Index

Aaron, H. J., 572
Abbreviated New Drug Application (ANDA), 386
Absenteeism, 280
"Absorbing state," 633
Access to health care, 10, 19, 569, 593–594
Acemoglu, D., 373, 521, 522, 525
Acute care, 352
Acute myocardial infarction (AMI), 305, 716–717
Adamanche, K. W., 342, 426
Adams, E. K., 208
Adams, K., 532
Addiction, 65, 68–69
Administered prices, 197–200
Adult survival rates (ASRs), 720–721
Ad valorem subsidy, 89–90, 92
Advance purchase commitments, 403–404
Advantageous selection, 159–162, 742
Adverse events, 283–286
Adverse health outcomes, 277–278, 288–291
Adverse selection, 12–13, 147–163
 and accuracy of measurement, 97–98
 and advantageous selection, 742
 and asymmetric information, 15–16, 128, 148, 159, 742
 and competition, 163
 and employer-based insurance, 163, 432–433
 and individual choices, 151–153
 and insurance markets, 24, 150–163, 742
 and preexisting conditions, 148–149, 419–420, 431, 439
 and premiums, 149–150, 158
 and risk, 128, 151–152, 161–162, 426, 742–743
 and universal coverage, 504
 and unraveling, 150–157
Advertising
 direct-to-consumer, 392–394
 hospitals, 260, 276–277
 pharmaceutical companies, 389–394
 prescription drugs, 390–391
Advertising elasticity of demand, 391–394
Africa, 130, 592
African Americans, 525
Aggregate stop-loss reinsurance, 424
Aging, 51–52, 118
Aiken, L. H., 324, 332, 344, 345, 351
Ainsworth, M., 96
Aizer, A., 455
Akerlof, George, 163
Akin, J. S., 96
Alberini, A., 672
Alberquilla, A., 748
Albuoy, V., 53
Alcohol, 66
Aldy, J. E., 666, 678, 687
Allocative efficiency, 19, 599, 602
Altemeier, W. A., 744
Altenstetter, C., 514
Alter, D. A., 536
Ambulatory care, 102–103
American Medical Association (AMA), 523
Ameriks, J., 739
Ameringer, C. F., 288
AMI outcomes, study of, 716–717
Anchoring bias, 739
ANDA (Abbreviated New Drug Application), 386
Anderson, G. F., 598
Andersson, F., 598
Andorra, 17
Andresen, E. M., 632
Angola, 17
Antel, J. J., 258
Anthony, D. L., 748
Antibiotics, 59–60
Anticompetitive effect, 229, 288
Antidepressants, 383, 394
Antitrust policy, 15
Antonazzo, E., 339, 341
Aoyama, H., 539
Appelbaum, B., 684
Appreciation rate, 47
Arc elasticity, 85
Argys, L. M., 741
Arocena, P., 238
Arrow, K. J., 1, 25, 129, 130, 238
Askildsen, J. E., 342
Asymmetric information, 189
 and adverse selection, 15–16, 128, 148, 159
 and government regulation, 276
 nursing homes, 353–354
 and physician-induced demand, 201
 research about, 742–743
Atuyambe, L., 238, 566
Auerbach, A. J., 702
Auerbach, D. I., 332
Auster, R. D., 712
Austin, P., 536
Australia, 17, 158, 479, 511, 585–587, 705
 health care expenditures in, 428
 life expectancy in, 708
 nurse profiles, 322
 public financing, 480
Austria, 17, 322, 428, 480, 705, 708
Automobile market, 163, 189, 194
 insurance, 131, 439
 quality ratings, 277

Availability heuristic, 739
Average cost curve, 223–226, 237
Average payment, 521
Average revenue curve, 223, 235, 237
Average unit cost (AC), 379–380

Backward-bending supply curves, 197–200, 339
Backward induction, 64
Bae, E. Y., 540
Baicker, K., 246
Baker, L. C., 209, 446, 449, 452, 454, 496, 532
Baker, T., 298
Balance billing, 204–205, 491, 524
Balance sheet, 422
Baltagi, B. H., 199, 342
Banerjee, A., 405, 588
Bangladesh, 484, 588
Bankruptcy, 426–427, 437–438
Bariatric surgery, 64
Barker, D. J. P., 41
Barr, M. D., 539
Barsky, R. B., 132, 539
Base price, 384
Basic Medical Insurance (BMI), 489
Becker, E. R., 258
Becker, G. S., 1, 68, 118, 179, 526, 693, 722, 724, 726
Becker-Murphy model, 68
Bed blockers, 258, 535
Bed ratio, 251–252
Behavioral economics, 23, 40, 43, 67–69
Belgium, 99–100, 322, 428, 705, 708
Bell, C. M., 347
Benartzi, S., 739
Bengtson, J. M., 307
Bennett, B. W., 184
Berenson, R., 748
Berman, P. A., 475, 486
Berndt, E. R., 16, 277, 390, 392, 393, 394, 510
Bernheim, D., 69
Bertozzi, S. M., 66
Besley, T., 569, 570, 571, 580
Beta-blockers, 281
Bethencourt, C., 526
Bezruchka, S., 539
Bhargava, A., 720, 721
Bhaskar, V., 335, 336, 337
Bhat, R., 485
Bhattacharya, A. S., 486, 490, 525, 526
Bhattacharya, J., 183, 539
Bhutan, 484
Bice, T. W., 252
Bickel, S. R., 539, 540
Bickel, W. K., 739
Biologics, 511–512
Biomedical research, 14
Biopharmaceutical industry, 726
Birch, S., 536, 683
Birkmeyer, J. D., 253
Birnbaum, H., 386, 388
Birth rates, 202–203
Bishai, D. M., 688
Bismark, M. M., 283
Bjorkman, M., 282, 592
Blau, D. M., 143
Block grants, 488
Blomquist, A., 486, 489
Blood pressure, 43
Bloom, D. E., 698, 721, 722, 723
Bloom, G., 486
Blue Cross-Blue Shield plans, 157, 426, 491, 519
Blumenthal, D., 199, 488
Blumstein, J. F., 287
BMI (Basic Medical Insurance), 489
Boal, W. M., 334, 337, 342
Boardman, A. E., 196
Bognanno, M. F., 339
Booth, M., 288
Born, P. H., 426
Bounded rationality, 63, 738
Boutique practices, 196
Boycko, M., 566
Boyden, J. S., 303
Brand-name drugs, 384–389
Brasseur, C., 99, 100
Bratberg, E., 199
Braun, P., 523
Brazier, E., 484
Break-even price, 405
Brennan, T. A., 283, 284, 285, 303, 304
Breyer, F., 276, 444, 516, 564
Britain. *See* United Kingdom
Brook, R. H., 455, 712
Brown, M. L., 449
Brumberg, R. E., 698
Buchan, J., 332
Buchanan, J. L., 445
Buchmueller, T. C., 493
Budget ceilings, 474
Buerhaus, P., 332, 345
Bui, L., 393
Buntin, M. B., 143, 444
Burfield, W. B., 288
Burge, R. T., 523
Burgess, S., 583
Burkina Faso, 484
Burstall, M., 228
Burstein, H. R., 303
Busse, R., 514, 515

Calabresi, G., 294
Califf, R. M., 641
California, 303, 349–350, 447, 449, 455, 568
Cambodia, 478, 479
Campbell, J. C., 537, 538, 539
Campbell, T., 431, 598, 600

Canada, 17, 479, 481, 705
administrative costs, 598
drug prices, 400, 599
global budgeting, 255, 257–258
health care expenditures in, 428
and health inequalities, 543
life expectancy in, 708
Medicare in, 534–536
nurse/physician density, 323
nurse profiles, 322
patient outcomes, 347–348
physician fees, 535
private insurance in, 427
public financing, 480
and United States, 599
Canning, D., 698, 721, 722, 723
Capital
cost of, 132, 377
human, 45, 179
knowledge, 374–375, 698, 723
and long run/short run, 171
Capital, health. *See* Health capital
Capitation plans, 101, 111–113
and fee-for-service systems, 597–598
and hospital payment, 255–257
and managed care, 446–447, 450
and physician-induced demand, 201, 204
Caplin, A., 739
Card, D., 527
Car dealers, 278
Cardon, J. H., 158
Career choices, 174–178
"Care process," 355
Carlsen, F., 203
Car magazines, 285–286
Cartels, 241, 287
Carter, W. B., 632
Case reserves, 422
Cash systems, 29, 481, 483–490
Caves, R. E., 384, 385
Cawley, J., 66, 67, 68, 354, 355
CBA. *See* Cost-benefit analysis
CEA. *See* Cost-effectiveness analysis
Central African Republic, 17
Certification, 190, 288
Certification of need (CON) laws, 250–254
Cesarean sections, 202–203, 306, 453, 532
Chalkley, M., 203
Chaloupka, F. J., 66
Chandra, A., 452
Chandra, M. K., 486
Chang, M. C., 543
Chao, L. W., 378, 385, 387, 394, 395
Chapman, B., 638
Chaudhury, N., 280, 572, 589
Chen, J., 281, 489
Chen, L., 543
Chepke, L., 419
Chiang, T. L., 541
Chiappori, P. A., 743
Children
childhood health, 41
and cost sharing, 106
nutrition, 84
Chile, 17, 158, 400
China, 29, 481, 482, 486–490
adverse selection, 158–159
insurance in, 489, 545–549
life expectancy, 5, 7
NCMS, 490, 545–549
out-of-pocket health costs, 483–484, 489–490, 547–549, 551
public financing, 479
Chiu, W. T., 293
Choi, P. T. L., 244, 245
Chou, S. Y., 54, 245, 353, 530, 544, 590, 696, 699
Chou, Y. J., 701
Chronic obstructive pulmonary disease (COPD), 57–58, 65, 76–77
Chu, K., 258
Chun, C. B., 539
Civil law, 292–293
Civil service systems, 589
Claims data, 97
Claims processing, 419–421
Clarke, S. P., 324, 344, 345, 351
Clayton, E. W., 302, 307
Clements, J., 679
Clinical drug testing, 368
Clinic records, 97
Clinton administration, 493
Closed-staff systems, 474, 541
Coase, R., 297
Coase theorem, 297
Cockburn, I. M., 374
Cockx, B., 99, 100
Coelen, C., 258
Cognitive impairment, 632, 738
Cognitive status, 243–244
Cohen, A., 742
Cohen, J. W., 352, 354, 355, 533
Coinsurance, 87, 90, 92
Collective bargaining, 493
Collusion, wage, 334
Colon cancer screening, 62
Colonoscopy, 62
Colorado, 303
Comanor, W. S., 382, 403
Common cold, 87
Community rating, 149, 443–445
Compensating wage differentials, 175, 666, 744
Compensation. *See* Income; Wages
Compensation models
pay for performance, 744–745
principal-agent issues, 743–744
Competition
and adverse selection, 163
and certification, 288

Competition (cont.)
and cost shifting, 494
and drug markets, 382, 384–389
excess, 250
and government regulation, 14–15, 746–747
Herfindahl-Hirschman Index (HHI), 262–263
and hospitals, 27, 221, 259–265, 449, 583–585, 745–746
and insurance premiums, 423
and licensure, 287
managed, 491–493, 497
monopolistic, 191–192, 222
non-price, 248, 259–260, 262, 449
"payer-driven," 449–450, 453
perfect, 191
and physician competence, 189–190
and prices, 188, 191–192, 265, 368, 448–449
and private insurers, 147, 259, 430
and quality of care, 263–264, 292
and retrospective cost reimbursement, 248
and wage rates, 335, 337
"yardstick competition," 520
Complements, 86–87
Confounding, 262
Congo, Democratic Republic of, 17, 478, 479
Conover, C. J., 253, 445
Consumer ignorance, 196
Consumer Reports, 285
Consumers. *See also* Patients
economic impact of health care on, 696, 698, 707–708, 723
and externalities, 14
of health services, 2, 23, 39
incentives, 449
and information, 308, 591–593
life-cycle model of consumption, 698
and public provision, 507–508
and utility, 40, 133, 201
Consumer surplus, 115–116
Contingent behavior/activity, 671
Contingent fees, 130
Contingent valuation (CV), 31, 579. *See also* Maximum willingness to pay; Stated preference approach; Willingness-to-pay surveys
and cost-benefit analysis, 621
and stated preference approach, 621, 669–671
use of, 683
Contractible quality of care, 279
Contracting out, 568–569
Contracts, 249, 296–298
Cook, P. J., 66
Cookson, J. P., 425
Cooper, R. A., 174
Cooperative Medical Scheme (CMS), 487–489
Cooperatives, 230
Co-pay, 91–92, 113–114
COPD. *See* Chronic obstructive pulmonary disease (COPD)
Coronary artery bypass grafts (CABG) surgery, 253–254, 289–290
Costa Rica, 17, 588
Cost-based contracts, 249
Cost-based reimbursement, 355. *See also* Retrospective cost reimbursement
Cost-benefit analysis, 30–31. *See also* Cost-effectiveness analysis; Revealed preference approach; Stated preference approach
and cost-effectiveness analysis, 618–622, 623, 657
and decision-making, 660, 677, 683–685
and intangible loss, 674, 675–679
and maximum willingness to pay, 620, 621, 658
measuring benefits in, 658–660
and omitted heterogeneity, 665
and Pareto optimality, 658
and pharmaceutical companies, 651–652, 685
and public decision making, 683–685
and regression analysis, 665
and resource allocation, 620, 660, 679, 686
and revealed preference approach, 621, 659–669, 683
standard gamble in, 674, 675, 677
and stated preference approach, 659, 669–682
use of, 657, 683–686
and value of a statistical life, 660, 662, 665–666
Cost containment, 27. *See also* Government regulation
and CON regulation, 252–253
and generic drugs, 388
hospitals, 27, 219, 245, 249–250, 252, 260–263
multi-payer systems, 496
and prospective payment, 258
single-payer systems, 543
Cost-effectiveness analysis, 30, 275, 618–619
from alternative perspectives, 626–627
applied to AMI therapy, 641–643
applied to cervical cancer screening, 648–650
applied to disease prevention, 640
applied to HIV treatment, 643–648
applied to Oregon health-care resources, 640–641
applied umbilical cord blood banking, 646–647
benefits and limitations of, 619–621, 640–641, 650–652
computing cost-effective ratios, 639–640
and cost-benefit analysis, 618–622, 623, 657
cost threshold of, 646–647
and decision-making, 621–622, 645–647, 747–748
and discounting, 624–625, 636–638, 651
and endpoints, 628–632
and joint production costs, 625–626

