Finally, instructors should not expect students to grasp each and every relational proposition. The major objective is for them to ascertain as many as possible, given their present capabilities. And again, caution students to be aware of becoming immersed in the intricacies of the arguments. They are not expected to diagram each and every relational proposition, but rather to confine their efforts to noting the direct positive or negative relationship between various independent variables and the specified dependent variables -- efficiency, equity, and cost. Those relationships between independent and dependent variables which are connected by intermediary, intervening variables will be an object of particular focus in a later exercise.

To facilitate this process of explicating in diagrammatic fashion the relationships between variables, impress upon students not only the importance of listing the independent variable and the direction of its relationship with the dependent variable (as in Exercise Five), but to carry out the process of diagramming. Not only will diagramming acquaint them with a pictorial means of presenting the logic of the reform proposal, but will also demonstrate the author's particular perspective by noting what he/she considers important positive or negative relationships. Such diagrams thus enable analysts to

follow the logic of alternative policy proposals. Thus, the credibility of a policy proposal can be assessed on the basis of the logical connections between variables. In other words, a reform proposal must logically follow from the underlying assumptions/ premises. The policy enunciated by the author must then eliminate those relationships considered problematic. If it does not, then the objectives cannot be achieved and the proposal would lack credibility.

Sample Answers to Exercise Five

1. Stephanie Coontz, "You Can't Afford to Get Sick"

   a. Efficiency:

      Insurance coverage for small, predictable expenses; positive
      Sale to the highest bidder; negative
      Fee-for-service; negative
      Fragmented regulation; negative
      Distribution of physicians in specialist practice; negative
      Unnecessary services; negative
      Health Care as a commodity; negative
      Nationalized health care delivery; positive

   b. Equity:

      Sale to the highest bidder; negative
      Fragmented regulation; negative
      Health care as a commodity; negative
      Racism in medicine; negative
      Sexism in medicine; negative
      Geographic maldistribution of physicians in urban areas; negative
      Nationalized health care delivery; positive

   c. Cost:

      Sale to the highest bidder; positive
      Health care as a commodity; positive
      Fee-for-service; positive
      Fragmented regulation; positive
      Distribution of physicians in specialist practice; positive
      Competitive drug sales; positive
      Growth of monopolies, positive
      Government subsidization of the private sector; positive
      Medicare and medicaid; positive
      Nationalized health care delivery; negative
      H.M.O.; negative

2. Mark V. Pauly, "Health Insurance and Hospital Behavior"

a. Efficiency:

Number of Americans covered by third party insurance; negative
Demand for medical services; negative
Hospital insurance for small, predictable expenses, negative
Overuse of hospital facilities; negative

b. Equity:

c. Cost:

Number of Americans covered by third party insurance; positive
Third party payment system; positive
Demand for medical services; positive
Use of expensive forms of care and unnecessary services; positive
Overuse of hospital facilities; positive
Number of Americans uninsured; negative
Medicare and medicaid; positive

3. Sidney R. Garfield, "The Delivery of Medical Care"

a. Efficiency:

Overall demand for medical services; negative
Advances in medical knowledge/technology; negative
Fragmented health care delivery; negative
Integration of hospital and clinic facilities; positive
Number of physicians in specialist practice; negative
Geographic maldistribution of physicians in urban areas; negative
Demand for medical services by "well" and "worried well"; negative
Fee-for-service delivery system; negative
Elimination of fee-for-service with no alternative; negative
Medical care resources for early sick and sick care; positive
Demand for medical care by "early sick"; positive
Consolidation of health care delivery into four areas of health testing resources, health maintenance resources, sick care resources, and preventive medicine resources; positive

b. Equity:

Number of physicians in specialist practice; negative
Geographic maldistribution of physicians in urban areas; negative
Fee-for-Service delivery system; negative
Elimination of fee-for-service with no alternative; negative

Medical care resources for early sick and sick care; positive
Consolidation of health care delivery into four areas of health testing resources, health maintenance resources, sick care resources, preventive medicine resources; positive

c. Cost:

