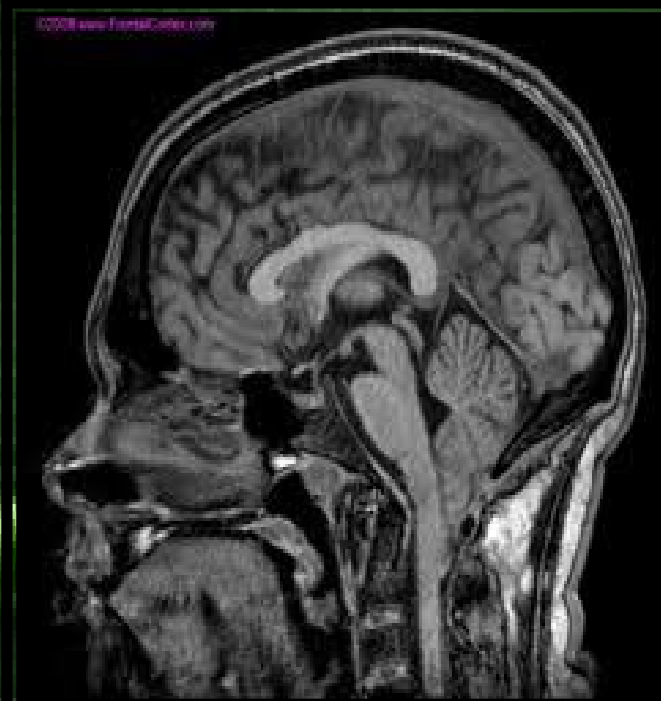


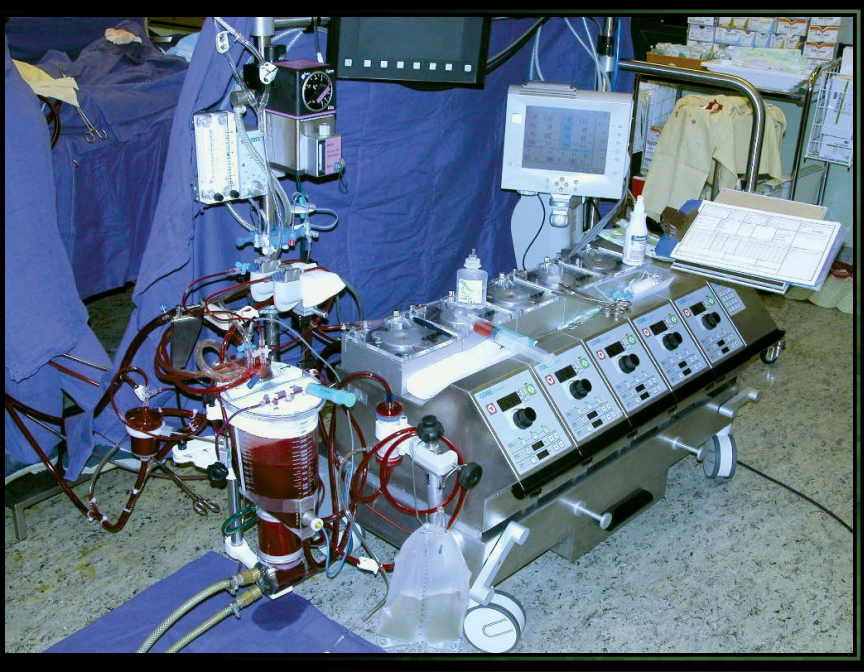
The background of the slide is a dark green, semi-transparent overlay on a medical-themed image. It features a faint grid pattern, a bright green ECG (heart rate) line at the bottom left, and a faint anatomical illustration of a human torso on the right side. A small, empty square box is located in the top left corner.

Medical Care Cost & Innovation

Changes in What Medical Care \$ Buys



Changes in What Medical Care \$ Buys



Valuing Medical Care

**TREATED AS CONSUMPTION:
HERE NOW, GONE TOMORROW**



**ACTUALLY, A DURABLE GOOD:
LONG-LASTING VALUE**



Valuing the Long-Term Benefits from Health Care

- The Value of Health and Longevity

Murphy & Topel

National Bureau of Economic Research, 2005

- The Value of Medical Spending in the US

Cutler et al

New England Journal of Medicine, 2002

- Are Medical Prices Declining: Evidence from Heart Attack Treatments

Cutler & McClellan

Quarterly Journal of Economics, 1998