and life expectancy, 644–646, 648–650
and maximum willingness to pay, 620, 621
measured by cognitive impairment, 632
measured by disability-adjusted life year, 631–632
measured by observational data, 634–636
measured by physical functioning limitations, 632
measured by standard gamble survey, 627–630
measured by time-trade off survey, 630–631, 642
measuring direct and indirect costs, 623–624
measuring future costs, 624–625
measuring opportunity costs, 622–623
measuring sunk vs. incremental costs, 625–626
measuring transfer costs, 624
and pharmaceutical companies, 641–643
resistance to, 640–641
and resource allocation, 617–618, 620, 640–641, 651
standard gamble in, 627–630
and transition probabilities, 632–636
using financial vs. health discount rates, 637–638
using life-year saved, 641–643
using Markov chains, 633–634
Cost-effectiveness ratio
computing, 622, 639–640
and discount rates, 625
incremental, 645–685, 648
and resource allocation, 511
Cost finding, 520
Costs. *See also* Health care expenditures
of capital, 132, 377, 426
and decision-making, 58–60
direct/indirect, 623–624
future, 624–625
and injuries, 293–295
long-run, 620
marginal cost, 11–12, 206, 222
out-of-pocket, 484, 489–490, 497–498, 511–512, 542, 595
of patient search, 195
as performance measure, 595–599
pharmaceutical R&D, 369–370, 379–380
physician space, 193–195
retrospective cost reimbursement, 247–251, 255, 520–522
technology diffusion, 453
and time prices, 96
and tort liability, 305–307
transaction, 564–565
transfer, 624
of waiting lists, 574, 579–583
Cost sharing, 12, 91, 100–109. *See also* Health insurance
and ambulatory/inpatient care, 102–103
and children, 106
demand-side, 100–101, 447, 470–472
and dental care, 107–108
and emergency room visits, 104–105
and generic drugs, 388
and health outcomes, 103–104
and incomes, 108–109
and managed care, 447
and prescription medication, 113–114
public vs. private insurance, 431
Cost shifting, 494–495, 506
Côte d'Ivoire, 588
Coulam, R. F., 258
Coyote, P. C., 535, 536
Crawford, G. S., 390
"Cream skimming," 162, 242, 431, 497
Credence goods, 194, 276–277
Cremieux, P. Y., 718
Criminal law, 292
Cromwell, J., 205, 207, 208, 209
Cropper, M., 672
Cross-national price differentials, 394–396
Cross price elasticity, 86
Cross subsidies, 240, 506–507
Crystallized intelligence, 45
Cuba, 17
Cuellar, A. E., 236, 237
Cullis, J. G., 575, 578, 579
Cunningham, P. J., 209
Currie, J., 18, 307, 436, 455, 529, 531, 532
Custer, W. S., 253
Cutchin, M. P., 184
Cutler, D., 8, 155, 157, 446, 451, 454, 510, 525, 531, 549, 568, 599, 600, 709, 710, 715, 717, 719, 720
CV. *See* Contingent valuation
Czech Republic, 322, 428, 429, 480, 566, 705, 708

Dafny, L. S., 521
Danzon, P. M., 300, 369, 378, 379, 385, 387, 394, 395, 397, 398, 399, 401
Das, J., 281, 486, 588
Davis, C., 353, 355, 356
Deadweight loss, 440
Deaton, A., 8, 588, 709, 710, 721, 723, 724, 725
Deb, P. C., 453
Decision-making
and adverse selection, 151–153
and backward induction, 64
and cognitive limitations, 738
and compensation structure, 743–745
and cost-benefit analysis, 660, 677, 683–686
and cost-effectiveness analysis, 621–622, 645–647, 747–748
and costs, 58–60
and diagnostic tests, 60–61
and discount rate, 40, 62–64, 79
economic models of, 737–740
and emotional reactions, 69

Decision-making (cont.)
and health behaviors, 62–65, 738–740
and health care expenditures, 694–697, 704–708
and imperfect information, 68
and intrinsic/extrinsic rewards, 343, 744
and medical schooling, 172
and nursing home care, 743
and pharmaceutical R&D, 370–371
and physicians, 748
and production functions, 46
rational and irrational, 737–740
and self-control, 69, 739
smoking model, 76–80
and standard economic assumptions, 67, 737–740
and uncertainty, 57–58
and utility, 40, 57–58
and variation in treatment patterns, 748
Decisions
career choices, 174–178
demand, 22–23
ex ante, 64–65
extensive/intensive margins, 340
forward-looking, 42, 62–64, 172, 737–740
long-run/short-run, 41, 171–172, 188–196
rational, 41, 62–64, 737–740
time-consistent, 62–64
Decision trees, 23, 59
Deductibles, 90–92, 103, 108
Defensive medicine, 300–301, 305–306, 308
DeLong, E. R., 289
Demand, 46–50, 83–85
and adverse outcomes, 288–289
basic economic concepts of, 85–87
and capitation, 111–113
and cost sharing, 100–101, 447, 470–472
decisions, 22–23
and deductibles, 108
and demographic characteristics, 142
derived, 23, 325, 328
elasticity of, 85–87, 195
and expected loss, 141
and fee-for-service, 111–113
and forecasting, 84
and health insurance, 83–84, 88–92, 114–115, 128–130, 132, 698
and health services, 46–50, 84, 118–119, 128–130
heterogeneous, 602
and income, 109–111, 143–144
and moral hazard, 84
for nurses, 324–325, 328
physician-induced demand (PID), 200–204, 210, 472
for physicians, 185
and prescription drugs, 113–114, 382–384, 394
and prices, 66–67, 85–86, 113–115
private insurance model, 136–142
shortage and surplus, 172–174
and standard economic models, 210
supplier-induced, 200–204
and tax subsidies, 145–147
and technology adoption, 473
and time prices, 96
and uncertainty, 128–129
and wait time, 582–583
Demand curves, 115–116, 176, 192–193, 200
downward-sloping, 221–222
hospital behavior, 221–222, 224–227, 237
and physician-induced demand, 200–201
price discrimination, 205–208
Demand insurance model, 136–142
Demand studies
natural experiments, 99–100
observational data, 97–98
Rand Health Insurance Experiment, 100–113
randomized controlled trials, 98–108
Democratic Republic of Congo, 17
Demographic characteristics
and demand, 142
and longevity, 709
and Medicare, 525–526
Demographic dividend, 698, 732
Denmark, 17, 322, 428, 479, 480, 587, 601, 705, 708
Denny, L., 648
Dental care services, 106–107
Denton, E. H., 96
Depreciation rate, 45–46, 48
Derived demands, 23, 325, 328
Derrick, F. W., 199
Detailing, 392–393
Deterrence of injury, 299, 301, 304
Devereaux, P. J., 244, 245
Diabetes, 421
Diagnosis-related group (DRG), 519–521
Diagnostic tests, 60–61, 83
Difference-in-difference approach, 289, 700
Differential pricing, 394–398
Diffusion of technology. *See* Technological innovation; Technology adoption
Diminishing returns, 348, 711, 723–724
Direct costs, 623–624
Direct tax, 702–703
Direct-to-consumer advertising (DTCA), 392–394
Disability-adjusted life year (DALY), 628, 631–632
Disability insurance, 129
Discount rate, 63
appropriate, 624, 637–639
and decision-making, 40, 62–64, 79
financial vs. health determinants, 637–638
and future costs, 624–625
and present value, 62–64
rationale for, 636–637
social and private, 636–637
use of, 651

Disease
management programs, 421
patterns, 726–727
prevention, 640
Disease progression model, 643–644
Disproportionate Share (DSH) Program, 246–247
Diversification of risk, 187, 418–419, 423, 426
Dobkin, C., 527
Dominica, 17
Donabedian, A., 280
Donohue, J. M., 16, 277, 390, 392
Dorfman, R., 391
Dormont, B., 52
Double blinding, 98–99
Dow, W. H., 588
Dowd, B., 196
Downward-sloping demand curve, 221–222
Dranove, D., 203, 262, 289, 290, 449, 450, 494, 495
Drugs. *See* Medications; Prescription drugs
Drummond, M., 511, 650
Dual-self model, 68–69
Duan, N., 145
Dubay, L., 307
Due care, 295, 297–298, 300
Duflo, E., 588
Duggan, M., 245, 568
Duke University, 91, 93
Dulleck, U., 194
Dumoulin, J., 397
Dunlop, S., 536
Dunn, D. L., 523
Dusansky, R, 452, 533
Dynamic efficiency, 388–389, 405, 407, 430

Earnings. *See* Income; Wages
Economic evaluation, 404, 650–652. *See also* Cost-effectiveness analysis
Economic growth
and correlation of health and productivity, 720–725
and disease patterns, 726–727
and fertility rate, 721–722
and health care employment, 696, 725–726
and health sector, 694–699, 725–728
and labor market outcomes, 699–701
and welfare loss of taxation, 701–704
Economic sector. *See* Economic growth
Economic Stabilization Program (ESP), 256, 258
Economies of scale, 185–186, 242
Economies of scope, 186
Education
and health care use, 51–54, 118
and improved health, 698, 712, 722–724
and income, 347
low-income countries, 590–591
medical schools, 172–174, 178, 183, 190, 287
Eesley, C., 726
Effectiveness, 106, 627. *See also* Cost-effectiveness analysis
Effective patent life (EPL), 406
Efficacy, 627
Efficiency, 10, 19–20, 242, 458
allocative, 19, 599, 602
and cash systems, 487
and patient selection, 495
and performance measurement, 600–601
public vs. private provision, 565–566
spillover effects, 496
static/dynamic, 388–389, 405, 407, 430
technical, 599, 602
Efficient wage hypothesis, 344
Eggers, P. W., 525
Eggleston, K., 245
Einav, L., 742
Eisenberg, J. M., 196
Ekelund, M., 378, 386
Elasticity of labor supply, 338
Elasticity of prices, 85–86, 141, 146–147, 509
Elderly, 289, 518
Elective surgery, 581–583
Elliot, R. F., 329
Ellis, R. P., 446, 509
Emergency room visits, 104–105
Employee Retirement Income Security Act (ERISA) of 1974, 433
Employer-based insurance, 28, 144, 147, 420, 432–437
and adverse selection, 149–150, 163, 432–433
and employee wages, 434–437, 444
and employer subsidies, 155–157
job lock, 432, 699–700
and managed competition, 493
mandated, 439–443
and public insurance, 457
Employer market power, 337
Employment
effect on health, 726–728
by health care sector, 696, 725–726
Encinosa, W. E., 354, 356
Endogenous changes, 228
Endpoints, 628–632
Enthoven, Allen, 492
Entman, S. S., 302, 307
Entry regulation, 250–254
Epstein, R. M., 394
Equilibrium analysis, 470
Equity, 10, 19, 569, 601–603
Erickson, P., 55
Errors, diagnostic, 60–61
Escarce, J. J., 113, 143
Ethics, professional, 15–16, 190, 201
Evans, R. G., 200, 201
Evans, W. N., 346, 348, 349, 350, 351
Ex ante decisions, 64–65
Excess-of-loss reinsurance, 424
Exchanges, health insurance, 420

Exogenous changes, 228
Expected loss, 134, 141–143
Expected utility, 57, 76, 134–137
and health behavior decisions, 66, 76–79
and insurance decisions, 136–142
and maximum willingness to pay, 138–140
and rationality of decisions, 661–663, 739
von Neumann–Morgenstern model, 57, 630, 739
Experience goods, 194
Explicit subsidies, 241
Exploitation, 337
Ex post realizations, 64–65
Extensive margin, 66
Externalities, 13–15, 470, 494
External referencing, 397–398, 401
Extrinsic motivation, 343
Extrinsic rewards, 744

