

## Commentary

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**T**HE ARTICLE BY DANIEL FOX opens up a significant line of inquiry into the sociology of knowledge, in this instance why economists were active in the health services before and shortly after the turn of the century, lost interest, and then resumed interest beginning roughly with the 1950s. It would seem, however, that the economists Fox mentions in the early period were not acting as economists but mainly as concerned citizens during the nation's so-called Progressive Era, employing a few analytical and statistical tools that economists were armed with at that time.

Insofar as I can add anything to the thoughtful article by Fox, my interpretation of economists' lack of interest is that it was not until after the cost takeoff after 1950 that the health services were particularly visible in the general and the household economy, and particularly after 1965 to economists. Far more visible was the loss of income due to disability, premature death, and unemployment in the thirties. The Social Security Act itself was mainly concerned with income transfer for the contingencies mentioned. Health insurance was placed very low on the agenda and was not considered until prominent public health and medical care enthusiasts active on the Committee on the Costs of Medical Care studies (1928-1931) brought health insurance as a problem to the attention of the Committee on Economic Security, which formulated the Social Security Act. Then, as related by Edwin E. Witte, an economist, the possibility of including compulsory health insurance raised such a storm

from the American Medical Association that it was struck from the agenda so as not to jeopardize the income transfer program of the Social Security Act. My own interpretation of the influence of the American Medical Association is that its power was exaggerated. Rather, the support for compulsory health insurance at the time was so weak that opposition to it seemed powerful because it was not included in the act. National compulsory health insurance did not have broad political support. It would have ridden in on the coattails of income transfer, which, indeed, was a powerful issue, given the degree of unemployment at the time and inadequate or no old age pensions.

When economists did become interested as professionals in the discipline, Fox believes that they were not interested in equity and justice in the distribution of health services and their financing, but mainly, if not wholly, interested in adding bricks to the edifice of economic theory and knowledge. I find this difficult to accept, at least in the pure form Fox presents this case. From my own reading of the literature of economics I conclude that the economists became interested in public policy issues in the health field mainly from the standpoint of efficiency, a bigger bang for a buck, or to parallel the Pentagon metaphor for the health field, a cheaper suture in your future. The basis of the economists' conceptual and statistical arsenal is to provide analyses to make goods and services cheaper to produce, quality being held more or less constant. From the standpoint of economics, efficiency is a necessary element in equity and justice, i.e., not paying any more for goods or services than necessary. Economists did not appear to be interested in the health services until the total national expenditures reached five percent of the gross national product and approached \$40 billion (1965) and were rising faster than the cost of living generally, particularly the hospital. Concern with efficiency and diminishing returns of increased expenditures on the margin became of prime and classical economic interest. Now that expenditures are exceeding \$180 billion the economists are incredulous and conduct research to explain this obvious waste. Obviously, the price system must be introduced at strategic points. Supply is creating demand.

So, I would not say that economists were (or are) purely relative in their choice of research problems. They may seem to be relative in that they do not appear to attack policy problems of equity and justice frontally. In a larger frame, however, economists are operating within a broad consensus, as described by me in an ar-

ticle that Fox quoted. He seems to feel, however, that this framework of consensus is too broad to have any meaning in choice of research problems. There again I tend to disagree in that all health service researchers, economists included, are children of the nineteenth-century enlightenment, in which the function of government is largely that of law and order, regulation, and a minimum level of welfare for the population, within which private citizens work out their own problems more or less by both private and public means or their combination. Perhaps Fox feels that the range of economic research bearing indirectly on equity and justice in this context is so broad as to be meaningless. Maybe so, but it surely makes for rather wide-open and free-flowing political and economic dynamics. For instance, economists are generally supporting the concept of competitive options for health service delivery systems in a national health insurance framework, as do I. This concept is congenial to economists and congenial to the American economic and political style. Perhaps it will not result in equity and justice on the level that is morally necessary but, nevertheless, the suggestion is that the government buy into these options for low-income segments of the population.

On a final note, perhaps the article would have had greater depth and breadth if Fox had placed research in the health services by economists in the context of research done by medical care and public health experts, sociologists, statisticians, and political scientists. The research by medical care and public health experts laid the basis for later research by economists as the cost of health services began to impinge on the gross national product and other priorities in the body politic. Presumably only economists are concerned with money and efficiency; medical care and public health experts are concerned with need and high quality regardless of cost, and sociologists are concerned with social systems, conflict, cooperation, and accommodation (what I call who-hates-whom research) with little attention to costs. Perhaps an amalgam of the approach of the economist with other disciplines will result in research that truly describes the realities of the health services enterprise.

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