for the insurance industry. This book provides a wealth of information to support many different positions. In addition, having all of this information in a single source is valuable for researchers, teachers, and students. The authors do a good job of relating the various issues to each other and to the central theme of providing perspective on the reform debate. Whether or not you agree with the methodology or the conclusions drawn, this is a useful text because it throws new light on a complex issue.

BOOK REVIEWS

Employee Benefits, Fourth Edition, by Burton T. Beam, Jr., and John J. McFadden (Dearborn Financial Publishing, 1996)

Reviewer: Ann Costello, University of Hartford

Writers of employee benefits textbooks face two difficulties: first, the academic field of benefits is in a stage of evolution; and, second, a court judgment, tax ruling, or change in legislation can have significant impact on the field. The latter factor means that a writer needs technical vigilance and constant editorial change to produce an up-to-date manuscript. Beam and McFadden in their fourth edition of *Employee Benefits* are to be congratulated for their efforts on both fronts.

The study of employee benefits has evolved from the traditional insurance approach to a much broader and more eclectic one including human resource management and public policy. As stated in their preface, the authors have responded to this change by reordering the book to place a major chapter on benefit planning and management at the beginning of the book rather than at the end. The first section presents a macro approach to help readers (whether college students or benefits professionals) understand the importance of employee benefits as an intrinsic part of any firm's overall management strategy and planning. The questions raised by different company objectives are addressed to show how different management decisions are reached: Why should a company offer employee benefits? What are they trying to accomplish? What do employees want? Also, the authors have added a section on employment opportunities for individuals with diverse backgrounds.

After the introduction, the book is divided into four parts which may be taught or read in any order. The social insurance section describes social security, unemployment compensation, and workers' compensation. Controversial parts of each program are discussed and analyzed. The authors state that the Social Security Amendments of 1984 did not resolve the solvency issues and present potential results of changes in assumptions on each of the trust funds. Also, possible scenarios for decreasing benefits and increasing revenues are discussed. The authors do not hold back when stating that the solution to the overall problem is political and question whether any member of Congress is willing to take an unpopular stand. They believe that the public must be educated that change is necessary.

The Medicare discussion includes an introduction to managed care programs. The ageds' strong attachment to a particular physician due to the chronic nature of their health care problems needs to be emphasized more in this section. Also, students may know very little about health maintenance organizations, and a more thorough discussion does not appear until much later chapters. However, comprehensiveness requires that the managed care option be included in the social insurance discussion. This is not a weakness of the book, but more a reality of the field. The new analysis of the problems and issues dealing with workers' compensation and unemployment insurance is another improvement. The authors bring reality to the book and create the potential for lively class discussions.

The other three sections are group insurance, other nonretirement benefits and cafeteria plans, and retirement plans. Each chapter starts with stated objectives and study questions that help the reader focus on important issues. A very thorough and well-written presentation of each topic is provided as well as expanded coverage of the *Americans with Disabilities Act* and the *Family and Medical Leave Act*. The section on long-term care is excellent but does have one problem: the authors explain the need for such a benefit but don't explain why few purchase it.

The four chapters on health care have been thoroughly rewritten and rearranged to reflect the recent shifts from traditional plans to managed care. An overall perspective of the development of medical expense plans is provided by a brief history of the trend toward cost containment and managed care. The authors provide extensive new material on health maintenance organization models. The chapters are very well written, and a very definite thought process develops for the reader. Unfortunately, the authors change their style into a question-and-answer format in the discussion of national health care and make some very generalized statements. However, this is only a very small portion and can be overlooked. A further minor criticism is that the chapter on group insurance rate-making seems out of place after the chapter on alternative funding methods: the order should be reversed.

Part four contains only two chapters and provides a change of pace. The first chapter covers other nonretirement benefits, discussing a vast array of different benefits ranging from vacation to dependent care to employee assistance programs. Each is very briefly discussed and the chapter needs to be expanded. For example, the sections on dependent care should be expanded to include more on eldercare and provide some analysis. Also, the employee assistance program section needs to be dramatically expanded to reflect the growing importance of the benefit not only for health care cost containment, but for overall long-term effective human resources management. These are not traditional benefits: their existence reflects the ongoing change occurring in the employee benefits field. The second chapter, however, provides an excellent presentation of cafeteria benefits with a strong analysis of the obstacles and issues in plan design. The straightforward nature of the chapter is extremely helpful.

The final section deals with retirement plans. The introductory chapter presents the public policy issues that encourage private plans and tries to introduce basic classification and terminology that are expanded in later chapters. Students need to be forewarned that everything will be thoroughly explained in later chapters. These chapters do provide extensive examination of pension plans. A major problem for an employee benefits course is trying to fit everything into a semester, but the authors have not held back and provide excellent text on profit sharing, 401(k), ESOP, nonqualified deferred compensation, 403(b) plans, individual retirement plans, executive plans, and administration of plans. At the end of the book, the authors recommend journals, loose-leaf services, and other books that are helpful in the study of employee benefits. The listing is very comprehensive and adds emphasis to the dynamic nature of a field that requires constant study.

In sum, the authors have made major changes not just in a technical sense, but in overall emphasis. The book has moved from an insurance perspective to an employee benefits one, which reflects the evolutionary process the academic field is experiencing. Also, as they intend, the authors do cover a broad spectrum of benefits that is applicable to any size firm and does delve into the design issues that are important to anyone working in this field. The authors have succeeded in their goal and, as a professor who teaches in this field, I highly recommend this text.

BOOK REVIEWS

Valuing Health Care, edited by Frank A. Sloan (Cambridge University Press, 1995).

Reviewer: Brenda P. Wells, University of North Texas

This book is a "must-read" for anyone seriously interested in the future of health care in the United States. *Valuing Health Care* provides a concise review of the existing research on cost-benefit and cost-effectiveness analyses of medical interventions. The book is well written and is well suited for an academic audience. The book guides the reader, whether an expert or a novice in the field of health care, in understanding the "state of the art" in cost-benefit and cost-effectiveness technology.

An especially endearing quality of this book is Frank Sloan's introductory chapter. This chapter doesn't just include an overview of the chapters to follow; instead, it shows the reader how the book is organized and provides suggestions as to where a particular reader might look given his or her interest in the subject of health care. For example, Sloan guides the reader who "just wants a quick discussion of some of the major issues" directly from Chapter 1 to Chapter 10 (with an appropriate caveat to follow).

The chapters in the book are written by experts from various fields—economics, mathematics, medicine, and psychology—thus providing a variety of perspectives about health care valuation.