

Mother Cabrini's founding of hospitals, schools, and support organizations around the turn of the twentieth century? Or must Catholics be relegated to distributing flyers urging the eligible to claim the Earned Income Tax Credit on their tax returns?

I do recommend *United States Welfare Policy*. We should try hard to understand the perspective of those with whom we disagree. Massaro's presentation is well-organized and clear. He presents a policy perspective that is embraced by many inside and outside the Catholic Church. Those who agree and those who disagree with Massaro's vision of assistance to the poor will benefit from engaging his perspective.

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Can a Health-Care Market Be Moral? A Catholic Vision

Mary J. McDonough

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Mary J. McDonough promises the right things: a review of health-care economics for nonspecialists, consideration of arguments for and against markets in health care, and a system reformed according to principles of Catholic social teaching, with a *nuanced* (theologians' favorite word) place for the market. She rightly points past the sterile market versus government dichotomy in health-care financing and delivery. The right question, she correctly argues, is which mixture of markets and regulations would optimize realization of fundamental Catholic social principles in the health-care realm.

That these promises are only partially fulfilled is the combined result of their loftiness and the limitations of a book derived from a dissertation. McDonough is correct that Catholic theologians (this book comes from that camp) have been unsophisticated about markets and that this failing is particularly true of the theological ethics of medicine and health-care policy. Thus, she is to be applauded both for the undertaking and for keeping an open mind about markets. Yet, her book never quite marries theology and economics. It stays at a relatively theoretical level in economics rather than citing or examining technical studies of markets in medical care. This strategy keeps the book accessible to a wide range of readers, but renders its conclusions ultimately unsatisfying.

At the same time, neither does McDonough venture into technical theology or a critical analysis of texts or concepts in Catholic social theory. Thus, the book is quite accessible to nontheologians, though theologians and Catholic ethicists will find its treatment of Catholic social theory (CST) sketchy.

Chapter 1 is a standard, but competently done, review of the history and principal concepts of Catholic social doctrine. The core of the chapter describes the unfolding of this teaching in the encyclicals, beginning with *Rerum Novarum* and concluding with *Centesimus Annus*, with an excursion into the United States for the U.S. bishops' economic pastoral letter, *Economic Justice for All*. Although McDonough makes human dignity the

center of her story, she rightly summarizes the full panoply of principles: common good, solidarity, special obligation to the vulnerable, and stewardship. Given its centrality for markets, I would have liked to see a fuller discussion of freedom: religious, civil, and economic.

The second chapter is among the most satisfying. McDonough crafts a brief, well-done survey of the development of capitalism and capitalist ideas, along with positive and negative reactions to markets, inside and outside the church. She has a short, balanced exposition of the United States Conference of Catholic Bishops' and Pope John Paul II's treatments of capitalism, a topic of considerable contention between left and right Catholic commentators. Her critique of capitalism's strengths and weaknesses from the perspective of CST is well done, as is her survey of CST and health care.

Chapter 3, the book's longest, does not live up to its promise. Here, McDonough surveys health-care economics, especially for nonspecialists. To her credit, she looks at the theory of markets and health care and at specific practices and outcomes as markets affect health care, especially in the United States. Her use of Kenneth Arrow and Thomas Rice to explain general market theory, market failure, and the arguments against the effectiveness of medical markets is helpful and effective. She relies on an article by Martin Gaynor and William Vogt for the arguments defending health-care markets, but this part of the chapter is neither as fully argued nor as effective as possible.

McDonough's account of particular market mechanisms (private insurance, managed care, user fees, health accounts, and others) includes most of the right topics, but the treatment is scatter-shot and too brief. There are also problems in the discussion of managed care and fee-for-service. McDonough regards the former as still very strong and dominated by HMOs, which is not the case. She also claims that fee-for-service has largely been replaced as a payment mechanism by capitation and salary (105); however, discounted fee-for-service remains the dominant payment method in most markets. She does not mention "pay-for-performance" schemes as market or quasimarket mechanisms growing in popularity. Finally, the treatment here (and in other parts of the book) of how markets are and are not employed in other nations relies overly on Daniel Callahan and Angela Wasunna's (admittedly excellent) *Medicine and Markets*. She selects comparison nations rather idiosyncratically.

Chapter 4 summarizes the arguments of leading proponents of market-based health-care reform, critiquing them from the perspective of CST. Milton Friedman, Regina Herzlinger, Mark Pauly, and Alain Enthoven receive detailed and fair analysis. McDonough makes the proper assessment that Friedman's and Herzlinger's preferred reforms are incompatible with CST, but that Pauly and Enthoven (especially the latter) have market elements compatible with a Catholic perspective on health-care reform. Although I agree with McDonough's conclusions, they veer too close to criticizing these plans merely because their authors are economists (155, 157).

McDonough devotes chapter 5 to the thought of Daniel Callahan, whose approach to health care and health-care reform is rooted (unlike the economists of the preceding chapter) in fundamental meaning questions: life, suffering, and death. Callahan's project

bases a limited, affordable, and sustainable health-care system on an interpretation of these essential elements. McDonough's summary of Callahan's thought is substantial and accurate but contains only a very brief and not particularly probing critique from CST. More significantly, the materials in this chapter do not really engage the ideas and issues of the market proponents in the preceding chapter; therefore, it does not make for an effective comparison and contrast.

The final chapter employs both Catholic teaching and market elements to argue "for a Catholic vision of health care that provides universal access by means of some market mechanisms, but only when these are used in conjunction with changes in the underlying values that drive the health system" (196). Her proposal requires a balance between high aspirations, attention to cost control, judicious use of markets, and reorientation of how to think about health care, an ambitious but ultimately unsatisfying goal. She reaffirms the significance of Pauly and Enthoven but does not describe specific market mechanisms and how they would be integrated into comprehensive reform (206–7, 224–25).

McDonough includes a fine discussion of why CST demands universal access to health care. She correctly judges that cost control and limits (including rationing) are indeed essential to health-care reform, but she is short on particular proposals to realize these goals.

That the American medical system must do a far better job of confronting suffering and death is true, but in the extended discussion of this topic (216–24), I longed for concrete suggestions about how a reformed health-care system would in fact achieve this. Finally, concerning the major reform options currently on the table—incremental expansion of Medicaid and SCHIP, individual mandate to purchase insurance, "play or pay" employer mandates, or single-payer—McDonough does not suggest which she or other Catholics committed to general reform and universal access should advocate.

Can a Health-Care Market Be Moral? is valuable for nonspecialists looking for a basic introduction to Catholic social theory as applied to health care and an introduction to some of the main debates about markets and health care. However, it fails to advance understanding or debate among those already acquainted with the major theological and economic concepts, players, and controversies. Additionally, it does not offer a sufficiently robust vision of a reformed system. It describes a courtship between Catholic vision and markets but not a marriage.

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