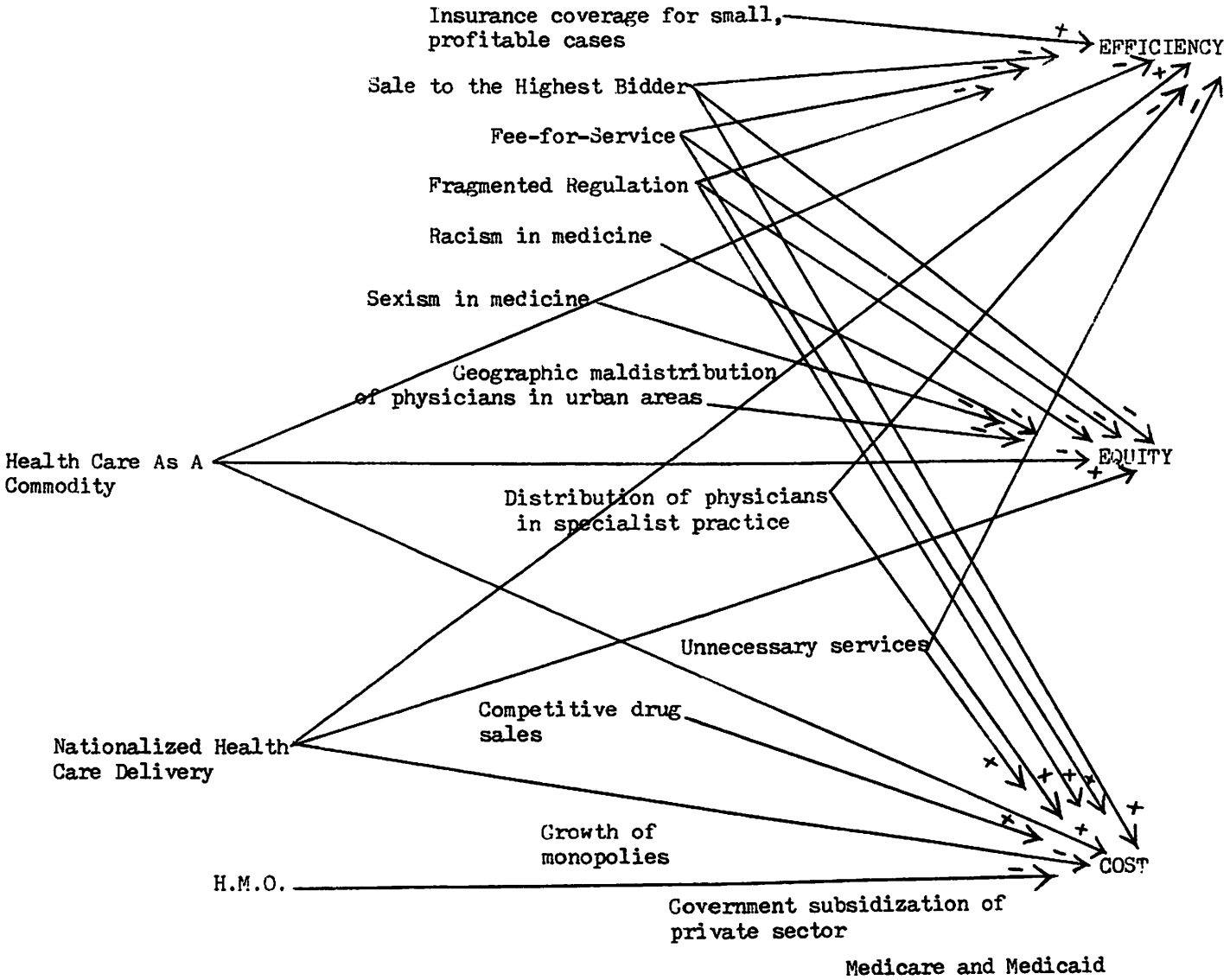
Overall demand for medical care; positive
Advances in medical knowledge/technology; positive
Number of physicians in specialist practice; positive
Demand for medical care by "well" and "worried well"; positive
Consolidation of health care delivery...; negative

Exercise Six:

Commentary: By diagramming relational propositions, we can assess the logic of an author's argument. The connections of such relational propositions demonstrates two things: the problems of health care delivery and their assumed causes, and how the proposed policy eliminates those causes. There must thus exist a logical progression in the author's argument for the policy to be credible. The objective of Exercise Six is to have students diagram in flow chart form the manner in which the author explains the problems in U.S. health care delivery.

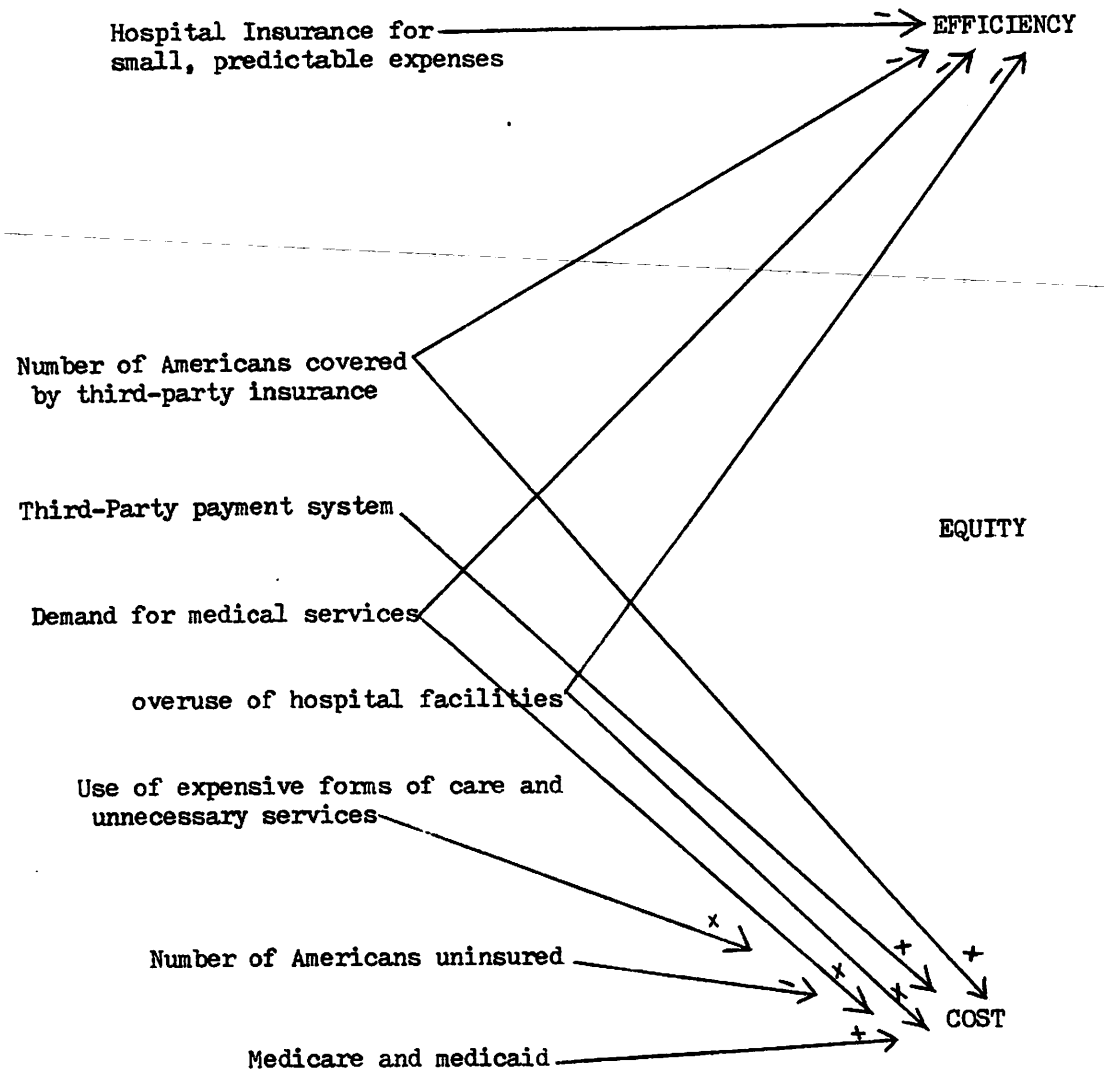
Exercise Six:

