

# Essentials of the U.S. Health Care System

Second Edition

Leiyu Shi, DrPH, MBA, MPA

Professor

Department of Health Policy and Management

Bloomberg School of Public Health

Johns Hopkins University

Baltimore, Maryland

Douglas A. Singh, PhD, MBA

Associate Professor

School of Business and Economics

and the Department of Political Science

Indiana University–South Bend

South Bend, Indiana



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#### *World Headquarters*

Jones and Bartlett Publishers  
40 Tall Pine Drive  
Sudbury, MA 01776  
978-443-5000  
info@jbpub.com  
www.jbpub.com

Jones and Bartlett Publishers  
Canada  
6339 Ormindale Way  
Mississauga, Ontario L5V 1J2  
Canada

Jones and Bartlett Publishers  
International  
Barb House, Barb Mews  
London W6 7PA  
United Kingdom

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#### **Production Credits**

Publisher: Michael Brown  
Production Director: Amy Rose  
Associate Editor: Katey Birtcher  
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Manufacturing and Inventory Control Supervisor: Amy Bacus  
Composition: Cape Cod Compositors, Inc.  
Illustrator: Accurate Artists, Inc.  
Cover Design: Kate Ternullo  
Cover Image: © Condor 36/Shutterstock, Inc.  
Printing and Binding: Malloy, Inc.  
Cover Printing: Malloy, Inc.

#### **Library of Congress Cataloging-in-Publication Data**

Shi, Leiyu.

Essentials of the U.S. health care system / Leiyu Shi, Douglas A. Singh.—2nd ed.  
p. ; cm.

Includes bibliographical references and index.

ISBN-13: 978-0-7637-6380-0 (pbk.)

ISBN-10: 0-7637-6380-2 (pbk.)

1. Medical care—United States. 2. Medical policy—United States. I. Singh, Douglas A., 1946– II. Title. III. Title: Essentials of the United States health care system.

[DNLM: 1. Delivery of Health Care—United States. 2. Health Policy—United States.

W 84 AA1 S512e 2009]

RA395.A3S486 2005

362.10973—dc22

2008041625

6048

Printed in the United States of America

13 12 11 10 09 10 9 8 7 6 5 4 3 2 1

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# Preface

This book is a condensed and simplified version of our standard textbook on the U.S. health care system, *Delivering Health Care in America: A Systems Approach*, which has been widely used for teaching senior-level undergraduate and graduate courses. While retaining the main themes of the standard book, this version covers the essential elements of U.S. health care but leaves out much of the data and technical details provided in the standard book. This simplified format is produced for two main audiences: junior college students taking a basic course in U.S. health care and those who need a condensed text to supplement materials in another course, such as an advanced course in health policy or various courses taught in allied health settings in which a section of a course is devoted to the health care delivery system.

This book retains the systems model to organize the major themes of U.S. health care delivery into 14 chapters. The first three chapters lay the foundation that is necessary for understanding the U.S. health care delivery system, which is distinct from any other system in the world. Chapter 1 gives an overview of U.S. health care and contrasts the American system with the three most commonly used models of health care delivery in other advanced nations, such as Canada, Britain, and Germany. Chapter 2 explains the different models for understanding health and its determinants. In the context of American beliefs and values, this chapter also discusses the issue of equity using the concepts of market justice and social justice, and explains how health services are rationed in both market-justice- and social-justice-based systems. Chapter 3 traces the history of U.S. health care from colonial times to the present. The key to understanding the nature of the current health care system and its likely future direction is to understand its evolutionary past.

This chapter also includes current trends in corporatization, information revolution, and globalization as they pertain to health care delivery.

The next three chapters are about the resources—both human and nonhuman—employed in delivering health care. Chapter 4 addresses the roles played by some of the major personnel in health care delivery. The chapter also discusses some key issues pertaining to the number and distribution of physicians and the effect these factors have on the delivery of health care. Chapter 5 discusses medical technology and the various issues related to its development and dissemination. Chapter 6 explains the concept of health insurance, the major private and public health insurance programs in the United States, and methods of reimbursing providers.

Chapters 7 through 11 describe the system processes, beginning with outpatient and primary care services discussed in Chapter 7. Hospitals are the focus of Chapter 8. Chapter 9 is devoted to managed care, which has revolutionized health care delivery in recent years. This chapter also discusses different types of arrangements for organizational integration. Chapter 10 provides an overview of community-based and institution-based long-term care services. The direction of long-term care in the context of a rapidly growing elderly population is also explored. Chapter 11 highlights vulnerable populations and their special health care needs. This chapter also includes a section on mental health.

Chapters 12 and 13 deal with the main outcomes of the health care system and how those outcomes are addressed through health policy. The main outcomes associated with health care—costs, access to care, and quality of care—are presented in Chapter 12. Chapter 13 gives an overview of health policy in the United States. Chapter 14 extrapolates upon the past and present to explore the likely future directions. Expansion of health insurance to accommodate the uninsured is an ongoing concern. How this issue might be addressed during the Obama presidency is explored. An increased cost burden and a division among Americans on radical changes are major constraints that are likely to prevent systemwide reform. Apart from the challenges at home, the chapter also discusses emerging global challenges as they affect the health and well-being of Americans.

## New in the Second Edition

This *Second Edition* has been updated with the latest health statistics and pertinent information available at the time the manuscript was prepared.