Fair premium, 131–132, 139
False negatives, 61
False positives, 61
Fang, H., 159, 446, 448, 489
Farber, H. S., 302
Farming cooperatives, 221, 230
Farming markets, 382
Federspiel, C. F., 302
Fee-for-service plans, 101, 111–113, 597–598
Feigenbaum, B., 574
Feldman, M. D., 394
Feldstein, M. S., 12, 145
Feldstein, P. J., 493
Felt, S., 258
Ferrall, C., 188
Ferreira, P. L., 96
Fertility rates, 202–203, 721–722
Finalyson, E. V., 253
Financial externalities, 14
Financial incentives. *See* Incentives
Financing. *See* Government financing; Health care expenditures; Payment systems; Private financing
Finkelstein, A., 160, 245, 373, 472, 473, 474, 518, 521, 522, 524, 525, 543, 549, 554, 743
Finland, 17, 322, 324, 428, 480, 587, 705, 708
First-degree price discrimination, 209
First-party insurance, 130–131
Fisher, E. S., 717
Fixed dollar subsidy, 88–89, 92, 156–157
Florida, 288, 307
Fluid intelligence, 45
Formularies, 113–114, 367–368, 388
For-profit hospitals. *See* Profit-maximizing hospitals
Forward-looking decisions, 42, 62–64, 172, 737–740
Fowler, F. J., 748
France, 17, 705
drug prices, 385, 395, 400
education and health, 53
health care financing in, 52, 428, 479, 480, 601
life expectancy in, 708
nurse profiles, 322
private insurance in, 429
Frank, K. S., 114, 738
Frank, R. G., 162, 738, 744
Frank, R. H., 658
Free care plans, 102, 104, 110
Freeman, M., 669
Free public clinics, 95–96
Freiberg, A., 638
Friedman, M., 26, 135, 174, 183, 287, 288
Frijters, P., 351
Froom, J., 539
Frydman, R., 566
Fuchs, V., 1–3, 10, 118, 200, 203, 706, 711
Fudenberg, D., 68
Fully funded insurance systems, 545
Functional status, 243–244, 455
Furukawa, Y., 394, 395, 399
Future costs, 624–625

Gafni, A., 536, 683
Gahvari, F., 18
Galasso, V., 526
Gallagher, P. M., 748
Galloway, M., 529
Gambardella, A., 373
Gambling, 135
Game trees, 77–79
"Gaming," 290
Garber, A. M., 403, 602
Garcia-Prado, A., 238
Garnick, D. W., 262
Gaskin, D. J., 202, 456
Gasoline consumption, 86
Gatekeeper physicians, 445–446, 474, 573, 597, 601
Gauld, R., 539
Gaumer, G. L., 258
Gaynor, M., 187, 204, 264, 345, 448, 584
GDP. *See* Gross domestic product (GDP)
General equilibrium analysis, 470–474
General Practice Fundholders, 583
Generic drugs, 367, 384–389
Generic substitution, 387–388
George, L. K., 632
Gerdtham, U. G., 597, 598, 706
Germany, 143, 147, 203, 482, 484, 705
collective bargaining, 493
drug prices, 395, 400
foreign nurses in, 332
health care expenditures in, 428
and health inequalities, 543
hospital staffing, 221
life expectancy in, 708
nurse profiles, 322
physicians' fees, 523
prescription drugs, 383–384

private insurance in, 429
public financing, 479, 480
statutory health insurance, 161, 514–516
Gertler, P., 66, 187, 236, 237, 533, 588
Giaccotto, C., 377
Gilleskie, D., 57
Gilleskie, D. B., 66, 143
Ginsburg, P. B., 258
Girola, J., 625
Githens, P. B., 302, 307
Glazer, J., 162
Glennerster, R., 375, 402, 403
Glied, S., 445, 447, 452, 453, 495, 511
Global budgeting, 255, 257–258, 534–535, 541
Global inequality, 724–725
Glucose intolerance, 41
Gohmann, S., 325, 327, 328
Gold, M., 258, 638
Golden, B. R., 343, 744
Goldie, S. J., 643, 648
Goldman, D. P., 113, 535
Goldstein, G. S., 144, 430, 435
Goldstein, L. B., 674
Gormley, C. J., 254
Gornick, M. E., 525
Gossage, D., 583
Gottfried, J., 455
Gouveia, M., 569, 570, 571
Government financing, 503–551. *See also* Medicaid; Medicare; Public provision of health care; Social insurance systems; Universal health coverage
Canada, 534–536
China, 545–549
German statutory health insurance, 514–516
and health care costs, 507–508, 598
Japan, 537–539
means-tested insurance, 505, 528, 530–531
payment systems, 508–514
and private provision, 505, 507–508
rationale for, 504–508
South Korea, 539–540
Taiwan, 540–544
Government Insurance Scheme (GIS), 487–489
Government regulation, 3. *See also* Private health insurance; Public policy
and asymmetric information, 276
capture of, 291–292
community rating, 149, 443–445
and competition, 14–15, 746–747
and compulsory coverage, 506–507
and efficiency, 458, 507
and employer-based insurance, 433–437
entry regulation, 250–254
and equity-efficiency quandary, 18–20
failure of, 291–292
and health care provision, 478
and health system classification, 477
hospitals, 221, 234–235, 245–259, 349–352
insurance premiums, 438
intergovernmental transfers, 246
licensure, 287–288
managed care, 445–456
and mandatory error reporting, 288–291
and market failures, 20
medications, 367–368, 372, 376–379, 382, 385–386, 395, 397
nurses' pay, 329–334
nurse-to-patient ratios, 349–350
nursing homes, 354–358
pharmaceutical companies, 18, 28, 376–379
price-revenue regulation, 254–259, 395, 397
prices, 376–379, 385–386, 395, 397, 520
private insurance, 437–439
and private provision, 505
and public health care, 29
and public policy, 746–747
and quality, 276, 285–286, 591
rationale for, 437–439
and resource redistribution, 17–20
retrospective cost reimbursement, 249, 520
and risk adjustment, 162
single-payer financing, 18
and solvency, 426–427, 437–438
state insurance laws, 433
tax subsidies, 145–147, 155
and transaction costs, 564
Gowrisankaran, G., 16, 264, 741
Grabowski, D., 354, 355, 534
Grabowski, H. G., 378, 384, 386, 387, 388, 389, 406, 599
Graham, B., 722
Gray, B., 532
Gray, C., 566
Great Depression, 491
Greece, 322, 479, 480, 705, 708
Gregory, A. W., 188
Grignon, M., 52
Gross domestic product (GDP)
and drug prices, 400–401
and health care expenditures, 596–598, 646, 704–707
and health improvements, 721
and health sector expansion, 8–10, 328, 725–726
and income, 9
and life expectancy, 7
and longevity, 5–8
and nurse density, 320–323
and public financing, 477–479
Gross investment, 45–46
Grossman, B., 347
Grossman, M., 44, 51, 54, 55, 57, 118
Grossman model, 50–54, 57
Group insurance, 144, 420, 430. *See also* Employer-based insurance
Group practice, 185–188
Gruber, J., 69, 79, 202, 432, 443, 529, 531, 532, 700, 701, 704, 739
Grumbach, K., 448

Grytten, J., 203
Guilkey, D. K., 96
Guinea, 478, 479

Haas-Wilson, D., 345
Hadley, J., 202, 208, 209
Hagen, T. P., 238
Hall, J., 580, 585
Hall, M. A., 456
Hall, R. E., 9, 706, 744
Hallqvist, J., 587
Haltom, W., 298
Hamilton, B. H., 535
Hamm, J. C., 531
Hammer, J., 280, 281, 486, 572, 589
Hammitt, J. K., 530, 544, 696, 699
Hannan, E. L., 254
Hansmann, H., 220
Hanushek, E. A, 741
Harless, D. F., 350
Harless, D. W., 345, 346, 348
Harrington, C., 355
Harrison, G., 638
Hart, O., 240, 567, 568
Harvard Medical Practice Study, 303–304
Harvard University insurance plan, 155–157
Hatch-Waxman Act of 1984, 386
Hawker, G. A., 535
Head tax, 441
Healers, traditional, 130
Health
 demand for, 46–50
 and economic growth, 696–697, 698
 and income, 723–725
 and longevity, 5–8
 and productivity, 39
 and schooling, 347
 stocks and flows, 44
 as uninsurable, 129
Health behaviors, 61–70
 addictive behavior, 68–69
 alternative explanations for, 65, 67–69
 and decision-making, 62–65, 737–740
 and present value, 62
 and price changes, 66–67
 smoking model, 76–80
 unhealthy behaviors, 61–62
Health capital, 44–57
 appreciation and depreciation, 45–46, 48
 and death, 54
 evolution of, 44–46
 Grossman model, 50–54
 gross/net investment, 45–46
 and life expectancy, 55
 marginal efficiency of capital (MEC), 46–50
 measuring, 54–57
 optimal, 48
Health care expenditures. *See also* Costs
 and age, 52
 and demand, 84
 determinants of, 706–708
 economic impact of, 694–697, 704–708
 and government financing, 507–508, 598
 and health outcomes, 697–698, 710–714, 719
 and income, 596–597, 601–602
 and insurance, 473–474
 and life expectancy, 31
 and longevity, 707–708
 and managed care, 451–453
 in OECD countries, 704–706
 and physicians, 706
 secular trends in, 704–706
 and technological innovation, 706
 and treatment expansion effect, 511
Health care services, 10–15
 access to, 10, 19, 569, 593–595
 and aging, 51–52, 118
 complements and substitutes, 86–87
 consumption of, 2, 23, 39
 demand for, 46–50, 84, 118–119, 128–130
 dental care, 106–107
 distribution of, 84
 economic organization of, 26, 743–746
 effectiveness of, 104–106
 efficiency in, 10, 19–20
 equity in, 10, 19, 601–603
 and externalities, 13–15
 financing of, 477
 as gross investment, 45
 and health insurance, 128–130
 and improved health, 8, 101, 104
 and incentives, 11
 and information acquisition, 741
 and moral hazard, 11–12
 performance ranking, 16–17
 preventive, 83, 455, 509
 and prices, 50–51, 419, 598–599
 suppliers of, 24
Health care systems, 469–498, 593–603. *See also* Social insurance systems
 analysis of, 470–474
 cash systems, 29, 481, 483–490
 classification of, 474–484
 control knobs, 475–477
 and income distribution, 482–483
 managed competition model, 491–494
 multi-tiered, 572
 private, 481–483, 491, 496–497, 506, 601
 progressive/regressive, 483, 526
 public, 29, 481, 483, 506, 601
 and quality measurement, 593–603
 quasi-public, 18–19, 29, 482–483
 single-/multiple-payer, 483, 494–496, 600
Health economics
 cost-effectiveness analysis, 747–748
 and economic growth, 695–704, 720–729
 as field of inquiry, 1–5
 growth of, 3–10
 journals of, 3–4
 and microeconomics methodology, 11
 and pharmacoeconomics, 747
 positive and normative, 747

Health improvements, 5, 31
and education, 698, 712, 722–724
and fertility rates, 721–722
and health insurance, 130, 527
and health services consumption, 8, 101, 104
longevity and GDP, 8
and technological innovation, 711–712
Health insurance, 11–13, 24, 87–120. *See also* Cost sharing; Employer-based insurance; Insurance; Private health insurance; Social insurance systems; Universal health coverage
ad valorem subsidy, 89–90, 92
and adverse selection, 12–13, 15, 24, 128, 742
capitation, 101, 111–113
coinsurance, 87, 90, 92
co-pay, 91–92
deductibles, 90–92, 103, 108
and demand, 83–84, 88–92, 114–115, 128–130, 132, 698
demand studies, 97–113
and economic growth, 699–704
exchanges, 420
fee-for-service, 101, 111–113, 597–598
fixed dollar subsidy, 88–89, 92
forms of, 91–92
functions of, 418–421
and generic drugs, 388
and health expenditures, 473–474
and health improvements, 130, 527
and health services, 128–130
and hospitals, 158, 247–249, 259–260
indemnities, 88–89, 92
and information, 128, 742
inpatient/outpatient care, 510
long-term care, 160–161
and medications, 87, 510
and moral hazard, 698, 742
national health insurance (NHI), 94–95, 539, 541
overinsurance, 127, 144–145, 698
percent of population covered, 594
and physicians, 388, 496
and prescription medication, 113–114, 392
and risk protection, 12, 89, 127, 145, 148, 510
statutory health insurance (SHI), 143, 514–516
welfare-based, 18
Health Insurance Experiment (HIE). *See* Rand Health Insurance Experiment
Health insurance purchasing cooperatives (HIPCs), 493
Health maintenance organizations (HMOs), 93, 95, 157, 447–448. *See also* Managed care
and Medicare, 161–162, 519
and preventive care, 455
and technology diffusion, 454
and traditional insurance, 452–455
Health outcomes research, 101, 404, 715–720
Health production functions, 43–44, 46, 602, 710–714, 717
Health sectors
and economic growth, 726–728
and employment, 725–726
expansion of, 8–10
and national economies, 31
public goods in, 10–11
Healy, J., 587
Heart attack treatment, 263–264, 452, 496, 536
Hedges, L. V., 99
Held, P. J., 208
Hendel, I., 158
Henderson, R. M., 374
Henratty, M., 701
Hepatitis B, 373
Herd immunity, 679–680
Herfindahl-Hirschman Index (HHI), 262–263
Hersch, J., 666, 668
Hessel, M., 566
Heterogeneous demand, 602
Heyes, A., 324, 343
Hiatt, H., 302, 303, 304
Hickson, G. B., 302, 744
HIE. *See* Rand Health Insurance Experiment (HIE)
High-income countries
drug prices, 397–398, 400–401, 406
GDP share spent on health care, 10, 597, 697
health outcomes, 713, 714
hospitals, 219
longevity gains, 5, 7
long-term care, 352, 354
medical malpractice, 27
nurse density, 320, 321, 324, 332
public provision of health care, 18, 478, 527, 572–587
Himmelstein, D. U., 242, 431, 598, 600
Hippocratic oath, 15, 190, 286
Hip surgery, 535–536
Hirsch, B. T., 334, 338, 342
Hirth, R. A., 354, 355
Hixson, J. S., 339
Hlatky, M. A., 641, 746
HMOs. *See* Health maintenance organizations (HMOs)
Ho, V., 535
Hoel, M., 511, 512
Hoerger, T. J., 640
Hoffmeyer, U., 238, 534
Holahan, J., 208
Holland, 41
Hollis, A., 404, 405
Holmas, T. H., 199, 342, 344
Homeowner insurance, 131
Hong Kong, 482, 601
Horizontal equity, 603