1. Stephanie Coontz, "You Can't Afford To Get Sick"



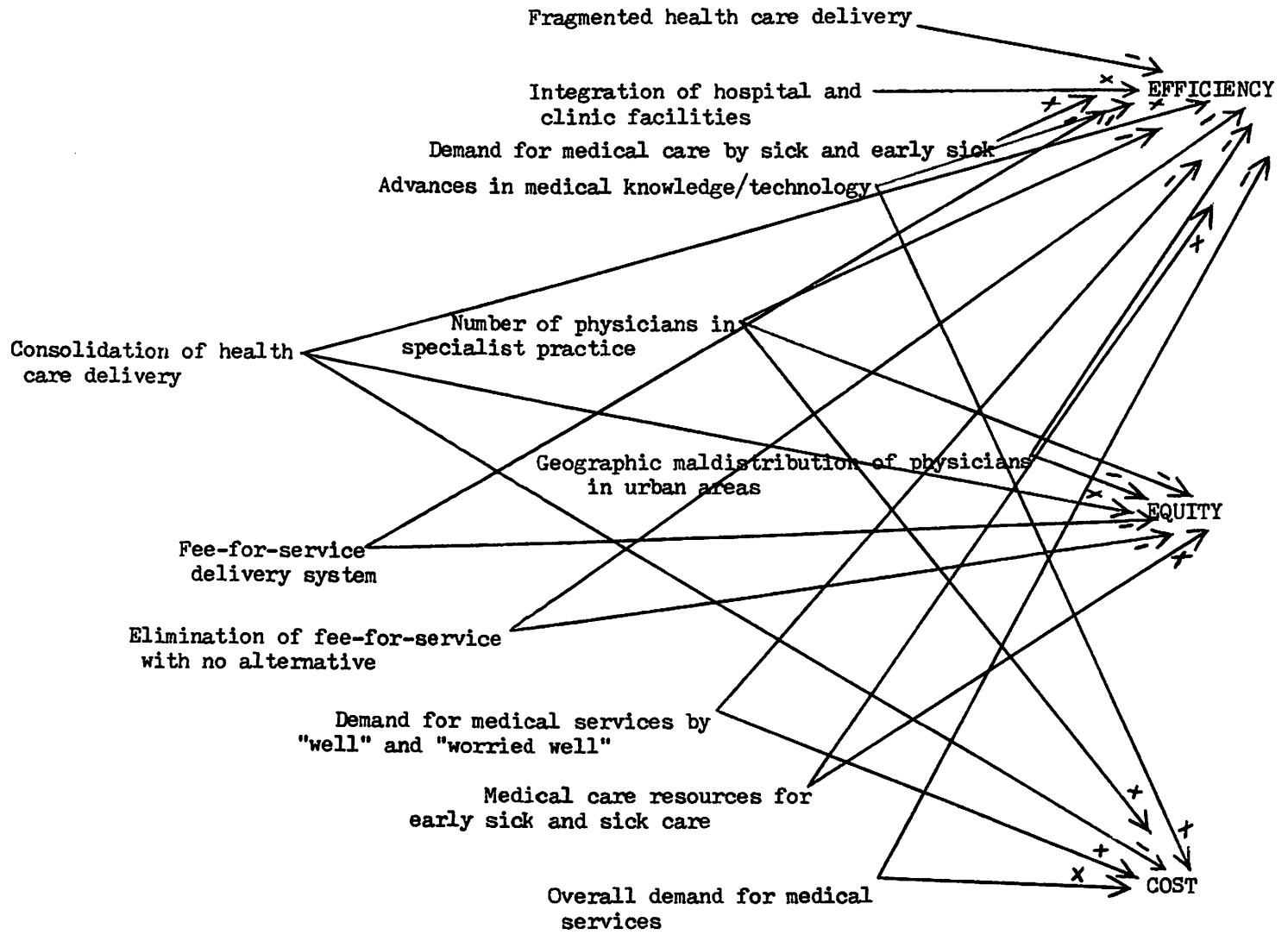
Exercise Six:

2. Mark V. Pauly, "Health Insurance and Hospital Behavior"



Exercise Six:

3. Sidney R. Garfield, "The Delivery of Medical Care"



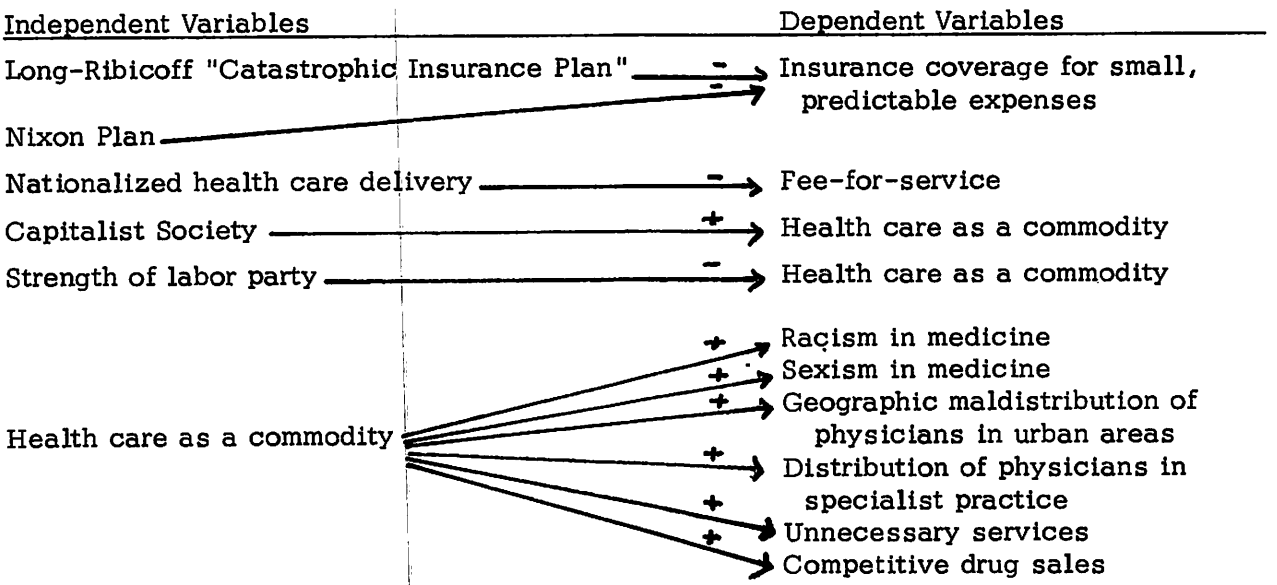
Exercise Seven:

