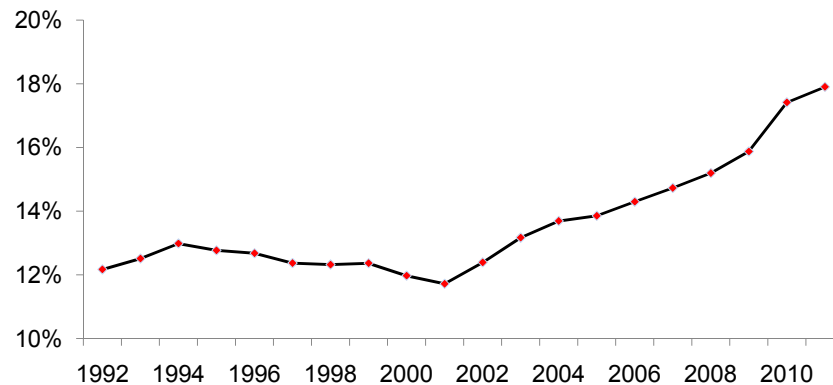


Addressing Medical Spending in the Commonwealth

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Medical spending increases have consistently outpaced GDP/sales/tax/income growth.

**Medical Spending as a Share of GSP:
Massachusetts**

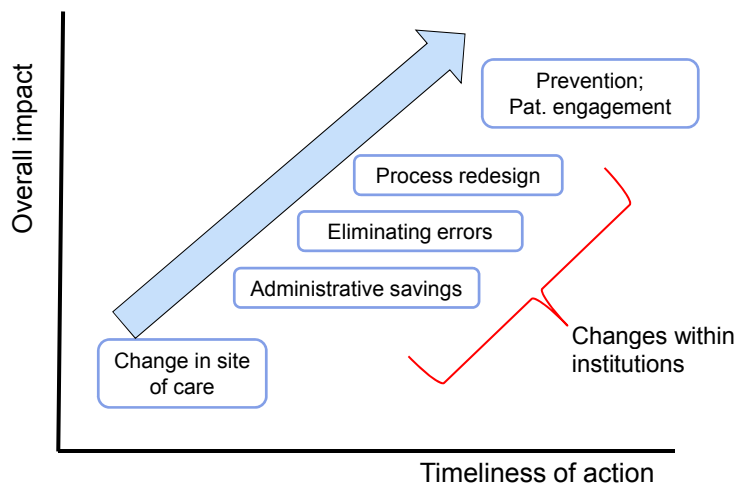


Best guess: 33% of medical spending is unnecessary (range = 20% / 50%)

Issue	Solution
1. Too much use of high cost care (teaching hospitals)	1. Increase use of tiered networks
2. Missed prevention/coordination (EOL care)	2. Shared decision-making tools
3. Inefficient care processes <ul style="list-style-type: none"> ▪ Errors, excessive testing 	3. Adjust payment from volume to value
4. Administrative costs are excessive	4. System streamlining

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How long does it take to save one-third?



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