"Hospital Ownership and Cost and Quality of Care," 244
Hospitals, 25, 219–265
advertising, 260, 276–277
bed ratio, 251
and capitation, 255–257
and collective interest, 235–236
and competition, 27, 221, 259–264, 449, 583–585, 745–746
cost containment, 27, 219, 245, 249–250, 252, 260–263
and cost shifting, 494–495, 506
and drug formularies, 113–114
efficiency and standardization, 242–243
endogenous/exogenous changes, 228
geographic distribution, 253
history of, 219
implicit/explicit subsidies, 240–241
incentives, 521–522
and information, 741
and insurers, 158, 247–249, 259–260
length of stay, 256, 520–522
longitudinal studies, 348
and malpractice liability, 304–305, 307
and managed care, 451
and medical staff organizations, 221, 228–230, 287
medical staff size, 231–232, 235
and Medicare, 244, 247, 472, 519–522
as monopsonists, 334, 341
and mortality, 288–290, 583–585
not-for-profit, 25, 220–221, 224–236, 239–241
and nurse staffing, 320–324, 332, 344–352, 357
and outside wages, 329–330
ownership forms, 220, 237–245
and patient outcomes, 253–254, 345–349, 351
peer review in, 190
performance, 244–245, 251–252
physician-hospital organizations (PHOs), 236–237
and physicians, 25–26, 86–87, 111, 228–229, 232–235, 259, 264, 474–475
prices, 230
private, 221, 224–228, 237, 245, 250, 566, 586–587
process-of-care measures, 281
profit-maximizing, 221–224
and prospective payment, 254–259, 520–521
and quality, 224–227, 237, 239–240, 244–245, 251–252, 263–264
regulation of, 221, 234–235, 245–259, 349–352
retrospective cost reimbursement, 247–251, 255, 520–522
staff systems, 474–475, 541–542
and technology innovation, 473
trustees, 229
and utility, 226–227
waiting lists, 578–579
Hospital utilization
capitation vs. fee-for-service, 113
and income, 110–111, 143
and insurance type, 114–115, 158
Household surveys, 97
Howard, L. Z., 288
Howitt, P., 723
Hsiao, W., 475, 488, 522, 542, 543
Hsieh, C. R., 302, 386, 387
Huang, Y., 549
Hubbard, R. G., 529, 530, 544, 699
Huber, H., 52
Human capital, 45, 179
Hungary, 322, 428, 480, 705, 708
Hurwitz, M. A., 384, 385
Huskamp, H. A., 114
Hussey, P. S., 598
Hygiene ratings, 290
Hyman, D. A., 241, 432
Hyperbolic discounting, 68, 739
Hypertension, 43

Iatrogenic injuries, 278, 283–286, 302–308. *See also* Quality of care
Iceland, 322, 324, 428, 429, 705, 708
Ichoku, H. E., 96
Iezonni, L. I., 162
Ii, M., 87
Iizuka, T., 393
Ikegami, J., 537, 539
Ikegami, N., 539
Illinois, 495
Imperfect rationality, 68
Implicit subsidies, 240–241
Impulsiveness, 62–63
Incentives, 3
consumer, 449
hospital, 521–522
managed care, 446
pharmaceutical R&D, 371–376
physician, 24–25, 183, 187–188, 202, 447, 450
and quality of care, 278
tax, 372, 376
and universal coverage, 506
Income. *See also* Wages
and cost sharing, 108–109
and demand, 109–111, 143–144
distribution, 482–483
and drug prices, 399–401
and GDP share, 9
and health, 723–725
and health care costs, 596–597, 601–602
and health care quality, 196
and health care use, 51
and health inequalities, 536, 543
and hospital utilization, 110–111, 143
and licensure, 26

and life expectancy, 7
and Medicaid eligibility, 531
and Medicare benefits, 525–526
and nurse density, 320–321
of nurses, 320, 328–329, 338–343
of physicians, 174–176, 180–184, 186–188, 197–200, 232–233
and private insurance, 143–144
and public financing, 477
and quality of care, 196
redistribution, 570, 574
target, 200–203
and utility, 133–134
Income effects, 199, 202, 339
Income elasticities, 110–111
Income from Professional Practice, 26
Income statement, 421–422
Income transfers, 18
Incremental cost, 625–626
Incremental cost-effectiveness ratio, 648, 685
Incurred losses, 305, 422
Indemnities, 88–89, 92
Independent practice associations (IPAs), 448
Independent risks, 418
Index hospitalization, 244
India, 29, 281, 479, 481, 490
health care system in, 485–486
heart hospitals in, 487
information provision in, 591–592
insurance in, 486
life expectancy and GDP, 7
and nurse migration, 332
Indirect costs, 623–624
Indirect tax, 702–703
Indonesia, 281, 484, 588
Induced demand, 200–204
Infant mortality, 698
Infertility treatments, 443
Inflation, 256
Influenza vaccinations, 373
Information, 740–743. *See also* Asymmetric information
consumer, 591–593
and decision-making, 68
economic cost of obtaining, 740
medications, 389–390
on performance of hospitals, 741
and rationality, 67
Inpatient care, 510
Input substitution, 354–355
Insurance, 417–425. *See also* Health insurance; Premiums, insurance; Private health insurance
and adverse selection, 24, 150–163, 742
balance sheet, 422
and bankruptcy, 426–427, 437–438
cash flow, 422–423
claims processing, 419–421
disability, 129
and disease management programs, 421
first-party/third party, 130–131
fully funded, 545
IBNR and case reserves, 422
income statement, 421–422
investment income, 421–424
loading, 131–132, 142
loss prevention, 421–422, 425
malpractice, 131, 300
marketing, 419–420
means-tested, 505, 528, 530–531
pecuniary/nonpecuniary loss, 131
prices, 131–133, 425
regulation of, 437–439
reinsurance, 419, 424–425, 427
risk bearing, 418–419, 423
supplementary, 519, 571
surplus, 421
underwriting, 419–421, 425, 505
Insurance mandates, 439–443
Intangible capital, 45
Intangible loss, 674, 675–679
Intelligence, 45
Intensive margin, 66
Interest rates, 423–424
Intergovernmental transfers, 246
Internal rate of return, 180–184
Intrinsic motivation, 343
Intrinsic rewards, 343
Investigational New Drug Application (INDA), 369
Investment
gross/net, 45–46
insurers' income from, 421–424
marginal efficiency of capital (MEC), 46–50
Ireland, 204, 320, 322, 323, 428, 601, 705, 708
Ischemic heart disease (IHD), 305
Italy, 17, 322, 705, 708
drug prices, 385, 400
and health care financing, 428, 480, 601
life expectancy and GDP, 7
Iversen, T., 578, 579

Jacobs, P., 257
Jacobs, R., 577
Jamison, D. T., 720, 721
Japan, 17, 482, 536–537, 601, 705
drug prices, 385, 400
employer-based plans, 537
health care expenditures in, 428
and health inequalities, 543
life expectancy in, 7, 539, 708
medical malpractice, 293
nurse profiles, 322
payment system, 537–539
physician dispensing, 475, 538–539
public financing, 480
public health insurance, 87, 479
Jeffers, J. R., 339
Jensen, A., 455
Jensen, M. C., 744

Jensen, P. H., 585, 586
Jeong, H. S., 540
Jeuland, M., 679
Jin, G. Z., 290
Job lock, 432, 699–700
Johannesson, M., 580
Johannesson, P., 580
Joint production costs, 625–626
Jollis, J. G., 289
Jones, A. M., 544
Jones, C. I., 9, 403, 706
Jones, P. R., 575, 578, 579
Jonsson, B., 597, 598, 706
Joskow, P. W., 564
Joyce, G. F., 113
Jun, G., 545, 547, 549
Juster, F. T., 132, 739

Kaarboe, O. M., 238
Kadoda, T., 537
Kaestner, R., 307
Kahn, K. L., 522
Kahneman, Daniel, 738, 739
Kaimal, A. J., 646
Kain, J. F., 741
Kanjilal, B., 486
Kao, S., 182
Kaplan, R. M., 55, 628, 640, 685
Kawamura, M., 537
Kazakhstan, 587
Keane, M., 159
Keeler, E. B., 262, 522, 634
Kenya, 96, 484, 588
Kern, A. O., 516
Kerschbamer, R., 194
Kessel, R., 26, 110, 204
Kessell, R., 188
Kessler, D. P., 263, 264, 289, 290, 305, 306
Ketsche, P., 253
Keynes, John Maynard, 695
Khwaja, A., 57, 638, 666, 739
Kim, B., 307, 346, 348, 349, 350, 351
Kim, H. J., 540
Kim, J., 202, 532, 540
Kimball, M. S., 132, 739
Kingma, M., 332, 333
Kipp, R., 425
Klemick, H., 280, 590
Klick, J., 443
Knee replacements, 48–49, 535
Knowledge capital, 374–375, 698, 723
Ko, D. T., 536
Koc, C., 452
Korea, 320, 322, 323, 428, 479, 480, 705, 708
Köszegi, B., 69, 79, 739
Kovacic, W. E., 432
Kravitz, R. L., 394
Kremer, M., 280, 375, 402, 403, 572, 589, 741
Krumholz, H. M., 536
Krupnick, A., 672
Kuhn, L., 648
Kumar, V, 354, 356
Kuznets, S., 26, 174, 183, 287
Kuzuya, M., 599
Kwon, S., 537, 540
Kyrgyz Republic, 587

Labor force participation, 700–701, 728
Labor Insurance Scheme (LIS), 487–489
Labor markets
  elasticity of labor supply, 338
  employer market power, 337
  and market concentration, 342
  market wage in, 325–326, 328, 340
  and mobility, 336–337
  monopsonistic, 334–335
  nurse pay regulation, 329–334
  nurses' services, 320–329
  oligopsonistic, 335
  participation in, 340–341
  shortages and surpluses, 324–328
  and taxation, 702
  and wage changes, 334, 338–343
Labor productivity
  effect of health on, 720–721, 723
  and health insurance, 696, 699–701
Lacey, L., 588
Lachetti, C., 244, 245
Lakdawalla, D., 525, 526
Lagged cash flow, 377
Laird, N. M., 284, 285, 303
Landon, J. H., 342
Lane, J., 325, 327, 328
Lang, H. C., 688
Lanning, J. A., 258
Laros, R. K., 646
Lau, J., 245
Lau, L. J., 720, 721
Lau, M. I., 638
Lave, J. R., 257
Lawthers, A. G., 307
Leahy, J., 739
Leape, L. L., 284, 285, 303
Lee, M. C., 544
Lee, S. W., 539, 540
Lee, S. Y., 539
Lee, Y., 238
Lee, Y. G., 539
Legislation
  and adverse selection, 163
  certification of need (CON) laws, 250–254
  patient protection laws, 456
  and preexisting conditions, 149
  selective contracting laws, 259
  state insurance laws, 433
Lehrer, S. F., 437
Lei, X., 545, 547
Leibenstein, H, 19
Leonard, K., 130, 280, 281, 589
Lequien, L., 53

