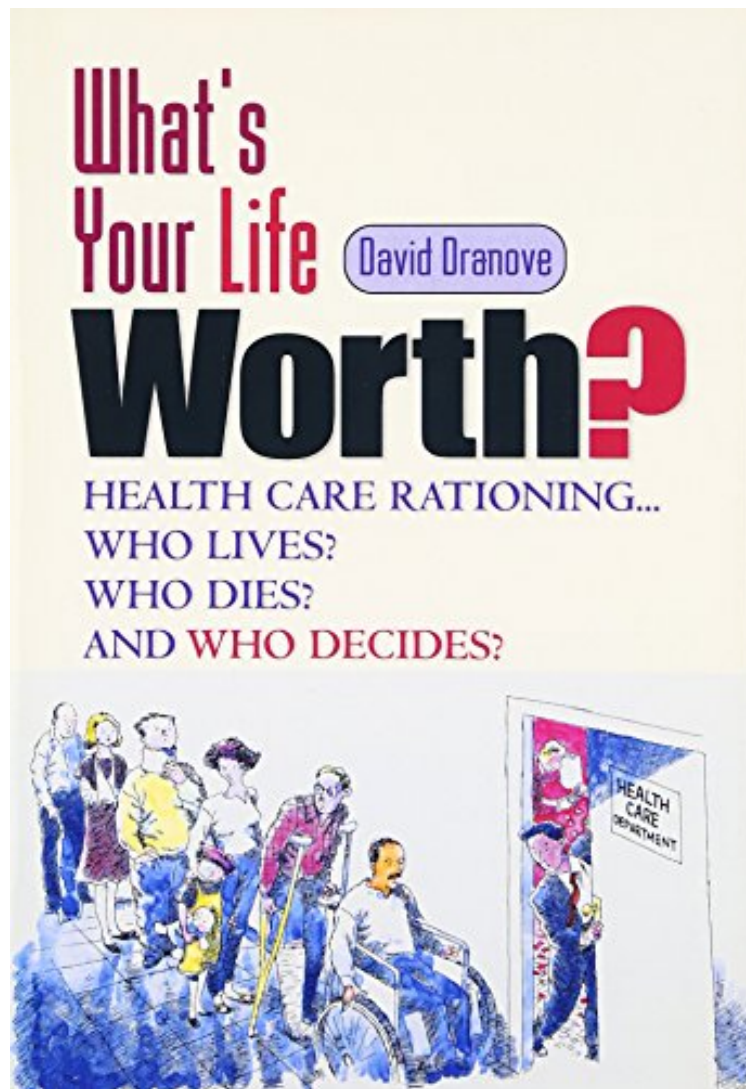


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## What's Your Life Worth?: Health Care Rationing... Who Lives? Who Dies? And Who Decides?

David Dranove

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2 of 2 people found the following review helpful. Great bookBy ProfTomFine book. I think. Certainly did learn a lot about health care rationing, its history and probably necessity. Very clear, I enjoyed it, a good read. Not terribly

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Healthcare rationing is coming -- with a vengeance. *What's Your Life Worth?* previews tomorrow's healthcare system, showing what it'll feel like to be at the mercy of a system that might choose not to cure you. Right now, experts are calculating which diseases are worth curing, which treatments are worth paying for, and which aren't. This book tells you who they are, what they're up to, what they think you're worth -- and what to do about it.

From the Back Cover Healthcare rationing is coming -- with a vengeance. "What's Your Life Worth?" previews tomorrow's healthcare system, showing what it'll feel like to be at the mercy of a system that might choose not to cure you. Right now, experts are calculating which diseases are worth curing, which treatments are worth paying for, and which aren't. This book tells you who they are, what they're up to, what they think you're worth -- and what to do about it.

About the Author David Dranove is one of the world's most respected health care economists. He is the Walter McNeer Distinguished Professor of Health Industry Management at Northwestern University's Kellogg Graduate School of Management, as well as Director of the Center for Health Industry Market Economics there. His research and teaching focus on problems in industrial organization and business strategy with an emphasis on the health care industry. He has published over 70 research papers, monographs, and book chapters on health economics and pharmacoeconomics, and is co-author of the popular textbook *The Economics of Strategy* and the trade books *How Hospitals Survived* and *The Economic Evolution of American Health Care: From Marcus Welby to Managed Care*. His many awards have included the Association of University Programs in Health Administration's John D. Thompson Prize in Health Services Research and numerous "research article of the year" prizes. Professor Dranove holds a Ph.D. in Business Economics from Stanford University.

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Introduction You may not know it, but the people who pay for your health care have decided that enough is enough. They have placed a limit on how much they are willing to spend to save your life. In the United States, the keepers of the Medicare and Medicaid programs have capped spending growth, forcing providers to cut back on care. At the same time, U.S. employers are getting fed up with rising health insurance costs, and they are giving managed care organizations the go-ahead to cut back on prescription drug benefits and other services. Such restrictions are old news in the rest of the world, where government payers have been limiting access to costly medical technologies for over three decades. This is rationing, plain and simple. Rationing is a dirty word in health care, but it is not necessarily a bad thing, provided the cost savings are large enough to justify any resulting harm. For the most part, rationing has been ad hoc, without careful weighing of the benefits and costs. But in the last few years, a few payers have taken baby steps toward rationalizing -- making sure that they get biggest bang out of their health care bucks. This book is about the many ways in which health care is rationed, and the transition toward rational rationing. As Chapter 1 details, rational rationing has already been institutionalized by the British and Australian national health systems. The outcomes have been mixed. Government decisionmakers seem obligated to balance scientific principles with political considerations. The outcomes are not always pretty, and government health officials remain crippled by budget ceilings that force them to place an unrealistically low value on life. Chapters 2 through 4 provide the theoretical justification for rationing health care and demonstrate the disconnect between theory and practice in Europe and the United States. At least for now, any careful weighing of lives and dollars seems to be mere happenstance. Chapters 5 and 6 describe rational rationing. Chapter 6 also explains how to numerically score different diseases to determine which are most worth curing. These methods appear to be relatively simple to implement. In fact, they were central to a rationing plan implemented a decade ago in the state of Oregon, as described in Chapter 7. But, as I show, appearances are deceiving. Proponents of rational rationing have yet to overcome numerous objections based on methodological, economic, ethical, and political grounds. Even if supporters of rational rationing can overcome the myriad objections to it, their schemes will not fully succeed unless they can grapple with the most challenging obstacle of all. At some point, payers must decide where to draw the line and declare that one particular health care service is "worth it" whereas another, slightly less cost-effective service is not. To do this, payers will have to explicitly determine how much life is worth. Chapter 8 tackles this question head-on and even shows you how to compute the value of your own life. One question remains: Who should implement rational rationing? Chapter 9 describes the global imperative to contain costs in the public and private sector. I argue that rational rationing is better left to the market, where individuals can decide for themselves how much their lives are worth. I conclude that if payers fully embrace rational rationing, they may no longer fear spending money to save lives.