Health care reform once again is front and center as a national concern. In the run-up to the presidential election, proposals are being offered by candidates of both political parties. The need for change is being voiced by many sectors—the government, employers, and, most intensely, the public. Therefore the book *Rx for Health Care Reform* by Ken Terry comes at a propitious time. Terry, a senior editor of *Medical Economics Magazine*, uses his business savvy and extensive knowledge of health care policy and financing to present a comprehensive and well-researched description of past and current health reform proposals, and, even more important, to present a model of health care reform that shows real promise of working.
Psychologists reading the book not only will gain a better knowledge and appreciation of the forces influencing the health care system and their own health care costs but also will understand better what is needed for true health care reform. Future-oriented psychologists can glean how changes in the health care system might affect the practice of psychology and opportunities to integrate with primary and specialty health care.

What are the primary concerns about the U.S. health care system? There are two—accessibility and cost. Over 46.6 million people in the United States are uninsured (and that number is expected to increase to 56 million by 2013), and an additional 16 million are underinsured. Eighty percent of the uninsured are wage earners, typically in low-paying jobs, or their family members.

In 2005, the cost of providing health care to uninsured people, beyond what they paid out of pocket, was about $43 billion…. Government programs and philanthropy covered about a third of the cost of this uncompensated care. The rest was passed on to employers and consumers. A Families USA report estimates that in 2005, this cost shift added $922 to the average premium for families with private insurance, and $341 to the average insurance cost for individuals. What these figures mean is that we're all paying for the uninsured. (p. 226)

Additionally, evidence is accumulating that shows that lack of health insurance can seriously harm a patient's health. Uninsured people suffer significantly worse outcomes from cardiovascular disease, diabetes, and cancer than do those who have coverage (McWilliams, Meara, Zaslavsky, & Ayanian, 2007); and when they do seek help, they often use the most expensive forms of care, for example, emergency rooms or acute care units.

Health care costs consumed 4.4 percent of the gross domestic profit in 1950, increased to 16 percent today, and are expected to rise to 20 percent by 2015. The cost of health insurance has continued climbing at double-digit rates, and both employers and workers are feeling the impact. Medical costs are the cause of about 30 percent of personal bankruptcies. The average worker's contribution to family coverage jumped 83 percent (from $1,620 to $2,973) from 2000 to 2006, and the percentage of employers offering health benefits dropped from 69 percent to 60 percent.

While almost everyone thinks that health care reform is important and necessary, few have the stamina and fluency to unravel the strands that have led to the current health care morass or to devise ways to create a high-quality, cost-effective system of health care. The landscape is littered by a number of seemingly simple and politically palatable solutions that will make a few fixes in cost containment or quality improvement but ultimately will not solve the major problems of the U.S. health care system. Terry does a good job of describing those proposals, both the ones from previous eras such as managed care and certificates of need, as well as current ones, such as electronic health records, disease management, pay for performance (P4P), consumer-driven health plans, and “play or pay.”
Terry defines each term, its origin, and, if it was implemented, its impact on health care costs, access, or operations. He also describes why some proposals, like the Clinton plan, never made it off the ground and why others failed to produce expected outcomes. The presentation is detailed and comprehensive and can make for tedious reading. However, such description is important to provide the context and scope of today's problems. After reading the first half of the book, the reader sees the “system” of health care and realizes how changes in one part of the system often have unintended effects on other aspects of the system.

The reader also comes to appreciate the very strong forces that maintain the current system. There are huge profits to be made in health care by multihospital systems, insurance and pharmaceutical companies, and large specialist groups—and strong incentives to resist changes that threaten those profits. While each of the proposed innovations might be used to produce some positive change in health care, one also sees how “tinkering” with the current system is not going to produce the needed end results. Paradigm shifts must occur if we are going to have meaningful change in the health care system in the United States.

A government-run single-payer system of health care, similar to those operating in many Western European countries and Canada, is just such a paradigm shift. As described in another recent book (Callahan & Wasunna, 2006), these government-run systems have been shown to produce as good or better health outcomes than does the U.S. health care system but at a much lower cost. However, Terry maintains that such a government-run single-payer system won't work in the United States because it does not fit with the free-enterprise, entrepreneurial ethos of our country. The individualistic “every man for himself” culture of the United States could not be easily transformed into the “common social good” philosophy required in a single-payer system in which accessibility of care takes precedence over individual preferences and choice.