Leslie, P., 290
Lesotho, 17
Leveson, I., 712
Levine, D. K., 68
Li, K., 453
Liability, 295–297, 301. *See also* Medical malpractice
Liberia, 17
Licensed practical nurses (LPNs), 352
Licensure, 16, 26, 190, 287–288, 292
Lichtenberg, F., 688, 716
Lichtenberg, Frank, 718
Liebbrandt, M., 96
Liebman, J. B., 744
Lien, H. M., 203, 590
Life-cycle model of consumption, 698
Life expectancy. *See also* Longevity
 at birth, 708, 709, 713–714, 719
 and cost-effectiveness analysis, 644–646, 648–650
 female, 5
 and health capital, 55
 and income, 7
 and infant mortality, 698
 Japan, 7, 539
 OECD countries, 707–709
 and per capita health spending, 31
 United States, 707, 719–720
Life year. *See* Disability-adjusted life year (DALY); Quality-adjusted life year (QALY); Value of a life year
Lin, H. C., 182
Lin, W., 545, 547
Lind, R. C., 636
Lindelow, M., 490, 545, 547, 549
Lindsay, C. M., 574
Link, C. R., 339, 342
Linn, J., 373
Liu, J. T., 54, 530, 544, 590, 696, 699
Liu, Y., 490
Liu, Y. M., 386, 387
Ljung, R., 587
Lleras-Muney, A., 8, 709, 710
Loading factor, 131–132, 142
Localio, A. R., 307
Loewenstein, G., 69
Longevity. *See also* Life expectancy
 and demographics, 709
 determinants of, 709–710
 and economic growth, 697–698, 707–710, 715–716, 722–725
 gains, 709–710, 719–720, 724–726
 and health, 5–8, 31
 and health care expenditures, 707–708
 and mortality-contingent subsidies, 526
 and savings rate, 698, 722–723
 and technological innovation, 710
 women, 5
Long-run costs, 620
Long-run decisions, 41, 171–172
Long-term care, 352, 726. *See also* Nursing home care
Long-term care insurance, 160–161
Losina, E., 643
Loss prevention, 421–422, 425
Lourenco, O. D., 96
Low-income countries
 cervical cancer screening, 648–650
 drug prices, 397–398
 education in, 590–591
 mortality reduction, 722
 nurse density, 320, 321
 pharmaceutical R&D, 401–403, 406
 private provision in, 590
 and quality of care, 281, 282, 588–593
Lu, J. R., 542, 543
Lu, M. S., 488
Lu, Z. J., 382
Lucas, M., 679
Luft, H. S., 204, 260, 262, 454
Luxembourg, 322, 428, 705, 708

Ma, A. H. Y., 329
Ma, C. T. A., 203
Ma, J., 488
Mackenbach, J. P., 7
Madagascar, 588
Madden, D., 204
Madden, G. J., 739
Madrian, B. C., 432, 436, 699, 700
Maestas, N., 527
Magan, P., 748
Magnitude estimation, 628
Magnussen, J., 238
Malaney, P. N., 722
Malaria, 403
Malawi, 17
Malaysia, 479, 484
Maldives, 484
Mali, 588
Malmgren, J. A., 632
Malpractice. *See* Medical malpractice
Malta, 17
Malthus, T. R., 722
Malthusian model, 722
Mammography, 449
Managed care, 445–456, 491, 497
 backlash against, 456
 and capitation, 446–447, 450
 and cost sharing, 447
 and health care spending, 451–453
 HMOs, 95, 157, 447–448, 452
 and hospitals, 451
 IPAs, 448
 and market structure, 448–451
 and patient selection, 495–496
 "payer-driven" competition, 449–450, 453
 plan types, 445, 447
 PPOs, 93, 157, 448
 and provider search, 447

Managed care (cont.)
spillover effects, 496
and technology diffusion, 453–456
and traditional insurance, 452–455
utilization review, 446
Managed competition model, 491–493, 497
Mandated benefits, 439–443
Mandatory error reporting, 288–291
Mankiw, N. G., 638
Manning, A., 335, 336, 337
Manning, W. G., 145, 509
Marchev, M., 288
Marginal cost, 11–12, 206, 222
Marginal cost of capital (COC), 371, 376
Marginal efficiency of capital (MEC), 46–50
Marginal efficiency of investment (MEI), 370–371, 376
Marginal labor cost (MLC), 336
Marginal product of labor, 231
Marginal rate of substitution, 663, 671
Marginal revenue (MR), 176, 222, 231
Marginal revenue product (MRP), 176, 231, 335–336, 344
Marginal social benefit (SMB), 381
Marginal social cost (SMC), 381
Marginal utility of wealth, 133–140, 663–664
Mariko, M., 280, 590
Mark, B., 345, 346, 348, 350
Mark, D. B., 641, 746
Markel, F., 257
Market-clearing prices, 172–173, 325
Market-clearing wage, 331
Market concentration, 342, 432, 449–450
Marketing, 419–420
Market-level analysis, 470
Market risk, 624, 636
Markets, 28–30, 191. *See also* Health care systems; Labor markets
classification of, 469, 474–484
drug, 382, 384–389
failure of, 20, 275, 279, 285–286, 402
and managed care, 448–451
medical malpractice, 299–302
for nurses' services, 320–329
and patents, 381–381
pharmaceutical, 373, 385–386, 393–394
for physicians' services, 188–196
and quality, 275–279
types of, 29
Markman, J. M., 741
Markov chains, 633–634
Markowitz, S., 443
Marquis, M. S., 143, 444, 445
Martin, S., 573, 581, 583
Mas, N., 454
Masatu, M. C., 280, 281, 589
Massachusetts, 452
Masuda, Y., 599
Maternity benefits, 443
Mattie, L. L., 425
Mattke, S., 345
Maximum expenditures (MDE), 101–102
Maximum willingness to pay
and clinical decision making, 747
and cost-benefit analysis, 620, 621, 658
and cost-effectiveness analysis, 620–621
and demand curve, 115
and expected utility, 138–140
and marginal revenue product, 176
and price discrimination, 209
and value of a life year, 31
May, M. L., 302
Maynard, A., 593
Mayzlin, D., 202, 532
McCann, M., 298
McCarthy, T. R., 238, 534
McClellan, M., 263, 264, 289, 290, 305, 306, 446, 451, 452, 496, 510, 520, 525, 634, 715, 717
McCormack, L. A., 523
McCue, M., 345, 346, 348
McFadden, D., 45
McGarry, K., 160, 743
McGuigan, K. S., 114
McGuire, T. G., 162, 201, 203, 204, 279, 446, 447, 450, 744
McIsaac, W., 536
McKee, M., 587
McKnight, R., 524
McLeod, W. B., 307
McNeil, B. J., 634
McPake, B., 238, 566
McPhee, S. J., 262
MDE. *See* Maximum expenditures (MDE)
Means-tested insurance, 505, 528, 530–531
Meara, E., 717
MEC. *See* Marginal efficiency of capital (MEC)
Medicaid, 143, 202, 204, 482, 528–534
and child health, 532
and cost controls, 245
fee schedules, 532–533
and HMOs, 430
and hospital funding, 246–247
and income, 531
and managed care, 455–456
and means testing, 505, 517–518, 528
and nursing home care, 528, 533–534
and physicians, 205–209
and private contracting, 568–569
and wealth accumulation, 699
"Medical arms race," 248, 259–260, 262, 449
Medical care. *See* Health care
Medical errors. *See* Quality of care
Medical malpractice, 291, 299–308
claims, 419
and criminal law, 293
and defensive medicine, 300–301, 305–306, 308
and deterrence of injury, 302–308
epidemiological studies, 303–308

and hospitals, 304–305, 307
insurance, 131, 300
lawyer compensation, 302
and legal market, 302
and medical care market, 300–302
and negligence rule, 298
and obstetric delivery, 307
Medical savings account (MSA), 546
Medical schools, 172–174, 178
and physician supply, 190
and professional norms, 287
and specialty choice, 183
Medical staff organizations, 221, 228–230, 287
Medical staff size, 231–232
Medicare, 91, 147, 203, 427, 482, 516–527
benefit structure, 93–94
and cost controls, 245
and demographic groups, 525–526
drug coverage, 519
eligibility, 531
financing of, 518–519
and health status, 161
and HMOs, 161–162, 519
hospital mortality reports, 288–289
and hospitals, 244, 247, 472, 519–522
and Medigap, 94, 159–160, 519
physician-payment, 522–524
and population health, 526–527
and private insurers, 430
prospective payment system (PPS), 256, 258–260, 263–264, 519–522, 550
and supplementary insurance, 519
and technology adoption, 472, 521–522, 524–525
Medicare Advantage Plans, 94
Medications. *See also* Prescription drugs
adverse reactions to, 285
advertising, 389–394
blood pressure, 118
brand-name, 384–389
drug effectiveness, 98–99
drug formulary, 113–114, 367–368, 388
drug markets, 382, 384–389
generic, 367, 384–389
and imperfect information, 389–390
insurance coverage of, 87, 510
Medicare drug plans, 94
and patents, 367–368, 379–382
and patient match, 381–382
patient tolerance of, 389–390
physician dispensing, 475
prices, 377–386, 394–401, 599
regulation of, 367–368, 372, 376–379, 382, 385–386, 395, 397
Medigap plans, 94, 159–160, 519
Megginson, W. L., 566
Mello, M. M., 303, 304, 307
Melnick, G. A., 262
Mennemeyer, S. T., 288
Mergenhagen, P. M., 288
Merit wants, 14, 84, 504
Mexico, 66, 705, 708
drug prices, 400
health care expenditures in, 428
life expectancy and GDP, 7
nurse profiles, 322
private insurance in, 429
public financing, 480
Michels, R. P. J., 41
Middle-income countries
cervical cancer screening, 648
drug prices, 400–401
GDP share spent on health care, 10
health indicators, 485
longevity gains, 5, 7
nurse density, 321
Miguel, E., 741
Miller, R. H., 204, 454
Mills, D. H., 303
Mishan, E. J., 658
Mitchell, J., 202, 205, 207, 208, 209, 456
Mitchell, W., 486
Mobility of labor, 336–337
Model T Ford, 508
Modigliani, F., 698
Moe, J. L., 406
Moffitt, G. K., 529
"Molecule indication," 400
Monopolistic competition, 191–192, 222
Monopoly pricing, 380–381, 399
Monopsony power, 27–28, 334–338, 341–343, 357, 508
Monte Carlo simulation, 643
Moon, S., 453
Moore, M. J., 66, 638
Moral hazard, 11–12, 84, 127–128, 698
and deadweight loss, 440
and lack of information, 742
and out-of-pocket health costs, 484
and welfare loss, 144–145, 509
Moreno-Serra, R., 584
Moretti, E., 455
Morgenstern, O., 57, 134, 630
Morrisey, M. A., 258, 288, 522
Mortality. *See also* Life expectancy; Longevity
as endpoint, 628
as health capital measure, 54–55
hospital mortality reports, 288–289
mortality rates, 45, 347–348
as quality measure, 599
risk reduction study, 672–674
Mortality-contingent subsidies, 526
Morton, F., 387
Moxey, E., 254
Moye, L. A., 536
Mozambique, 17
MR. *See* Marginal revenue (MR)
MRP. *See* Marginal revenue product (MRP)
Mulhern, C., 257, 258
Mulligan, C. B., 118

Multiple-payer systems, 494–497, 600
Multiple sclerosis, 674–679
Multi-tiered health system, 572
Multi-tiered pricing, 447
Munch, P., 250, 426
Murphy, K., 60, 68, 744
Murthy, V. N. R., 706, 716
Mustard, C. A., 536
Mwabu, G., 96
Myanmar, 17, 484
Myopic individuals, 63

Nalebuff, B., 302
Namekata, T., 539
Nash, D. B., 254
National health insurance (NHI), 94–95, 539, 541
National Health Service (NHS), 147, 329–330, 344, 572–585
National Institute for Clinical Excellence (NICE), 650, 683–685
National Medical Expenditure Survey (NMES), 158
Natural experiments, 99–100
Naylor, C. D., 536, 746
Needleman, J., 345
Negative defensive medicine, 300–301
Negligence liability rule, 295–298
Neonatal intensive care units (NICUs), 454
Nepal, 484, 587
Net benefit (NB) curve, 577
Netherlands, 158, 322, 427, 428, 479, 601, 705, 708
Net investment, 45
Netter, J. M., 566
New chemical entities (NCEs), 378–379
New Cooperative Medical Scheme (NCMS), 490, 545–549
New Drug Application (NDA), 368–369
Newhouse, J. P., 101, 108, 118, 145, 184, 185, 187, 188, 224, 302, 303, 304, 321, 328, 446, 451, 472, 509, 510, 524, 532, 596, 634, 706
New molecular entities (NMEs), 402
New York, 289–290, 304, 307
New Zealand, 277, 283, 322, 332, 428, 480, 708
Nguyen, N. X., 199
NHI. *See* National health insurance (NHI)
NHS. *See* National Health Service (NHS)
NICE (National Institute for Clinical Excellence), 650, 683–685
Nicholson, S., 175, 178, 180, 183, 369
Nickell, S., 704
Nigeria, 17, 96, 332, 588
Nixon administration, 256, 258
Noether, M., 199
Noguchi, H., 599
Noh, M., 238
Nolan, A., 204
Nolan, B., 204
No liability system, 297
Noncontractible quality of care, 239–240, 279, 450, 565–569
Nondistribution constraints, 220
Nondiversifiable risk, 419, 426
Nonpecuniary loss, 131
Nonpecuniary objective, 344
Non-price competition, 248, 259–260, 262, 449
Non-price rationing, 573–583
Nordhaus, W. D., 5
Normal goods, 109
Normative economics, 2, 747
North Africa, 726
North Carolina, 642
North Korea, 484
Norton, E. C., 242, 352, 353, 354, 356, 533, 726
Norway, 322, 344, 428, 429, 480, 587, 705, 708
Not-for-profit hospitals, 25, 220–221, 224–236
  and quality, 240–241
  trust in, 239
Nurses, 27–28, 319–357
  career path of, 324
  as "caring" professionals, 321
  categories of, 352–353
  demand for, 324–325, 328
  and hospital services, 323–324, 344–352
  income, 320, 328–334, 338–343
  international nurse migration, 332–333
  labor markets for, 320–329
  and long-term care, 352–353
  and monopsony power, 334–338, 341–342
  and nonfinancial incentives, 343–344
  nurse density, 320–324, 332
  nurse-to-patient ratios, 28, 319–320, 344–349, 357
  and nursing home services, 352–357
  and outside wages, 329–330
  and patient outcomes, 345–347, 355
  pay regulation, 329–334
  and physician density, 323–324
  shortages of, 325–326, 330–332, 336, 357
  supply of, 325–339, 343–344
  turnover, 351
  and wage changes, 334, 338–343, 357
Nursing home care, 160–161, 352–357, 594
  and decision-making, 743
  labor-/materials-intensive, 354–355
  and Medicaid, 528, 533–534
  profit/nonprofit, 353–354
  quality of, 354–356, 533–534
  regulation of, 354–358
  staffing, 353–355
Nutrition
  child, 84
  in utero, 41
Nyamete, A., 96
Nyman, J. A., 512, 533

