

Book review

Managed health care: US evidence and lessons for the National Health Service

Ray Robinson and Andrea Steiner
Buckingham; Bristol, PA: Open University Press, 1998,
pp. xiv, 206,
ISBN 0335199488 (pbk.), 0335199496 (hb)

Managed care is attracting considerable attention world-wide as a means of controlling the costs of health care in ways that maintain or improve quality and outcomes. In practice it is not a single mechanism but a range of techniques and incentive structures, some of which have long been features of the UK National Health Service (NHS) and of other health care systems. But the concept, the overall approach, and some of the particular micro-management techniques—such as disease management, utilisation review, physician profiling, and use of guidelines and protocols—have been developed extensively in the United States.

The book is introduced by Professor Chris Ham, emphasising that ‘policy makers in a number of countries are reviewing the future of health services. Those countries that have traditionally relied on a market in health care are making greater use of regulation and planning. Equally, those countries which have traditionally relied on regulation and planning are moving towards a more competitive approach. In no country is there complete satisfaction with existing methods of financing and delivery, and everywhere there is a search for new policy instruments’.

It was this reason that the Department of Health—when thinking about the possible application of managed care techniques in the NHS—decided to commission a review of US research evidence and its relevance for the NHS. This review was carried out by Ray Robinson and Andrea Steiner who have later made their work more widely available through the book: “Managed Health Care”.

The book contains a carefully collected and analysed set of findings on the performance of managed care organisations and the effectiveness of the specific techniques as applied in the United States.

Through the discussion of up-to-date evidence on the development of the NHS total purchasing projects the authors also show how managed care techniques are being developed in the NHS. Sensibly they are at pains to point out that US experience should be seen

as a source of ideas for possible use in the UK context rather than a blueprint for direct application.

Chapter 1 presents a review of the different models of managed care in the USA and a discussion of the various techniques used in an effort to contain costs without compromising quality and outcomes. As the chapter shows, there is currently an enormous variety in the forms of managed care organisations (MCO).

Methods for managing care discussed in Chapter 1 include financial incentives, techniques for managing clinical activity and patient-focused approaches.

Financial incentives are shown to apply at both the organisational level, in the form of capitation funding, and in relation to individual doctors, who may also receive per capita reimbursement and be subject to bonuses, penalties and various forms of financial risk-sharing.

Techniques for managing clinical activity include: utilisation review (prospective, current and retrospective; mandatory second opinions and peer review); physician and hospital profiling; the development of disease management strategies involving the use of audit and guidelines; drug formularies; and education strategies aimed at clinicians.

Patient focused approaches seek to influence patients behaviour, so that they too make efficient use of scarce resources. These techniques include efforts to gain acceptance for primary care gatekeeping, case management, the promotion of watchful waiting, primary prevention and self care.

Chapter 2 starts with a general discussion of the aims of a systematic review of the US evidence, because methods of systematic review are still a relatively new development within health services research. This shows how systematic reviews bring a scientific rigour to the enterprise of literature review and increase the reliability and validity of conclusions. Chapter 2 specifies two research questions, the first to consider overall performance of managed care in the USA and the second to evaluate what is known about the effectiveness of particular managed care techniques.

Chapter 3 presents the results of the systematic review of US evidence on managed care. This is followed by a section in which the authors provide a brief

discussion of their style of summarising the literature and of the overall strength of the research evidence. Finally, the results of the systematic review are organised according to six main dimensions of performance, namely utilisation, expenditures, prevention and health promotion, quality of care, consumers satisfaction and equity of treatment. At the end of the chapter, the authors summarise their findings by drawing the multiple dimensions of performance together for an integrated view of managed care's effectiveness as reported in the high-quality literature. The authors find generally lower hospital utilisation, higher rates of preventive care and comparable levels of quality of conventional US medical care. However, patient satisfaction is lower under managed care. Further, there are some important dimensions of performance where the data are inconclusive.

Chapter 4 focuses on the financial incentives and techniques used by managed care organisations to create an efficient system of health services. The techniques examined are utilisation review, profiling and disease management and clinical guidelines.

Chapter 5 discusses the application of managed care techniques in the UK through the development of the total purchasing (TP) pilot projects and considers the lessons to be learned from the US experience. Total purchasing is an experimental extension of general practitioner (GP) fundholding (GPFH) through which designated GP practices receive budgets to purchase potentially all of the services received by their patients. Finally, the chapter considers the current and potential use of US-style managed care techniques by the total purchasing projects; in particular it examines the role of financial incentives, utilisation review and management, medical practice profiling and disease management.

In the final chapter the authors reflect upon their analysis of the US evidence and its relevance for the UK. They point out that, although drawing lessons from abroad is a fashionable activity, it is also a hazardous one. Different histories, cultures and socio-economic institutions make the export of ideas and evidence problematic. Nonetheless, the authors point to various US evidence based themes—concerning organisational impact, targeted programmes and consistency of practice styles—that are of relevance to the application of managed care in the NHS. The authors recommend that the evidence from abroad be taken as a springboard for developing health services in the NHS and that the UK-style managed care be evaluated in its own cultural context.

The book is well referenced and is almost certainly the most comprehensive review of the managed health care currently available. It provides an invaluable data source for anyone seeking hard evidence on the achievements of managed care: that is anyone who is interested in the reality rather than the rhetoric.

I would recommend this book to health managers, health politicians and administrators, medical doctors, health economists, public health professionals, students and those who are interested in comparing alternative methods of controlling the cost of the care. This book provides lots of useful information to help them to judge what might be in a given political, economics and cultural context the most adequate one.

Given that the focus of the book is on evaluating and comparing the US and the UK experiences the book will be of most use to those working in a similar context.

Jan Holčík