

International comparison of rates paid to hospitals

ISSUE: The United States spends a higher share of gross domestic product on hospital care than other countries. Research has shown this is due to higher prices. We will investigate why prices are higher in the United States.

KEY POINTS: Medicare prices are significantly higher than prices paid in OECD countries. These differences primarily reflect higher input costs, but also reflect a higher share of costs being devoted to administrative functions.

ACTION: Commissioners should review the findings in advance of the discussion at the October meeting.

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