Observational data, 97–98
Obstetricians, 203
Obstetric services, 307
O'Donnell, O., 483, 484, 526, 587, 601
O'Donoghue, T., 739
Odum, A. L., 739
Oeppen, J., 5, 709
Offer curve (OC), 662–663
Ogura, S., 537
Ohkusa, Y., 87
Ohsfeldt, R. L., 258
Okunade, A. A., 706, 716
Oligopoly, 382
Oligopsony, 335
Olson, C. A., 437
Oman, 17
Omitted heterogeneity, 665
"Omitted variables bias," 346
Omnibus Budget Reconciliation Act (OBRA), 356
Ontario, 257–258, 535–536
Open-heart surgery, 253–254
Opportunity cost, 622–623
Optimal level of care, 301
Optimal medical staff size, 231–232
Optimal pricing, 370, 398–401
Optional rewards system, 404–405
Oregon, 640–641, 685
Orphan Drug Act of 1983, 376
Orphanides, A., 68
Osmond, D., 448
Ostermann, J., 667
OTC medications, 87
Otero, A., 748
Ouellette, P., 718
Out-of-pocket payment, 484, 489–490, 497
 and access to care, 595
 Asian countries, 542
 and public insurance, 511–512
Outpatient care, 510
Overdeterrence, 301
Overinsurance, 127, 144–145, 698
Over-the-counter (OTC) medications, 87
Owings, M., 202
Own-price elasticity, 85

Pakistan, 479
Palliative care, 563
Pandey, P., 590, 591
Papageorgiou, C., 716, 719
Parallel trade, 397, 401
Parameter estimates, 327
Pareto optimality, 658
Partial equilibrium analysis, 470–473
Patents, 367–368, 379–382, 402–403, 406
Paterson, R. J., 283, 284
Patients
 and cash systems, 487
 and drug advertising, 394
 drug tolerance, 389–390
 elderly, 289
 functional status of, 243
 hospital outcomes, 253–254, 345–349, 351
 hospital stay duration, 256
 and information asymmetry, 15–16, 25
 and informed consent, 285
 and managed care, 449
 mix of, 171
 nurse-to-patient ratios, 28, 319–320, 344–349, 357
 "patient-driven" competition, 449–450, 453
 patient outcomes, 253–254, 345–349, 351, 355
 patient selection, 495–496
 and physician search, 195
 and provider search, 447
 and quality assurance, 290–291, 297
 and rationality assumption, 42
 wait times, 95–96, 195–196, 535–536, 573–574
Patrick, D. L., 55
Pauly, M., 144, 156, 195, 201, 228, 230, 297, 426, 430, 435, 444, 620–21, 640, 651, 742
Pauly-Redisch model, 228–237, 241, 264, 287
Pauly-Satterthwaite model, 195
Pavcnik, N., 383, 384
Paxil, 383
"Payer-driven" competition, 449–450, 453
Payment systems, 508–514. *See also* Capitation plans; Government financing; Private financing
 cash systems, 29, 481, 483–490
 fee-for-service plans, 101, 111–113, 597–598
 pay-as-you-go (PAYGO) financing, 457, 545
 pay-for performance, 744–745
 "payment by results," 584
 prospective payment, 254–260, 263–264, 519–522
Payroll tax, 477, 481, 518, 525, 701–704
 and demand for health insurance, 145
 and economic growth, 703–704
 in Germany, 516
 in Japan, 94
Peabody, J. W., 539, 540
Pecuniary loss, 131
Pedersen, K. M., 587
Peer review, 287
Peltzman, S., 566
Pennsylvania, 290–291, 345
Pereira, N. S., 369, 437
Perfect competition, 191
Performance measurement, 16–17, 593–603. *See also* Quality of care
Perkins, M., 484
Permissive substitution, 388
Perrin, J. M., 744
Persson, B., 378, 386
Peru, 281
Peters, D. H., 486
Peters, P. G., 304

Peterson, E. D., 289
Peterson, S., 587
Pfaff, M., 516
Pfeffer, M. A., 536
Pfeiffer, E., 632
Pharmaceutical companies, 367–406. *See also* Medications; Research and development (R&D), pharmaceutical
 advertising, 389–394
 brand-name drugs, 384–389
 and co-pay plans, 114
 and cost-benefit analysis, 651–652, 685
 and cost-effectiveness analysis, 641–643
 drug pricing, 379–386, 394–401
 generic drugs, 384–389
 and global economic growth, 726
 and government regulation, 18, 28, 376–379
 and health care outcomes, 716–717
 and innovation, 371–379, 388–389, 402–403
 international pricing, 394–401
 investment decisions, 370–371
 marketing efforts, 390–393
 and physicians, 387, 390–394
 and price regulation, 376–379, 385–386, 395, 397
 public R&D investment, 372–375
 reward system, 402–406
 and tax incentives, 372, 376
Pharmacoeconomics, 747
Phelps, C. E., 1
Phibbs, C., 341, 446, 454
Philippines, 332–333, 587
Philipson, T., 99
Philipson, T. J., 526, 693, 722, 724, 726
Phillips, V. L., 341
Physical capital, 45
Physical functioning limitations, 632
Physician-hospital organizations (PHOs), 236–237
Physician-induced demand (PID), 200–204, 210, 472
Physicians, 24–25, 171–211
 and career choice, 174–178
 compensation models for, 743–746
 competence of, 189–190
 and CON regulation, 252
 and decision making, 748
 demand for, 185
 disability certification, 171
 and drug companies, 387, 390–394
 and drug dispensing, 475
 and drug effectiveness studies, 97–99
 and earnings fluctuations, 186–187
 as gatekeepers, 445–446, 474, 573, 597, 601
 geographic location, 184–185, 193–195, 210
 and government cuts, 18
 group practice, 185–188
 and health-care expenditures, 706
 and hospitals, 25–26, 86–87, 111, 228–229, 232–235, 259, 264, 474–475
 incentives, 24–25, 183, 187–188, 202, 447, 450
 income of, 174–176, 180–184, 186–188, 197–200, 232–233
 and induced demand, 173, 200–202
 and information acquisition, 740–741
 and information asymmetry, 15–16
 and insurers, 388, 496
 and licensure, 26, 190
 long-run/short-run decisions, 41, 171–172
 and malpractice liability, 307
 and managed care, 445–448, 450
 market for, 188–196
 and Medicaid, 205–209
 and medical schooling, 172–174
 and Medicare, 522–524
 need for, 173–174
 and nurses, 323–324
 and patient agency, 25, 42
 and patient coverage, 186
 per capita demand for, 185
 physician density, 323–324
 physician-hospital organizations, 236–237
 and prescribed medications, 87, 387, 475, 538–540
 and price discrimination, 26, 204–210
 and prices, 188–199
 as price-setters, 191, 205
 as price-takers, 197–199, 204–206
 and quality of care, 190, 281
 and rationality assumption, 42
 and referrals, 186
 short-run decisions, 171, 188–196
 and specialty choice, 178–184
 supply of, 172–174, 190, 232–235
 waiting lists, 578–579
Physician's cooperative model, 228–236
Pichert, J. W., 302
Picone, G., 243, 244, 245, 667
PID. *See* Physician-induced demand (PID)
Pignone, M. P., 640
Pilon, C., 718
Pogge, T., 405
Polachek, S., 453
Poland, 322, 428, 480, 705, 708
Population density, 185, 342
Portugal, 96, 322, 428, 480, 601, 705
Positive defensive medicine, 300, 308
Positive economics, 2, 747
Poterba, J. M., 569, 704
Poverty
 and access to care, 594
 and quality of care, 281
PPOs. *See* Preferred provider organizations (PPOs)
PPP. *See* Purchasing power parity (PPP)
Precautionary saving, 132, 530, 544, 695–696, 698–699
Preexisting conditions, 148–149, 419–420, 431, 439

Preferred provider organizations (PPOs), 93, 157, 448. *See also* Managed care
Preferred risk selection, 161–162
Prejudgment interest, 305–306
Premiums, insurance, 131–132, 139, 142, 146
 and adverse selection, 149–150, 158
 assessing, 425–427
 and community rating, 149, 444–445
 earned/unearned, 422
 fair, 131–132, 139
 income from, 421
 and interest rates, 423–424
 managed competition, 492–493
 and market efficiency, 458
 regulation of, 438
 setting, 423–425
Prenatal care, 455
Prescription drugs, 87, 367, 387, 389–392. *See also* Medications
 advertising, 390–391
 and co-pay, 113–114
 demand for, 113–114, 382–384, 394
 physician dispensing, 475, 538–540
 public coverage of, 510, 519
Present value (PV), 62, 179–180, 182
Preston, I., 580
Preventive services, 83, 455, 509
Price, S. W., 351
Price-cost margins, 248
Price discrimination, 26, 110, 188, 204–210
 and cost shifting, 494
 drug markets, 395–397
 first-degree/third-degree, 209
Price-revenue regulation, 254–259, 376–379
Prices, 380–381
 administratively set, 197–200
 base, 384
 and competition, 188, 191–192, 265, 368, 448–449
 and demand, 66–67, 85–86, 113–115
 differential pricing, 394–398
 drugs, 377–386, 394–401, 599
 and health behaviors, 66–67
 of health care services, 50–51, 419, 598–599
 hospital, 230
 and indemnities, 89
 insurance, 131–133, 140–141, 425
 market-clearing, 172–173, 325
 and market concentration, 449–450
 monopolist, 399
 multi-tiered, 447
 and natural experiments, 99–100
 optimal, 370, 398–401
 and physicians, 188–196
 price controls, 256
 price dispersion, 193–195
 price elasticity, 85–86, 141, 146–147, 509
 price freeze, 256
 price reduction, 50–51
 price-setters, 191, 205
 price-takers, 197–199, 204–206
 and quality, 191, 279
 reference pricing, 383–384
 regulation of, 376–379, 385–386, 395, 397, 520
 time prices, 24, 95–97, 109–110, 143, 573–574
Primary care medicine, 181–182, 210
Principal-agent issues, 743–744
Priority review voucher, 406
Prisons, 240
Pritchett, L., 723
Private financing
 cash systems, 29, 481, 483–490
 managed competition model, 491–494
 private systems, 481–483, 491, 496–497, 506, 601
 sources of, 477
 in United States, 491
Private goods, 240
Private health insurance, 28–29, 437–457. *See also* Employer-based insurance; Health insurance; Insurance; Premiums, insurance
 administrative costs, 431
 and advantageous selection, 159–160
 and adverse selection, 147–162, 419–420, 431, 439
 and bankruptcy, 426–427, 437–438
 basics and terminology of, 417–425
 and choice, 147
 community rating, 443–445
 and competition, 147, 259, 430
 "crowding out," 530–531
 demand model, 136–142
 evolution of, 491
 expected loss, 134, 142–143
 group plans, 144, 420, 430
 and health system classification, 483
 and hospitals, 158, 247–248, 259–260
 and income, 143–144
 insurance mandates, 439–443
 long-term care, 160–161
 managed care, 445–456
 marginal utility of wealth, 133–140
 and physician-hospital organizations, 236–237
 and prescription medication, 113–114
 and price discrimination, 204–210
 price of, 131–133, 140–141, 425
 and public insurance, 427–432, 440, 457, 506–507, 512, 528–532, 549
 and quality contracting, 296–297
 regulation of, 437–439
 and tax subsidies, 145–147
 and technological innovation, 429–430
 and universal health coverage, 456–457
 and waiting lists, 580
 and welfare, 144–145

