

Hough, Douglas E., *Irrationality in health care: what behavioral economics reveals about what we do and why*. Stanford, 2013, 291p bibl index afp ISBN 978-0-8047-7797-1, \$39.95

Hough works at Johns Hopkins University, where all five titles on his publication list concern healthcare rather than behavioral economics (BE). Educated “as a mainstream, neoclassical economist,” Hough took to BE in the late 1980s. His book, written informally to popularize BE in the healthcare community, argues that BE helps explain 23 healthcare anomalies, each linked to a puzzle—e.g., “Why do physicians’ clinical decisions depend on how the options are framed?” Unfortunately, the book’s misuse of technical terms like “frame” defeats its purpose. Framing options, in the BE sense, means describing their choice context and outcome probability distributions (Kahneman and Tversky, *Choices, Values, and Frames*, 2000). Yet Hough implicitly redefines framing as any “phenomenon in which the way an issue or problem is presented affects how people make a decision,” reducing discovery to tautology. Confusion also mars Hough’s treatment of commitment devices, endowment effects, hot states, hyperbolic discounting, loss aversion, overconfidence, projection bias, probability, and value and weighting functions. Summing Up: BE researchers may read Hough to spot healthcare puzzles and confusions. Other readers should consult Kahneman and Tversky or Wilkinson and Klaes, *An Introduction to Behavioral Economics*, 2012. —J. P. Burkett, University of Rhode Island