Commentary: Now that students have had the opportunity to carefully dissect each article, noting those relationships viewed by each as responsible for the problems attending the U.S. health care delivery system, they are in a position to ask what causes, conditions, or otherwise influences those variables considered as "independent" in Exercises Five and Six. Merely by changing our vocus we can reoperationalize variables. For example, let us suggest that increasing demand for medical services is positively associated with increasing costs. We may then be prone to ask, what causes or influences increasing demand? That is, what causes or influences people to increase their demand for medical services? What is readily apparent is that we have transposed our original independent variable into a dependent one. In so doing, students will, consciously or unconsciously, be searching out what each author ultimately considers to be at the center of the health care delivery problem. The dominant concerns of the differing policy positions will thus become readily apparent.

What students will probably recognize is the complexity of the assumptions underlying various reform proposals. What they originally viewed as directly influencing the efficiency and equity and cost of medical care is, itself, influenced by other factors. They will thus recognize that there oftentimes exists a complicated network of variables directly or indirectly influencing the delivery of health care. Rather than prematurely burden them with diagramming how A influences B, B influences C, C influences D, etc., until they can graphically depict the ultimate effect on efficiency, equity and cost, exercise seven serves as an intermediary step in conceptualizing the complete logic of the argument. These intermediary steps will be connected in the following exercise. For not, instructors would do well to remind students that how they operationalize variables is extremely important.

Sample Answers:

1. Stephanie Coontz, "You Can't Afford to Get Sick"



Independent Variable		Dependent Variable
Consolidation and coordination of hospitals and physicians	+ →	Growth of monopolies
Growth of monopolies	+ →	Government subsidization of private sector
Corporate investment in medical industry	+ →	Health care as a commodity
H.M.O.	+ →	Corporate investment in medical industry
Nationalized health care delivery	− →	Fee-for-service

2. Mark V. Pauly, "Health Insurance and Hospital Behavior"

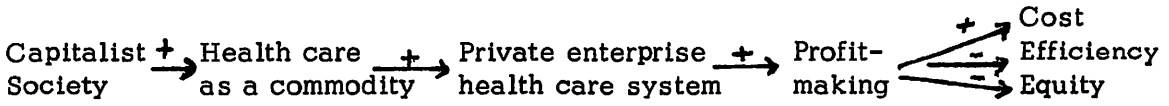
Independent Variable		Dependent Variable
Tax subsidy for large catastrophic expenses	+ →	Hospital insurance for small, predictable expenses
Blue Cross-Blue Shield plans	+ →	
Likelihood of hospitalization	+ →	Number of Americans covered by third party insurance
Tax incentives for those who obtain coverage	+ →	
Budgetary role of purchasing insurance	+ →	
Risk of being uninsured	+ →	
Age	+ →	Likelihood of hospitalization
Price of insurance coverage	− →	Demand for medical insurance
Indemnity insurance	− →	Demand for medical insurance
Group health insurance	− →	Price of medical insurance
Patient responsiveness to differences in cost	− →	Use of expensive forms of care and unnecessary services
Third party payment system	− →	Patient responsiveness to differences in costs
Physician desires for amenities	+ →	Overuse of hospital facilities
Administrator desires for amenities	+ →	
National Health insurance (Medicare and Medicaid)	− →	Number of Americans uninsured

3. Sidney R. Garfield, "The Delivery of Medical Care"

Independent Variable		Dependent Variable
Advances in medical knowledge/technology	+ →	Number of physicians in specialist practice
Physicians desires for amenities	+ →	Number of physicians in specialist practice
Physicians desires for amenities	+ →	Geographic maldistribution of physicians in urban areas
Number of physicians in specialist practice	− →	Medical care resources for "early sick" and "sick" care
Fee-for-service	− →	Demand for medical care by "well" and "Worried well"
Fee-for-service	− →	Demand for medical care by "early sick"
Elimination of fee-for-service with no alternative	+ →	Demand for medical care by "well" and "worried well"
Elimination of fee-for-service with no alternative	+ →	Demand for medical care by "early sick"
Consolidation of health care delivery	− →	Demand for medical care by "well" and "worried well"
Consolidation of health care delivery	+ →	Demand for medical care by "early sick"
National health insurance (Medicare and Medicaid)	+ →	Overall demand for medical services

Exercise Eight:

Commentary: The objective of Exercise Eight is to combine the relationships derived from Exercises Five, Six, and Seven, so as to obtain a clearer picture of the perspectives each author has on the world. It must be noted, however, that the real world is much more complex than our three variable chain may suggest. That is, if we were to carry out the process of transposing independent variables into dependent variables, in search for those factors which influence other factors which influence efficiency, equity, or cost, we would find that the author may note complex relationships between many variables. For example, Coontz suggests that capitalist society is positively associated with treating health care as a commodity which, in turn, is positively associated with the private enterprise system which, in turn, is positively associated with a profit-making medical system which, in turn, is positively associated with increasing costs and negatively associated with efficiency and equity. Graphically, this becomes:

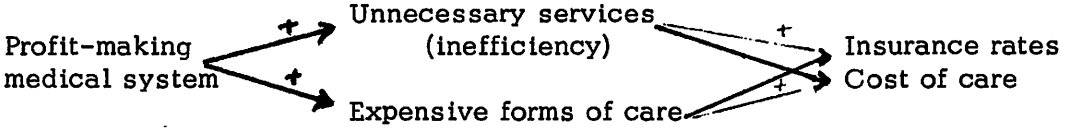


There are thus three intervening variables between the relationship between capitalist society and efficiency, equity, and cost. The introduction of intervening variables may complicate the designating of signs to show the final effect. Students should, therefore, be given a few preliminary instructions.