Private hospitals, 221, 224–228, 237, 250
Australia, 586–587
for-profit vs. not-for-profit, 245
and public hospitals, 566
Private provision of health care. *See also* Health care systems; Private financing; Private health insurance
and low-income countries, 590
private hospitals, 221, 224–228, 237, 245, 250, 566, 586–587
private supplementation, 29
private systems, 481–483, 491, 496–497, 506, 601
and public provision, 505, 507–508, 564–568, 570–572, 601
Privatization, 566, 746–747
Probability of loss, 142–143
Procedure-based medicine, 181–182
Process innovation, 711, 723
Product innovation, 711–712
Production functions, 43–44
and decisions, 46
inputs and outputs, 43
Production possibility curves, 225–226
Professional norms, 15–16, 190, 201, 279, 286–287
Profit-maximizing hospitals, 221–224, 237, 239–241
allegations against, 241–244
performance, 245
upcoding diagnoses, 242
Progressive systems, 483, 526
Propper, C., 330, 574, 575, 578, 579, 580, 583, 584
Prospective payment systems, 254–260, 263–264, 519–522
Prostitution, 66
Proxy-variable analysis, 717–719
Prozac, 383
Public clinics, 95–96
Public financing, 477–481, 598, 600, 694. *See also* Government financing
Public good externalities, 14–15
Public goods, 10, 14, 240
Public health insurance, 143. *See also* Government financing
and cost-benefit/cost-effectiveness analysis, 511
and out-of-pocket payment, 511–512
and pay-as-you-go (PAYGO) financing, 457, 545
payment systems, 508–514
and population health, 527
and private insurance, 427–432, 440, 457, 506–507, 512, 528–532, 549
and technology adoption, 510–511
universal health insurance, 457
Public hospitals, 220–221, 238, 242, 478
Public ownership, 746–747
Public policy. *See also* Government regulation
and causation hypothesis, 347
and consumer information, 308
and health economics, 2
and market incentives, 20
nurse staffing, 349–352
and pharmaceutical R&D, 28, 372–375
and quality of care, 590–593
and redistribution, 18–20
Public provision of health care, 563–593. *See also* Government financing; Health care systems; Public health insurance
Australia, 585–587
and cost reduction, 567–568
high-income countries, 587
middle-/low-income countries, 587–593
National Health Service (NHS), 147, 329–330, 344, 572–585
and noncontractible outcomes, 565–569
non-price rationing, 573–579
and private provision, 505, 507–508, 564–568, 570–572, 601
public regulation, 746–747
public systems, 29, 481, 483, 506, 601
quality of care, 588–593
rationale for, 564–572
and redistributive concerns, 569–572
transaction costs, 564–565
and waiting times, 573–583, 598
Public supply share, 478–479
Pull incentives, 371–373, 375–376
Pull-push incentives, 375–376
Punitive damages, 305
Punjab, 587
Purchasing power parity (PPP), 7
Pure health externalities, 13–14
Push incentives, 372–376
PV. *See* Present value (PV)

Qian, J., 486, 489
Quality-adjusted life year (QALY), 55–57
in cost-benefit analysis, 661
measuring as endpoint, 628
Quality-amenities model, 195–196
Quality of care, 27, 275–299, 308
and absenteeism, 280
and adverse health outcomes, 277–278, 283–286, 288–291
causation vs. correlation, 346–347
characteristics of, 279–283
community-based monitoring, 282
and competition, 263–264, 292
contractible/noncontractible, 279
and government regulation, 276, 285–286, 591
hospitals, 224–227, 237, 239–240, 244–245, 251–252, 263–264
and income, 196
licensure and certification, 287–288, 292
longitudinal studies, 348

in low-income countries, 281, 282, 588–593
and malpractice settlement rates, 304
mandatory error reporting, 288–291
and markets, 275–279
measuring, 280–285, 599–600
mechanisms for ensuring, 279–280, 291–292
medical advice, 281
and medical malpractice, 291, 299–308
and mortality, 599
noncontractible, 239–240, 279, 450, 565–569
and nurse staffing, 319–320, 345–352, 357
nursing homes, 354–356, 533–534
outcome measures of, 281–282
and peer review, 287
and physicians, 190, 281
and prices, 191, 279
process measures of, 280–281
and professional norms, 279, 286–287
and public policy, 590–593
and public provision, 572, 588–593
ratings, 277–278
short-term/long-term, 599–600
structural measures of, 280
supply-side regulation, 286–288, 290
third-variable hypotheses, 346–347
and tort law, 291–299
and waiting lists, 580
and welfare loss, 290–291
Quality-of-life rating scales, 55–56
Quan, H., 488
Quasi-public systems, 18–19, 29, 482–483
Queuing, 573–575
Quiggin, J., 638
Quota share reinsurance, 424

Rabin, M., 739
Radford, M. J., 281
Radiologists, 186
Rahman, T., 485, 486
Ramsey, Frank P., 399
Ramseyer, J. M., 537, 538
Ramsey optimal pricing, 398–401
Rand Health Insurance Experiment (HIE), 100–113, 119–120, 455, 470, 472, 697, 712
Randomized controlled trials (RCTs), 98–108, 390
Rangel, A., 69
Rannan-Eliya, R. P., 483, 484, 526, 587, 601
Ransom, M. R., 334, 337, 342
Rao, K., 490
Rapp, R. T., 537
Rate of return, 47–49, 180–184
Rate of time preference, 42
Rating variability, 54–55
Rationality, 40–43, 62–64
and addictive behavior, 68
and decisions, 41, 62–64, 737–740
and information, 67
Rationing, 101
non-price, 573–579
by queues, 573–574
by waiting lists, 573–583
Rattliff, J. R., 456
Ravelli, A. C., 41
Reber, S. J., 155, 157
Rebitzer, J. B., 204, 448
Redelmeier, D. A., 347
Redisch, M., 228, 230
Redistribution, 569–572, 574
Rees, D. I., 741
Reference pricing, 383–384
Registered nurses (RNs), 324, 352
Regulation, 746–747. *See also* Government regulation
Reiffen, D., 379, 384
Reiley, D. R., 393
Reilly, B., 307
Reilly, T. W., 525
Reinhardt, U., 398, 399, 517, 518, 541, 598, 651, 652
Reinsurance, 419, 424–425, 427
Relative value units (RVUs), 523
Research and development (R&D), pharmaceutical, 368–379
costs, 369–370, 379–380
disincentives, 376–379
incentives, 371–376, 388
and low-income countries, 401–403, 406
optimal investment decisions, 370–371, 401
patents, 367–368, 379–382, 402–403, 406
and price differentials, 398
public investment in, 372–375
and reward system, 402–406
stages of, 368–370
Reservation wage, 340, 343
Residual claimants, 220–221, 229, 242, 351–352
Resource allocation
and cost-benefit analysis, 620, 660, 679, 686
and cost-effectiveness analysis, 617–618, 620, 640–641, 651
cost-effectiveness ratio, 511
Resource-Based Relative Value Scale (RBRVS), 519, 523–524
Resource redistribution, 17–20
Restaurant quality, 239, 290
Retirement, 700
Retrospective cost reimbursement, 247–251, 255, 520–522
Revealed preference approach, 660–665
and cost-benefit analysis, 621, 659–669, 683
and stated preference approach, 669, 671–672, 682
and study of cigarette smokers, 666–669
and study of vaccine demand, 681
use of, 683
validity of, 668–669
and waiting lists, 579

Reverse causality, 341–342
Rheumatic heart disease, 58
Riboud, M., 590, 591
Richman, B. D., 486
Richupan, S., 340
Ridley, D. B., 406
Risk
 and adverse selection, 128, 151–152, 161–162, 426, 742–743
 independent, 418
 risk adjustment, 13, 161–162, 493
 risk aversion, 127–128, 132, 134–135, 137, 139–141
 risk bearing, 418–419
 risk diversification, 187, 418–419, 423, 426
 risk-dollar trade-off, 674–675
 risk lovers, 134–135, 139–140
 risk neutral persons, 134–135, 139
 risk pooling, 14, 426, 444
 risk premium, 376
 risk protection, 12, 89, 127, 145, 148, 510
 risk-risk trade-off, 675
Risk selection. *See* Adverse selection
Rival goods, 240
Rizzo, J. A., 199, 446, 448, 455, 489
Roberts, M. J., 475
Robinson, J. C., 260, 262, 431, 493
Robinson, J. L., 254
Robinson, J. W., 162
Robst, J., 453
Rogers, W. H., 455, 712
Romer, P. M., 403, 698
Roos, N. P., 536
Rosen, A. B., 719, 720
Rosenthal, J., 288
Rosenthal, M. B., 185, 744
Roskam, A. J., 7
Rothschild, M., 12, 150, 151, 159
Rouleau, J. L., 536
Royalty, A. B., 209, 532
Rozek, R., 257, 258
Rubsamen, D. S., 303
Ruger, J. P., 540
Ruhm, C. J., 726, 727
Ruiz, D., Jr., 632
Russell, L. B., 638
Russian Federation, 479

Sacerdote, B., 741
Saenz, L. B., 588
Sage, W. M., 292
Saha, A., 386, 388
Saha, S., 640
Salanie, B., 743
Salkever, D. S., 250, 252, 256, 258
San Marino, 17
Santerre, R. E., 377
Sapelli, C., 158
Sapra, P. K., 486, 490
Sarachek, D., 712
Sarma, S., 114
Satterthwaite, M. A., 195, 449
Savage, E., 158, 586
Savage, L. J., 135
Savedoff, W., 588
Savings rate
 and longevity, 698, 722–723
 and precautionary savings for health care, 695–696, 698
Savvides, A., 716, 719
Scale economies, 185–186, 242
Scandinavian health care, 481, 574, 587
Scharfstein, D., 302
Schelling, T. C., 739
Scherer, F. M., 392
Schmidt, L., 443
Schnelle, J. F., 355
Schokkaert, E., 100
Schulenburg, J. M., 515
Schumacher, E. J., 334, 338, 342
Schurer, S., 585
Schut, F. T., 158
Schwartz, W. B., 188, 572
Scott, A., 329, 339, 341, 573, 585
Scott, M., 387
Search goods, 194
Second-best efficiency solution, 398–401
Sehgal, A. R., 590, 591
Seinfeld, J., 454
Sekhri, N., 588
Selective contracting, 259, 446, 448–449
Selective serotonin reuptake inhibitors (SSRIs), 383
Self-control, 69, 739
Sen, A., 69
Sensitivity analysis, 642, 647
Sepehri, A., 114
Sevilla, J., 721
Shadle, J. H., 306
Shah, M., 66
Shanley, M., 262, 449, 450
Shannon, G. W., 184
Shavell, S., 297, 301, 403
Sheiner, L., 451, 454
Shen, Y. C., 209, 245
Sherman, B., 253
Sherwood, M. J., 522
Shibuya, K., 537
Shields, M. A., 239, 324, 338, 339, 343, 344, 351
Shin, J., 453
Shleifer, A., 240, 520, 566, 567, 568
Shore-Sheppard, L., 531
Shortages, 172–174, 324–328
 of nurses, 325–326, 330–332, 336, 357
Short-run decisions, 171, 188–196
Showalter, M. H., 199
Shum, M., 390
Siciliani, A., 577
Sickness funds, 514–516

