



INCENTIVES AND CHOICE IN HEALTH CARE



EDITED BY
FRANK A. SLOAN AND HIRSCHTEL KASPER

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Frank A. Sloan is J. Alexander McMahon Professor of Health Policy and Management and Professor of Economics at Duke University. He is the coauthor of *The Price of Smoking* (MIT Press, 2004) and author or editor of many other books on health economics. **Hirschtel Kasper** is Professor of Economics at Oberlin College.

A vast body of empirical evidence has accumulated demonstrating that incentives affect health care choices made by both consumers and suppliers of health care services. Decisions in health care are affected by many types of incentives, such as the rate of return pharmaceutical manufacturers expect on their investments in research and development, or disincentives, such as increases in copayments patients must make when they visit physicians or are admitted to hospitals.

In this volume, leading scholars in health economics review these new and important results and describe their own recent research assessing

the role of incentives in health care markets and decisions people make that affect their personal health. The contexts include demand decisions—choices made by individuals about health care services they consume and the health insurance policies they purchase—and supply decisions made by medical students, practicing physicians, hospitals, and pharmaceutical manufacturers.

Researchers and students of health economics and policy makers will find this book a valuable resource, both for learning economic concepts, particularly as they apply to health care, and for reading up-to-date summaries of the empirical evidence. General readers will find the book's chapters accessible, interesting, and useful for gaining an understanding of the likely effects of alternative health care policies.

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"This book contains a comprehensive analysis of virtually every major issue in health economics. It is truly remarkable that the authors, who constitute a who's who in the field, have produced essays that can be fully understood by the informed layperson. The book is certain to have a profound impact on the public policy community, the public health community, and the public at large. Bravo!"

--Michael Grossman, Distinguished Professor of Economics, City University of New York Graduate Center, and Health Economics Program Director and Research Associate, National Bureau of Economic Research

"Incentives do matter. This excellent set of articles by prominent economists demonstrates how health care decisions by consumers, providers, and students are affected by monetary and non-monetary incentives. This book should be of interest to everyone concerned with health policy."

--Paul Feldstein, Robert Gumbiner Professor, The Paul Merage School of Business, University of California, Irvine