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BOOK REVIEWS

Medical Aspects of Claims, edited by James Markham (Insurance Institute of America, 1991).

Reviewer: Dean G. Smith, Assistant Professor of Health Care Finance, University of Michigan.

Medical Aspects of Claims make two contributions to the education of casualty claims representatives. First, it provides an introduction to interpreting the information presented in claims. Second, it imparts upon these representatives the beginnings of a framework in which to critically evaluate the appropriateness of medical claims. Providing this information and building such a framework is quite a challenge given the complexity of medical science and the countless variations in injuries and treatments faced by claims representatives.

This book begins with a discussion of basic anatomy and broadens its scope to consider how the body and mind are injured and rehabilitated. Since the perspective of the book is from casualty insurance and not health insurance, the focus is on structural aspects of the body and not internal medicine. This focus is necessary to maintain the attention of the reader on medical aspects of claims likely to be encountered. However, this focus may also create a sense of incompleteness for an inexperienced claims representative. Readers seeking further information on anatomy and other topics are provided with a few references, but this book itself does not attempt to be a medical reference.

Examples of causes of medical conditions and hints for claims representatives on what to look for in the evaluation of medical claims are numerous and included in almost every section of the book. These examples and hints contribute greatly to the value of this book, because an effective claims representative must have an understanding and intuition about claims. The book does not provide enough suggestions on how to tie the medical aspects of claims to benefit designs and to the decisions faced by representatives. While the evaluation of medical treatment and some very useful case studies are presented in the last two chapters, the general process of claims evaluation is dispersed throughout the text. I would have preferred to have seen the last chapter omit some of the generic material on the cost of health care, and in its place tie the book together with a discussion of the claims evaluation process.

The topics covered in this book cross many disciplines, including medical science, legal interpretation of benefits, and economic aspects of health care. Clearly such a book requires input from specialists, and the editor has done a good job in merging the writing styles of the contributors. Due largely to the need for precision in the use of terminology specific to medicine, law and insurance, it is difficult to present such varied material in a cohesive package. The format of this book, edited together without attribution of specific sections to contributors, involves more work on the part of the editor, but results in a very clear package.

Overall, *Medical Aspects of Claims* gives the reader a good overview of major topics in medicine as they relate to casualty claims, and provides a good deal of advice on how to evaluate claims. Clearly there is need for such a book as the cost of medical claims accounts for an increasing percentage of casualty insurance payments. I would recommend this book to both new and experienced casualty claims representatives as they begin or refine the process of evaluating claims.

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Regulating Doctors' Fees: Competition, Benefits and Controls Under Medicare, edited by H.E. Frech, III (The AEI Press, 1991). 446 pages.

Reviewer: Michael J. Ileo, Ph.D., President/Senior Economist, Technical Associates, Inc., Richmond, VA

Regulating Doctors' Fees consists of original articles and commentaries of 45 noted health care economists, practitioners, and administrators. The book, which is well-organized and edited, addresses many of the issues posed in the current national debate on U.S. health care policy, especially the question of how alternative Medicare reimbursement mechanisms impact the cost and supply of physician services.

For serious students of the health care industry, the book will serve as a valuable resource since its contents identify much of the major research in medical insurance and economics in the past 20 years. At the same time, *Regulating Doctors' Fees* is probably too technical for introductory college courses, although the lively dialogue in Part 3, "What Have We Learned from Research, Theory, and Experience?," is easily understood. For graduate and advanced undergraduate work in such fields as medical insurance, health care economics, and hospital administration, the book will make an excellent addition to a readings list.

Frech begins the book by exploring theoretical and factual characteristics of the market for physician services. Parts One and Two then proceed to specifically address these aspects, focusing principally on Medicare's role. The view that emerges is that the market is at best monopolistically competitive due to medical licensure, consumer ignorance, third-party payments and other institutional realities. Accordingly, policies governing