Sieg, H., 302
Siegel, J. E., 638
Siewers, A. E., 253
Silverman, D., 159, 638, 739
Silverman, E., 242, 520
Simmons, S. F., 355
Simon, C., 262, 494, 495, 531
Simon, Herbert, 738
Simpson, W., 114
Simultaneous equation model, 581–582
Sinaiko, A. D., 118, 509
Singapore, 17, 479, 482
Singh, N., 485, 590
Single-payer systems, 18, 494–496, 541, 600
Sistrom, M. G., 539
Skatun, D., 339, 341
Skinner, J., 242, 520, 525, 529, 530, 544, 602, 699, 717
Sloan, F. A., 16, 57, 65, 67, 178, 199, 205, 207, 208, 209, 243, 244, 245, 253, 258, 287, 288, 299, 300, 302, 306, 307, 340, 342, 343, 353, 355, 356, 390, 419, 426, 445, 455, 456, 522, 632, 638, 666, 667, 674, 726, 739, 744
Sloane, D. M., 324, 344, 345, 351
Slovak Republic, 322, 429, 705, 708
Slovenia, 17
Smallwood, D. E., 250, 426
Smith, C. C., 646
Smith, P. C., 573, 581, 582, 583
Smith, V. K., 65, 67
Smoking, 42, 61–63, 65
 decision modeling, 76–80
 excise tax on, 66, 69
 and information, 67
Soares, R. R., 693, 698, 722, 724, 726
Sochlaski, J., 332
Social benefit, 115–116
Social discount rate, 636–637
Social insurance systems, 18–19, 29, 482, 496, 503–504
 and health care financing, 601
 Pacific Rim, 536–545
 and redistribution, 526
"Socialization of commodities," 569–570
Socially optimal injury rate, 293–295, 298
Soderqvist, T., 580
Sogaard, J., 598
Solidarity principle, 444
Solvency regulation, 426–427, 437–438
South Africa, 7, 332, 479
South Korea, 482, 536–537, 539–540, 550, 601
Soviet Union, 484, 566, 636–637
Spain, 7, 17, 322, 428, 479, 480, 705, 708
"Specific egalitarianism," 569
Spector, W. D., 352, 354, 355, 533
Spence, M., 297
Spetz, J., 341, 350
Spillover effects, 496
Spithoven, A. H. G. M., 598, 599
Sponsors, 492–493
Sri Lanka, 587
Ssengooba, F., 238, 566
Stabile, M., 69
"Staff privileges," 229
Staiger, D., 242, 246, 332, 341, 452, 701, 717
Stam, P. J. A., 158
Stanciole, A., 577
Standard gamble, 56–58
 in cost-benefit analysis, 674, 675, 677
 in cost-effectiveness analysis, 627–630
Standardization, 243
Standardized spatial wage differentials (SSWDs), 329
"Standard of care," 295, 300
Stated preference approach, 659, 669–672
 and cholera vaccination study, 679–682
 and contingent valuation, 621, 669–671
 and mortality risk reduction study, 672–674
 and multiple sclerosis study, 674–679
 and revealed preference approach, 669, 671–672, 682
 validity of, 669, 670–673, 678–679, 682
State insurance laws, 433
Static efficiency, 388–389, 405, 407, 430
Statistical lives. *See* Value of a statistical life
Statutory health insurance (SHI), 143, 514–516
Steinbrook, R., 324
Steiner, P. O., 391
Steinwald, B., 199, 253
Stengel, D. B., 302
Stiglitz, J., 12, 150, 151, 159
Stirbu, U., 7
Stocks and flows, 44
Stop loss, 101–102, 110–111
Stout, E. M., 299
Strep throat, 58–61
Strict liability rule, 295–296
Structure-conduct-performance paradigm, 484
Strumpf, K. S., 66
Studdert, H. R., 303, 304
Subjective beliefs
 and cost-benefit analysis, 665
 and decision-making, 65, 78
Subramanian, S. V., 307
Substance abuse treatment, 66
Substitutes, 86–87
Substitution effects, 199, 339
Suicide rates, 443
Sullivan, D., 258, 341
Summers, L. H., 344, 439, 440, 702, 723
Sunk costs, 625–626
Supplementary insurance, 519, 571
Supplier-induced demand, 200–204
Supply
 of nurses, 325–339, 343–344
 of physicians, 172–174, 190, 232–235
 and quantity, 203

Supply curves, 176, 233–235
backward-bending, 197–200, 339
nurses, 325–328, 330–332, 334, 336, 338
Surpluses, 172–174, 324–328
Surveys, observational, 97–98
Suzuki, R., 537, 538
Suzuki, W., 537, 538
Svensson, J., 282, 592
Swami, B., 514
Swartz, K., 424, 432, 438
Sweden, 322, 587, 705, 708
Switzerland, 322, 428, 429, 601, 705, 708

Taiwan, 53, 91, 482, 536–537, 540–544
cost controls in, 246, 543
drug prices, 386–387
hospitals in, 541–542
medical malpractice, 293
NHI, 94–95, 543–544
payment system, 540–542, 550
physician income, 182
precautionary savings, 544
public financing, 480
regressive financing, 601
utilization, 543
Takayanagi, K., 538
Tamm, M., 493, 516
Tang, C. H., 182
Tanzania, 281, 484
Target income (TI), 200–203
Tauchmann, H., 493, 516
Taxes. *See also* Payroll tax
direct/indirect, 702–703
and public provision, 570
as source of public health-care funding, 694–695
tax credit, 146
tax incentives, 372, 376
tax subsidies, 145–147, 155
and welfare loss, 701–704
Taylor, D. H., 243, 244
Taylor, D. H., Jr., 65, 67
Taylor, L. J., 204, 448
Technical efficiency, 19–20, 599, 602
Technological innovation
and AMI, 716–717
and health care expenditures, 706
and improved health, 711–712, 723
and longevity, 710
and low-birth weight, 717
measuring benefits with accounting method, 719–720
measuring benefits with disease approach, 715–717
measuring benefits with proxy variable approach, 717–719
and private insurance, 429–430
Technology adoption, 30, 451, 453–456, 470
and demand, 473
and health insurance, 472–473, 510–511
and HMOs, 454
and Medicare, 472, 521–522, 524–525
and public financing, 600
Testing. *See* Diagnostic tests
Thailand, 484, 587
Thaler, Richard, 738, 739
Themmen, E., 484
Therapeutic categories, 381–382, 393–394
Therapeutic services, 83
Third-degree price discrimination, 209
Third-party insurance, 130–131
Third-variable hypotheses, 346–347
Tholl, W. G., 188
Thomas, D., 531, 532
Thomas, E. J., 303
Throat cultures, 58–61
Thurston, N. K., 199
TI. *See* Target income (TI)
Tilley, C., 203
Time-consistent decisions, 62–64
Time-inconsistent preferences, 63–64
Time preferences, 42
Time prices, 24, 95–97, 109–110, 143, 573–574
Time trade-off, 630–631, 636, 637, 642
To, T., 335, 336, 337
Tobin, J., 569
To Err Is Human, 283–284
Topel, R. H., 60
Tort liability, 27, 291–299
and contracts, 296–298
defined, 292–293
and deterrence, 299, 304, 306
and hospital costs/payments, 305–307
and injury prevention, 293–295, 308
lawyer compensation, 291, 306
negligence and strict liability rules, 295–298
and obstetric services, 307
opposition to, 298–299
Total benefit (TB) curve, 577
Total budget, 255
Total cost (TC) curve, 575
Town, R., 264
Towse, A., 395, 397, 398, 401
Transaction costs, 564–565
Transfer costs, 624
Transition probability, 633
and Markov chains, 633–634
and observational data, 634–636
Treatment expansion effect, 510–511, 717
Treatment patterns, 748
Treatment substitution effect, 510–511, 717
Trivedi, P. K., 453
Trust, 239
Trustees, hospital, 229
Tsai, S. H., 293
Tsuda, T., 539
Turcotte, L., 453
Turkey, 320, 322, 323, 480, 705, 708
Tversky, Amos, 738, 739

Udayakumar, K., 486
Uganda, 282, 332
Uncertainty, 42, 57–61, 128–129, 134
Underwriting, 419–421, 425, 505
Underwriting cycles, 425
Unhealthy behaviors, 61–62
United Kingdom, 481
 and Australia's Medicare, 585
 drug prices, 400
 GDP share, 9, 705
 and health care financing, 479, 480, 601
 labor force participation, 341
 life expectancy in, 708
 National Health Service (NHS), 147, 329–330, 344, 572–585
 nurse profiles, 322
 pay regulation, 329
 pro-competitive NHS reform, 583–585
United States, 17. *See also* Medicaid; Medicare
 and Canada, 599
 certification in, 288
 cost controls, 245
 drug advertising, 390–391
 drug prices, 400
 economics PhDs in, 3
 efficiency in, 602
 employer insurance, 144
 entry regulation, 250–251
 fertility rates, 202–203
 foreign nurses in, 332
 GDP share, 9, 598–599, 705
 health care financing in, 428, 480, 601
 health improvements in, 5
 and health inequalities, 543
 history of health insurance in, 155
 iatrogenic injuries, 283
 life expectancy in, 7, 708
 longevity, 5
 malpractice litigation, 27
 medical school applicants, 178
 Medigap plans, 94, 159–160
 nurse profiles, 322
 nursing home staff, 353
 nursing shortages, 327
 physician need, 174
 price discrimination in, 110
 primary health care in, 210
 private health care in, 29, 427–428, 477, 491
 probability of death, 45
 public financing, 479
 Veterans Administration, 341
Universal health coverage, 18, 475, 504–505, 541–545
 and adverse selection, 504
 financial incentives, 506
 and labor force participation, 699–701
 and private insurance, 456–457
Upcoding diagnoses, 242, 521
Urban Resident Basic Medical Insurance Scheme (URBMI), 490
Usher, D., 569
Utah, 303
Utility. *See also* Expected utility
 and career choices, 175–176
 consumer, 40, 133, 201
 and decision-making, 40, 57–58
 and hospitals, 226–227
 and wealth, 133–134
Utility maximization framework, 23
Utilization monitoring, 496
Utils, 134
Uttar Pradesh, 591

Vaccines, 13–14, 84, 373, 402–404
Value of a life year, 640, 672
Value of a statistical life, 660, 662, 665–666, 683–685. *See also* Cost-benefit analysis
Valvona, J., 522
van der Burg, H., 603
van der Meulen, H. P., 41
van de Ven, W. P. M. M., 158
van de Voorde, C., 100
van Doorslaer, E., 100, 483, 484, 526, 587, 601, 603
van Reenen, J., 330
van Vliet, R. C. J. A., 158
Variation in treatment patterns, 748
Vaughan-Sarrazin, M. S., 254
Vaupel, J. W., 5, 709
Vera-Hernandez, M., 742
Vernon, J. A., 377, 384, 387
Vertical equity, 601
Veterans Administration, 341
Vial, B., 158
Vialou, A., 281, 589
Vick, S., 573
Vidmar, N., 302
Vietnam, 114–115, 479, 484
Vijan, S., 719, 720
Virabhak, R., 716
Viscusi, W. K., 637, 638, 666, 668, 674, 678, 687
Vishny, R. W., 240, 566, 567, 568
von Neumann, John, 57, 134, 630
von Neumann—Morgenstern expected utility model, 57, 630, 739. *See also* Expected utility
Vranizan, K., 448
VSL. *See* Value of a statistical life

Wage adjustment, 328–329, 333–334
Wage compensation, 145, 434, 436, 443, 491, 664, 700, 704
Wage premium
 and cost-benefit analysis, 625, 666–668
 and pay regulation, 329
Wage-risk gradient, 663
Wage-risk trade-off, 664, 666

Wages, 51, 228. *See also* Income
and competition, 335, 337
efficient wage hypothesis, 344
and elasticity of labor supply, 338
and employer-based insurance, 433–437, 444
income and substitution effects, 339
and labor mobility, 336–337
and mandated benefits, 442–443
market-clearing wage, 331
and market concentration, 342
as motivator, 343–344
nurses, 328, 331–332, 334, 336, 338–343, 357
reservation wage, 340, 344
wage differentials, 175, 329, 663, 666, 744
Wage setter, 335
Wage taker, 335
Wagstaff, A., 482, 483, 490, 537, 538, 542, 545, 547, 549, 601, 603
Waidmann, T., 307, 748
Waiting lists, 573–583
Waiting times, 95–96, 195–196, 535–536, 571
and demand, 582–583
and physicians, 578–579
and public provision, 573–583, 598
and quality of care, 580
and revealed preference, 579
Wales, 709
Wallace, A. E., 180, 182
Wallace, M. M., 180, 182
Wallerstein, K., 228
Wang, H., 158
Wang, J., 721
Wang, L., 379, 397, 398
Wang, R., 68
Wang, Y., 57, 281, 666
Wang, Y. R., 378, 379, 397, 398, 536, 599
Ward, M., 324, 344, 351
Ward, M. R., 379, 384
Ware, J. E., 455, 712
Warner, K. E., 66
Warsh, D., 698, 723
Wasem, J., 493, 516
Webster, E., 586
Weeks, W. B., 180, 182
Wehner, P., 203
Weil, D. N., 721
Weiler, P. C., 302, 303, 304
Weisbrod, B. A., 241
Welfare analysis, 115–118, 157
Welfare loss, 116, 120, 127, 141
and monopoly pricing, 380–381
and moral hazard, 144–145, 509
and quality, 290–291
of taxation, 701–704
Whetten-Goldstein, K., 299, 390, 674
White, M. J., 299, 302
White, W. D., 449, 450, 494, 495
Williams, A. P., 184, 188
Williams, M. B., 638
Willingness-to-pay surveys, 31. *See also* Maximum willingness to pay
Wilson, A., 390
Winston, M. D., 384
Winter, R. A., 426
Witt, J., 586
Women
health insurance and employment of, 700–701
insurance benefits, 437
life expectancy, 5
longevity, 5
maternity benefits, 443
and Medicaid, 531, 533
as nurses, 324
as physicians, 325
work patterns, 341
Woolhandler, S., 242, 431, 598, 600
Worz, M., 515
Wound infections, 285
Wright, D. J., 158, 586
Wright, J. G., 535
WTP. *See* Maximum willingness to pay; Willingness-to-pay surveys
Wu, J., 490
Wunderlich, G., 353, 355, 356

Xu, A., 455

Yajima, R., 538
Yang, B., 540
Yang, C. M., 293
Yang, Y., 549
Yang, Y. H. K., 386, 387
Yang, Y. T., 307
"Yardstick competition," 520
Yashiro, N., 537, 538
Yazdanpanah, Y., 643
Yelowitz, A., 531
Yip, W., 158, 490, 543
Yip, W. C., 199
Yoshikawa, A., 539
Ypersele, T. V., 403
Yun, S. C., 238

Zachariadis, M., 716, 719
Zambia, 17
Zaslavsky, A., 185
Zeckhauser, R. J., 157
Zeldes, S. P., 529, 530, 544, 699
Zervos, D., 68
Zhang, L., 158
Zilveren Kreis, 158
Zimbabwe, 332, 588
Zoloft, 383
Zuckerman, S., 209, 748
Zwanziger, J., 262
Zweifel, P., 444, 516