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Book review

Institutional change and healthcare organizations: from professional dominance to managed care

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From an historical and sociological perspective, 'integrated care' has emerged as part of institutional efforts to break up professional fiefdoms, especially of subspecialists entrenched in hospitals, and to reorganise services around clinically integrated pathways and services for the patients. It was the more enlightened part of what I have called the 'buyers' revolt', which occurred in the 1980s when those who had long paid the bills (insurers, governments, employers) became so fed up by the waste, excesses, and variability of services delivered under professional dominance that they started to take forceful action [1]. This book is a masterpiece of historical work and organisational analysis of that revolt at its centre, the San Francisco Bay area.

Robert Scott is one of the most influential figures in sociology and management. Readers will find here concepts, analytic tools and techniques for measuring the degree of integration at the organisational level, the institutional level, the financial level and the environmental level. The book can serve as a model for any country or regional health care system that wants to think through what 'integration' really means and then analyse its own system. The book has already won one of the most prestigious prizes in the social sciences.

Scott used a coveted award that provides a large, 3-year budget to carry out a project of one's choosing to organise his graduate students and assemble the first history of an area's health care system over the past 50 years, at all levels. To carry out this analysis, the research team assembled a unique constellation of data sets on several kinds of providers, purchasers, intermediaries (such as insurance companies and health plans) and governmental bodies. To examine organisational events, such as births, deaths, morbidity, and transformations, the researchers invented many new ways to measure theoretical variables and applied them across three historical periods: the era of professional dominance (1945–65); the era of federal involvement (1966–82) with the passage of Medicare and Medicaid; and the era of managerial control and price competition (1983–present). Framing the organisational changes is an important contribution to 'profound institutional change': new governance structures and mechanisms, discontinuous and new logics, new actors and new relations among actors, and blurred boundaries of both the population and the organisational field.

The transformation from health care organised according to the wishes of the medical profession and paid accordingly, to health care organised to minimise cost escalation, duplication and variable quality, and also to develop integrated services at both the clinical and organisational levels, is not a happy experience. Particularly intriguing is the ecological destabilisation documented in health care. 'How was it that this stable, professionally dominated complex of institutionalised arrangements came apart?' (p. xvii). How did some actors lose their dominance and legitimacy, and how did new claimants acquire theirs? Thus, the book is a tragedy as well as a sociological treatise, underplayed until its conclusion: '…governance structures have become much more fragmented….The coherence of organisational boundaries has been greatly reduced….Practitioners and patients alike are confused….Consensus about institutional logics has been reduced…'(p. 360). When this happens to an institutional field, one gets 'disagreements and disputations over the priorities and goals of the sector and lack of agreement on the appropriate means to be employed in reaching them' (p. 359).

While the researchers document the organisational changes and their interactions with major institutional change, they are not able to explain how and why the institutionally entrenched era of professional dominance fell apart and why the new era of fragmentation, disruption and confusion has occurred. A field theory of countervailing powers [2] would have helped explain how the very dominance of the medical profession produced its own pathologies and provoked other major powers, such as the payers and government, to restructure the financing and terms of health care. This would, in turn, have reconceptualised the institutional dynamics of the three eras. For example, while the measures used of professional dominance declined, the organised profession, as well as investor-owned chains that pre-dated 1965, made sure that Medicare had built into it a number of provisions that

locked in professional prerogatives and risk-free corporate profits, so that at least the first half of the 'era of federal involvement' was more accurately the 'era of the federal feast.' This spurred countervailing reactions that shaped the current era.

Because this analysis was done for several organisational sets within one region, and because it considered endogenous and exogenous changes over three historical periods, it contributes to the fields of community and organisational ecology, organisational demography and profound institutional change. Its chapters reflect key sociological issues such as ecological processes shaping organisational change, the effects of resource environments on organisational dynamics, changing institutional environments and organisational legitimacy, forms of organisational integration, how field-level changes affect organisational populations, and the structuration processes of profound institutional change.

One concern raised by the book is the uncritical use of commercial and political American interventions, such as 'health maintenance organisations' and 'integrated health care systems', which are designed as good ad copy by the managed care industry. Indeed, so-called 'HMOs' turn out to exhibit 'such internal diversity' that the researchers could only measure a limited number of common dimensions. The researchers find that the term 'integrated healthcare systems is virtually impossible to define…'(p. 356). These commercial and political terms are then reified into second-order constructions of first-order constructions of reality, such as 'organisational sets', 'organisational populations' and 'fields', each with its 'boundaries' and 'linkages', framed by organisational ecology and community ecology, institutional actors and environments. Although the authors explain these terms as lucidly as one can, a fundamental problem remains. Where do they leave either readers or researchers as one moves up to quasi-organisations' sets, boundaries, populations, linkages, and fields? The researchers, it would appear, legitimate and reify these political and commercial enterprises and give them further dignity. Yet they had to do so to some degree in order to carry out the research.

This book, together with excellent references and appendices, will provide for graduate students as well as faculty a fount of new research ideas and sociological insights that will endure far longer than the binding, which came apart after one gentle reading.

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