So what paradigmatic shifts are proposed by Terry? They are dramatic and not easily accomplished: taking the profit out of health care, the end of insurance as we know it, managed competition among primary care physician groups as opposed to among insurance plans, government intervention to make sure that the market works, and a rational rationing of health services. A tall order to be sure, but Terry provides not only the general aims but also the “nuts and bolts” on how to get there.

One of the major shifts in the health care system proposed by Terry requires changing the financial incentives that now operate in the United States. Medical providers now get paid only when they provide treatment services. In the new system, providers would be financially rewarded for keeping people healthy. Another major shift requires taking the enormous profits out of health care by eliminating middlemen and building in more competitive systems among providers. All individuals would be mandated to have health care, employers would be mandated to provide it, and there would be governmental subsidies for small firms and people with lower incomes.
The fundamental components of the reform consist of the following: (a) all primary care physicians would have to join groups that would be financially accountable for all professional health services through a risk-adjusted capitated system; (b) these physician groups (rather than insurance plans) would be in competition with each other for consumers; (c) each physician group would offer the same array of covered services; patients would choose based upon the physician group's insurance costs and published performance measures; (d) the physician groups would be motivated to provide the best care at the lowest cost and would do so through coordinated patient care, disease management, a reduction in unnecessary tests, and referrals to specialists; (e) each geographical region would have one “utility insurer” that would act as a conduit between payers and providers to collect fees, pay capitated rates to provider groups, pay claims of specialists, and measure performance; (f) the federal government would take over insurance regulation from the states, set up insurance regions, determine the criteria for utility insurers, and set up quasi-governmental health boards in each region that would select the utility insurer and engage in community health planning; and (g) the federal government would set up a national board to determine which services should be covered by insurance initially and which should be added in the future.

Terry believes that there is enough dissatisfaction with the current system and enough concern about escalating costs that the general public and elected officials will be willing to make major changes and tolerate some of the less politically attractive aspects of the plan.

While psychologists reading the book will learn much about the health care system, they will be disappointed to see that there is little about psychology as a health profession. The only time behavioral or mental health services are mentioned in the 350-page book is in its discussion of the proposed array of covered services. The author believes that universal coverage must include a comprehensive array of services, and he refers to the Institute of Medicine's (2004) report that specifies specialty mental health services as an integral part of essential comprehensive benefits. The good news, of course, is that mental health services are seen as essential to “appropriate care and better health” (IOM, 2004, p. 116).

Enhanced use of psychological services could facilitate the plan Terry proposes. For example, financing structures could be changed so that there would be monetary incentives for providing preventative services, such as lifestyle change interventions (for weight reduction, smoking cessation, etc.) provided by psychologists. The demand for these types of services is expected to increase.

Disease management systems for chronic diseases such as diabetes, coronary heart disease, and asthma will be central in the proposed health care reform and, if properly implemented, can be cost-effective interventions. Psychologists have developed efficacious methods for working with these populations to increase their adherence to medical regimens, make lifestyle adjustments, and deal with the psychological concomitants of the diseases.

Evidence-based medicine and strategies to disseminate best practices more rapidly also are hallmarks of the reformed health care system. It has been determined that only 15
percent to 50 percent of what physicians do is justified by solid evidence (Steinberg & Luce, 2005). However these are concepts well known to psychologists, and a willingness to be guided by evidence is clearly one of our strengths as a profession. Like psychology, medicine is refining its definition of evidence-based practice to include an integration of empirical evidence with individual clinical expertise and patients' unique values and circumstances. So there is much that psychologists have to add in this domain—not only in contributing our own evidence-based health psychology practices but also in assisting in research on other health practices so that these practices are sensitive to psychosocial influences and patient values.

Like medicine, psychology has not been efficient in getting practitioners to adopt new best practices. Research in this area would be very timely, with potential contributions for the field of medicine as well as for psychology.

As noted above, groups of primary care physicians will be the basis for Terry's reformed health care system. Knowing this, it would be wise for psychologists to double their efforts to develop integrated health care systems in which psychologists are fully integrated into primary care practices (Kenkel, DeLeon, Mantell, & Steep, 2005). If capitated payments are made to primary care groups, the problem of how to pay for psychological services within a primary care office can be averted, and psychologists' contributions to patients' health care will save money for the group (Cummings, 1997). Clearly there is potential for a team of psychologists to be a part of every primary care group.

In summary, Rx for Health Care Reform provides an exciting prescription for a health care system that will provide better health for all Americans, contain costs, and include valuable opportunities for the greater use of psychological services and research.

References