Some key additions to the text include the Veteran's Administration health care system, U.S. government-sponsored health insurance programs such as Medicare, Medicaid, and SCHIP, selected international health care systems (Chapter 1); public health system, interventions to improve performance (Chapter 2); discussion of corporatization of health care, the information revolution, and globalization (Chapter 3); role of hospitalists (Chapter 4); expanded coverage of information technology that includes electronic health records and e-health (Chapter 5); high-deductible health plans and health savings accounts, and an organized presentation of the four parts of Medicare (Chapter 6); an updated and revised discussion of long-term care and its services (Chapter 10); a comparison of health care spending among industrialized countries, electronic health records (Chapter 12); health policy issues such as 2008 presidential candidates' positions on health care reform, universal health coverage, smoking and tobacco use, fighting HIV/AIDS (Chapter 13); a discussion on conflicting realities of cost and coverage in the context of Massachusetts' health plan and universal health insurance; system reform in the context of 2008 presidential victory of Barack Obama; and a new section on evidence-based health care (Chapter 14).

## **Acknowledgment**

We gratefully acknowledge Sylvia Shi for creating the cartoons for this book. We are also grateful for the valuable assistance of Angeli Bueno and Normalie Barton from Johns Hopkins University. Of course, all errors and omissions remain the responsibility of the authors.

Leiyu Shi  
Douglas A. Singh



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# About the Authors

Dr. Leiyu Shi is Professor of health policy and health services research in the Department of Health Policy and Management at the Johns Hopkins University Bloomberg School of Public Health. He is Co-Director of Johns Hopkins Primary Care Policy Center. He received his doctoral education from the University of California Berkeley, majoring in health policy and services research. He also has a master's in business administration focusing on finance. Dr. Shi's research focuses on primary care, health disparities, and vulnerable populations. He has conducted extensive studies about the association between primary care and health outcomes, particularly on the role of primary care in mediating the adverse impact of income inequality on health outcomes. Dr. Shi is also well known for his extensive research on the nation's vulnerable populations, in particular community health centers that serve vulnerable populations, including their sustainability, provider recruitment and retention experiences, financial performance, experience under managed care, and quality of care. Dr. Shi is the author of seven textbooks and over 100 journal articles.

Dr. Douglas A. Singh teaches graduate and undergraduate courses in health care delivery, policy, finance, and management in the School of Business and Economics and in the Department of Political Science at Indiana University–South Bend. He has authored/coauthored four books and has published in peer-reviewed journals.



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# List of Abbreviations

CT	Computed Tomography
NIH	National Institutes of Health
R&D	Research and Development
DME	Durable Medical Equipment
SSI	Supplemental Security Income
CAM	Complementary and Alternative Medicine
ALOS	Average Length of Stay
JCAHO	Joint Commission on Accreditation of Healthcare Organizations
CEO	Chief Executive Officer
HMO	Health Maintenance Organization
MCO	Managed Care Organization
MD	Doctor of Medicine
COGME	Council on Graduate Medical Education
DO	Doctor of Osteopathic Medicine
PPO	Preferred Provider Organization
NOAA	National Oceanographic and Atmospheric Association
VA	Veterans Administration
BPHC	Bureau of Primary Health Care
DHHS	Department of Health and Human Services
SAEM	Society for Academic Emergency Medicine
WHO	World Health Organization
AMA	American Medical Association
AHA	American Hospital Association
AIDS	Acquired Immunodeficiency Syndrome

SARS	Severe Acute Respiratory Syndrome
DDS	Doctor of Dental Surgery
DMD	Doctor of Dental Medicine
PharmD	Doctor of Pharmacy
OD	Doctor of Optometry
PhD	Doctor of Philosophy
PsyD	Doctor of Psychology
DPM	Doctor of Podiatric Medicine
DC	Doctor of Chiropractic
RN	Registered Nurse
BSN	Bachelor of Science in Nursing
ADN	Associate's Degree in Nursing
LVN	Licensed Vocational Nurse
NCQA	National Committee for Quality Assurance
HEDIS	Healthcare Effectiveness Data and Information Set
LPN	Licensed Practical Nurse
APN	Advanced Practice Nurse
CNS	Clinical Nurse Specialist
CRNA	Certified Registered Nurse Anesthetist
NP	Nurse Practitioner
CNM	Certified Nurse-Midwife
PA	Physician Assistant
AAPA	American Academy of Physician Assistants
PT	Physical Therapist
MHA	Master of Health Administration
MHSA	Master of Health Services Administration
MBA	Master of Business Administration
MPH	Master of Public Health
MPA	Master of Public Administration
NAB	National Association of Boards of Examiners of Long-Term Care Administrators
MRI	Magnetic Resonance Imaging
HIPAA	Health Insurance Portability and Accountability Act
FDA	Food and Drug Administration
AHRQ	Agency for Healthcare Research and Quality
HIV	Human Immunodeficiency Virus
CMS	Centers for Medicare and Medicaid Services
SNF	Skilled Nursing Facility

SCHIP	State Children’s Health Insurance Program
CPT	Current Procedural Terminology
DRG	Diagnosis Related Group
APC	Ambulatory Payment Classification
IPA	Independent Practice Association
POS	Point-of-Service
PHO	Physician-Hospital Organization
LTC	Long-Term Care
IADL	Instrumental Activities of Daily Living
PERS	Personal Emergency Response System
CCRC	Continuing Care Retirement Community
PRO	Peer Review Organization
CON	Certificate of Need
PORT	Patient Outcome Research Team
MSA	Medical Savings Account
EPA	Exclusive Provider Organization
RUG	Resource Utilization Group
HHRG	Home Health Resource Group
GDP	Gross Domestic Product
CPI	Consumer Price Index
ED	Emergency Department