Needless to say, students may oftentimes have difficulty in determining the precise relationship between variables, that is, how one variable effects another and what is the direction of the total relationship. In ascertaining the direction of the complete relationship, let us note a simple law of calculus: where the signs are the same (+) (+) or (-) (-), the overall relationship is positive; where the signs are different (+) (-), the overall relationship is negative.

It cannot be over-emphasized that students must be careful when interpreting relationships set forth by the author of a reform proposal. They must be cautioned to proceed one step at a time -- from one variable to the next, determining what affect the immediately proceding variable has on the variable under consideration. For example, suppose we have variables A, B, C, and D, where B and C are intervening variables. Students must proceed as thus: (1) what effect does A have on B; (2) what effect does B have on C; (3) what effect does C have on D; and (4) what is the overall relationship between A and D? In this light, the student should ask the simple question, "if variable A increases, what happens to B; if variable B increases, what happens to C; and if C increases, what happens to D?"

For example, let us consider the Coontz text. Since propositional relationships abound in the Coontz text, students should be conscious of what effect intervening variables may have on the overall relationship between the independent and dependent variables. Intervening variables, you may wish to note, are those which mediate or intervene in the association between independent and dependent factors. Sometimes these variables maintain a constant positive or negative relationship, such as that found in the following example: "The profit system distorts not just the availability but also the type of medical care. It may discourage a doctor from referring a patient and thereby losing a fee. It tends to encourage unnecessary services and more expensive forms of care, thus raising insurance rates and prices in general." The relationships between the stated variables is as follows:



Although here we find a consistent positive relationship, more complex statements are frequent, so instructors should caution students to reflect upon one relationship at a time.

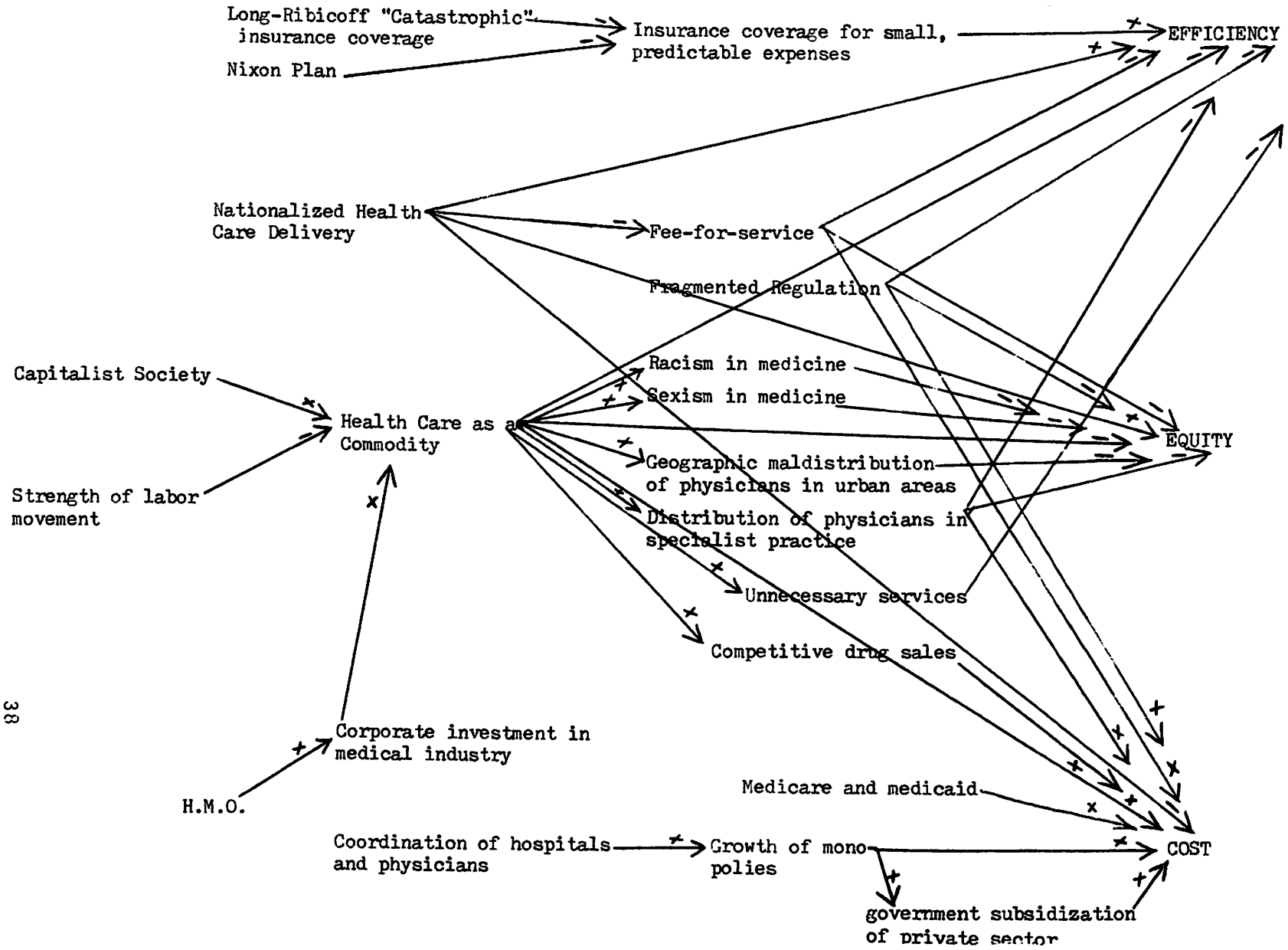
However, this exercise is not as difficult as it may appear at first glance. All relevant information (relational propositions) have already been gathered in Exercises Five, Six, and Seven. Students thus already possess the pieces of the puzzle, it is now up to them to fit them in place. The logic of the argument, like the overall design of a

