

## **PREFACE**

My interest in health politics was first stimulated by economists who extended economic analysis into nontraditional areas, such as regulation and legislation. My 1979 book, *Health Associations and the Demand for Legislation*, focused on one aspect of the economic approach toward viewing health legislation, namely producer regulation. This book continues that analysis.

Producer regulation is only one activity of government. Here I also consider legislation directed toward controlling externalities, such as pollution and medical research, and toward making explicit redistributions among population groups, as occurred with Social Security, Medicare, and the Medicare Modernization Act.

To be useful, an analytical framework for viewing legislative outcomes should be generalizable over a wide range of government activity. That is what I have attempted to do. My purpose, which may seem quite ambitious, has been to use the taxonomy of economics to explain legislative outcomes in the health field. An analytical framework should be explicit in its assumptions as to what motivates the various decision makers. Self-interest, among individuals, groups, and legislators, is assumed to be the underlying motive generating legislative change, thereby giving rise to the hypothesis referred to as the self-interest paradigm, also referred to as the economic theory of legislation.

Economics is exciting because it is a way of thinking. One can use economic analysis to explain various types of events, whether they be historical, current, or political. To the extent that the self-interest paradigm illustrates an

economic approach for explaining legislative outcomes and provides insight into previous health legislation, this book will have served its purpose. It is hoped that those interested in health policy find the discussions and analyses useful. To make this book suitable for a diverse audience, no prior knowledge of economics is assumed.

An author is always indebted to others for assistance, critiques, and comments. For previous editions, I particularly want to thank Jack Tobias, the Reference Librarian at the School of Public Health, University of Michigan, for his aid in locating various source materials. Jeremiah German, Stephen Crane, and Kathe Fox made detailed comments on the manuscript for which I am grateful. I was also fortunate to receive extensive and useful comments from anonymous reviewers. Needless to say, not all of those who provided me with comments necessarily agreed with all the analyses presented here. I wish to thank Elzbieta Kozlowski for her excellent research assistance in preparing this new edition.

This third edition updates all of the chapters in terms of material and references. In addition, Chapter 10 (Redistributive Health Legislation Mid-1980s to 2000) examines previous legislation and proposals in terms of competing theories of legislation, including the Health Insurance Portability and Accountability Act, the defeat of President Clinton's healthcare reform proposal, the 1997 Balanced Budget Act, the State Children's Health Insurance Program, and the National Bipartisan Commission on the Future of Medicare. Chapter 11 analyzes President Bush's Medicare prescription drug program and the Medicare Modernization Act enacted in December 2003. These laws and additional

legislative proposals provide new material to test the validity of alternative legislative theories.

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