

Managed Health Care, A System Gone Wrong

Samuel J. Wein

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The health care system in the United States is severely ill and heading for permanent disability barring urgent intervention. Once powerful physicians now undercut each other over a shrinking pool of HMO payments as their views on quality patient care are summarily steamrolled. HMOs are becoming insulated sales entities separated from care facilities often communicating only with MSOs—Management Service Organizations—who in turn may or may not pass on crucial information to providers.

There is every reason to afford the author's views serious attention—Samuel J. Wein has been a senior officer in nonprofit and for-profit HMOs with responsibility for setting annual capitation rates and convincing physicians' groups to participate. This is no knee-jerk whistleblower; more accurately he's a sane and concerned moderate put off by the industry's deadly obsession with maximizing profits and minimizing treatment utilization. As for-profit firms eclipse their competitors compensation packages for the parasitic top officers are becoming a major driver behind premium increases. The author writes: "Other than the modern top level corporate executives and the corporate robber barons of the late nineteenth and early twentieth century no single class of individuals has ever earned so much money doing so little except perhaps for military conquerors."

Wein's writing style is a close match for his philosophy regarding the proper delivery of medical treatment: nothing is wasted on fancy rambling though all the primary aspects of the subject are fully addressed. Quickly summarizing the history of prepaid plans back to 1865 he avoids being bogged down in lingo not just exposing flaws but identifying (the sadly rare) sensible practices and mysterious internal mechanics of health plans. The focus here is on general trends in the evolution of pre-paid coverage with few references to particular years except for rather detailed information about the Nixon Administration's original promotion of the HMO industry with the Act of 1973.

The fact that the text was written in 2000 means that it misses opportunities to address recent developments in the increasingly secretive industry and is open to refutation from anti-consumer apologists.

Managed Health Care projects a potentially unbridgeable crisis as premiums begin to eat up the Gross National Product. Donations to the campaigns of politicians have staved off serious regulation in the past yet such palm-greasing may not work forever as negative publicity proliferates. Wein calls for a non-adversarial re-balancing of power between physicians who should have final say on what care needs to be provided and business managers responsible for enforcing mutually agreed-upon cost levels. As a consultant he consistently suggests practice groups refuse offered pay agreements which fail to disclose expected costs in good faith or specify exactly which services will be required. This book is worth a look for stakeholders in the American health system—which is to say anyone who seeks medical treatment wears a lab coat at work or profits from keeping the sick and their healers apart.

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