puzzle, appears only after the pieces have been located and connected in some logical sequence. If, however, some of the pieces are missing, students should nonetheless be able to recognize the logic of the alternative policy positions. They should also be aware that missing pieces (missing relational propositions) may be due to oversight on their part, lack of explicit treatment by the author, or may even signify lack of logical consistency by the author.

In accordance with earlier exercises, the diagram on the following page is not a full presentation of the authors' perspectives. Instead, it seeks to function as an example of how we can demonstrate the logic of policy positions through explication of underlying assumptions in flow chart form. Students may develop more thorough diagrams which present a greater number of relational propositions. This is actually the beauty of the approach outlined in this module. Just as students may gather the logic of alternative policy positions in varying ways, analysts of public policies do not always interpret the perspective of the author in like manner. Perhaps this accounts for the challenging experience one gains from thoroughly scrutinizing alternative policy positions and in formulating a reasoned choice from among them.

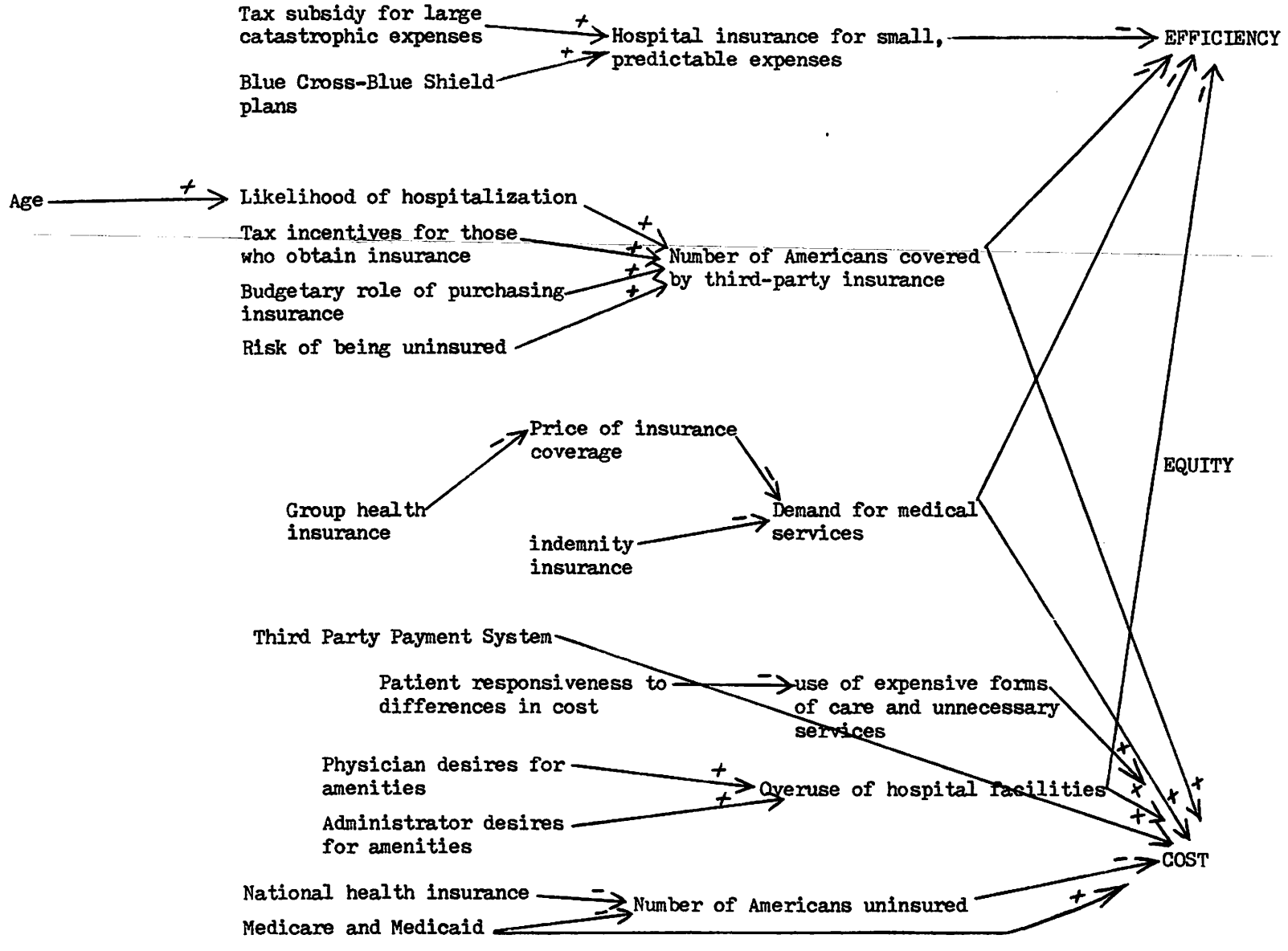
Exercise Eight:

1. Stephanie Coontz, "You Can't Afford To Get Sick"



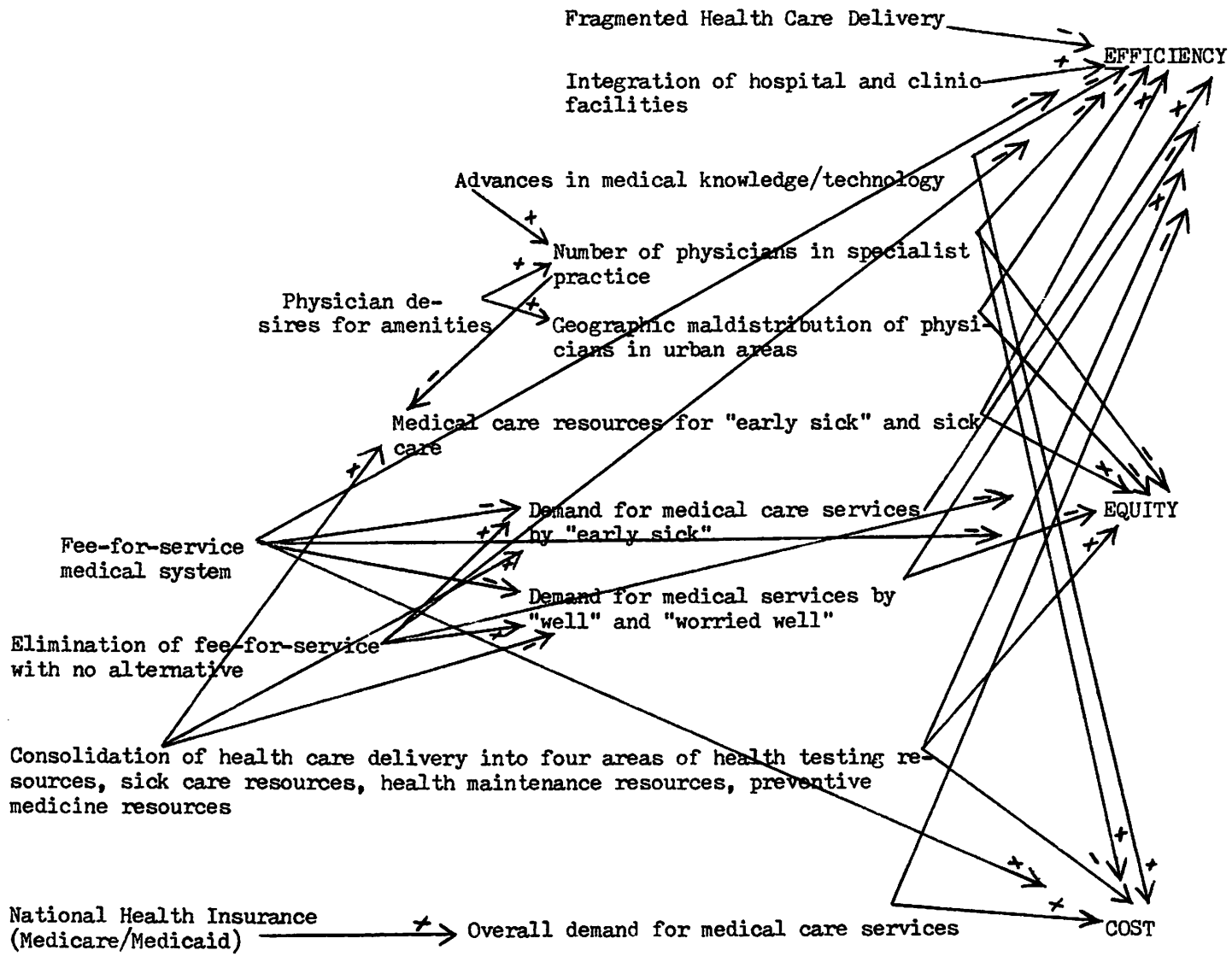
Exercise Eight:

2. Mark V. Pauly, "Health Insurance and Hospital Behavior"



Exercise Eight:

3. Sidney R. Garfield, "The Delivery of Medical Care"



Activity Eight

Commentary: Quite understandably, if students worked individually on previous exercises in gathering and diagramming the relational propositions from each author's argument, they probably derived a number of conflicting responses. This is to be expected. Even the most astute analyst is sometimes hard pressed to explicate each and every "significant" relational proposition. As we have suggested, "significant" for our purposes refers to those relationships responsible for inefficiency, inequity, and rising costs in health care delivery. However, students may not agree among themselves as to what constitutes this specific kind of relationship. In fact, they may dispute the sample responses contained in this guide. Individually, students may also miss some significant relationships or find others absent from our sample diagrams and from that of other students. Collectively, students will be better able to grasp a greater number of relationships and ultimately present a propositional inventory in flow chart form nearer to the authors' full presentation. Herein lies the objective of Activity Eight.

Sample Response: The sample diagram presented in Exercise Eight may be used for this assignment. Bear in mind that it is merely a "sample," and in no way presents the full explication of each author's position. It is offered as a guide, not a definitive response.

Exercise Nine:

Commentary: This exercise can be used in one of two ways: either as the completion point in the module or as the beginning of an extensive research design and research implementation project. In it, students take the results of their previous work on Exercises Five through Eight and compare the three policy proposals in order to uncover points of agreement and disagreement among the positions. Three warnings are stressed in the instructions given to students, and if possible they should be brought up and discussed in class. In addition, it might be useful to make this a class exercise or at least one involving students in group interaction. Each student can be asked to give an example of a relevant point of agreement and disagreement, thus providing members of the class with a running start on the problems. If you find that there are still difficulties, try relying on some of the "hints" given in the body of the exercise. Follow through on these examples with the class. Once they see that the task is not all that difficult, the rest will flow easier.

If you do not intend to go on with Activity Nine (which is optional), then perhaps you can be "loose" when it comes to accepting answers to this exercise. However, if you do plan to go further, pay careful and close attention to the points being compared, especially those which reflect disagreements. You will see why as you go on to the optional Activity Nine.

Activity Nine: (optional)

Commentary: At this point in the module the question of critical tests comes to dominate the discussion, especially the steps involved in designing one. The lengthy discussion in the body of the module just barely touches the surface on developing such

tests and much may be demanded of those who decide to make this a basic part of their course. Activity Nine asks students to work in groups to develop a research design for a critical test of some point of contention among the three approaches to health care studied in the module. It is an optional activity, one you should assign only if you have the willingness to spend a minimum of two to four hours on the topic. If you do not opt for this activity, then you should spend time in class discussing the idea of critical testing and the nature of experiments in the social sciences.

There are, of course, no "answers" for Activity Nine. You may decide to carry the results of the Activity further by undertaking a research project with the class. If so, then you can benefit from the experience of one person who has carried on such a project, Elinor Ostrom of Indiana University. The following statements summarize her advice on the undertaking of critical experiments as a learning experience:

1. Do not undertake research with students as a 'cheap' way of getting 'your' research done.
2. Be cognizant of the fact that "the major responsibility for structuring the ... project will fall on your shoulders."
3. "Have tolerance for much controversy and discussion about the project."
4. It is perhaps better to offer participation in the project as an option rather than a requirement, especially for undergraduate classes. (Professor Ostrom undertook her study using both graduate and undergraduate classes.)
5. Relatedly, if you plan to undertake such a project, make certain that those who enroll for the course understand the amount of work that will be involved, especially if you plan extensive fieldwork to carry on a critical test. In Ostrom's words, "Play down any thought they have that this will be a 'lark.'" Advise against taking the course if the student does not seem to have the time or inclination to put in many hours.
6. "Expect some students to 'chicken out' at the last minute and have other options for them."
7. "Be prepared yourself for times with little sleep during the semester."
8. Spend time training the project's participants in the research techniques to be used and some of the problems they might run into in the field. Check ahead of time to make certain the research students are doing is technically, financially, and politically (e.g., legally), feasible.
9. Be serious about the study in the sense of making plans to publish the findings. Be sure to follow the canons of social science research to the extent possible.
10. If possible, offer the course as a year long project.

These and other useful bits of information from Professor Ostrom are available from a study guide published under the auspices of the American Academy for the Advancement of Science, titled Urban Policy Analysis: An Institutional Approach. If you plan to carry the work of this module into the field, it might be advisable to botain a copy of that guide.

Professional Evaluation
Supplementary Analytical Units
Test Edition

1. Have you used this Supplementary Analytical Unit as part of the instructional material for any of your courses?

   a. _____ Yes
   b. _____ No

   If yes, please fill out Parts A, B and C; if no, complete Part A only.

PART A
Evaluation of Written Material

2. How would you rate this module in terms of the following:

	Excellent	Good	Adequate	Poor
a. clarity of the author's explanations				
b. clarity of figures and tables				
c. quality of the exercises				
d. clarity of the instructions				
e. quality of factual material which was presented				
f. clearness with which the module differentiates among varying analytical approaches				
g. readability of the text				
h. readability of the instructor's manual				
i. usefulness of instructor's manual				
j. appropriateness of recommended readings				

3. How would you rate this analytical module in terms of accomplishing the following goals:

	Excellent	Good	Adequate	Poor
a. acquiring knowledge about government and politics				
b. understanding concepts and theoretical approaches				
c. providing experiences in political research				
d. understanding relations between theoretical approaches and facts				
e. stimulating students to do research				
f. actively engaging students in instructional material				
g. extending students' analytical skills				

4. How would you characterize the following aspects of this module (if applicable)?

	very interesting	interesting	adequate	dull
a. text of the module				
b. figures and tables				
c. factual material				
d. exercises				
e. presentation of analytical approaches				
f. instructor's manual				

5. In general, how clearly, accurately, and succinctly does the analytical unit provide opportunities for students to:

   learn differences among varying analytical approaches;
   learn valuable substantive material on the subject discussed, and
   learn how to engage themselves actively with political and social science materials?

6. To what extent, and in what ways, do you think this module focuses on learning objectives which are of high priority in your teaching?

7. For what course levels and types of courses is this module appropriate?

8. Discuss the ease or difficulty with which teachers can adapt the analytical unit to their classes. Is the topic sufficiently general? Can the exercises be readily implemented?

9. If you were revising this module, what would you change? (Be as specific as possible)

10. Would you be willing to recommend this module to another instructor?

    a. _____ Yes, enthusiastically
    b. _____ Yes, it is as good as other available material
    c. _____ Probably not
    d. _____ Definitely not

11. Have you recommended the module to another instructor?

    a. _____ Yes
    b. _____ No

12. Information about the reviewer:

Name _____
Title _____
Department _____
School or
Institution _____

PART B
Evaluation of Classroom Use of the
Supplementary Analytical Unit

If you have used this module in a course, please answer the following questions. Please fill out a separate form for each class you teach using the module.

13. Course Title: _____

Course Text(s): _____
_____

14. Course level:
a. _____ Lower-division undergraduate
b. _____ Upper-division undergraduate
c. _____ Graduate or professional school

15. Number of students in your section:

a. _____ 10 or less
b. _____ 11 to 30
c. _____ 31 to 50
d. _____ 51 to 100
e. _____ Over 100

16. For this course, you were:

a. _____ the instructor
b. _____ a teaching assistant

17. How many class sessions were devoted to the unit?

_____ class sessions

18. Which exercises from the module did you use?

Which stand out as particularly good; bad; and why?

19. Did you use any other of the Supplementary Analytical Units?

a. _____ Yes, I also used _____

b. _____ No

20. Total duration of the course:

_____ weeks
_____ class hours per week
_____ minutes per class session

21. How well did this module fit together with:

	very well	well	adequately	poorly
a. your course lectures				
b. the course textbook and readings				
c. other activities in the course (such as discussions, audio visual materials, etc.)				

22. Do you intend to use this analytical unit again?

a. _____ Yes, definitely
b. _____ Yes, probably
c. _____ No

23. How did you find out about the Supplementary Analytical Units?

24. Would you be willing to discuss the strengths and limitations of the analytical module with its author(s) at some convenient time and place?

a. _____ Yes
b. _____ No

25. If convenient, would you be willing to participate in roundtable discussions of this module at meetings of your professional association?

a. _____ Yes
b. _____ No

Thank you for your time and trouble in filling this out and returning it.