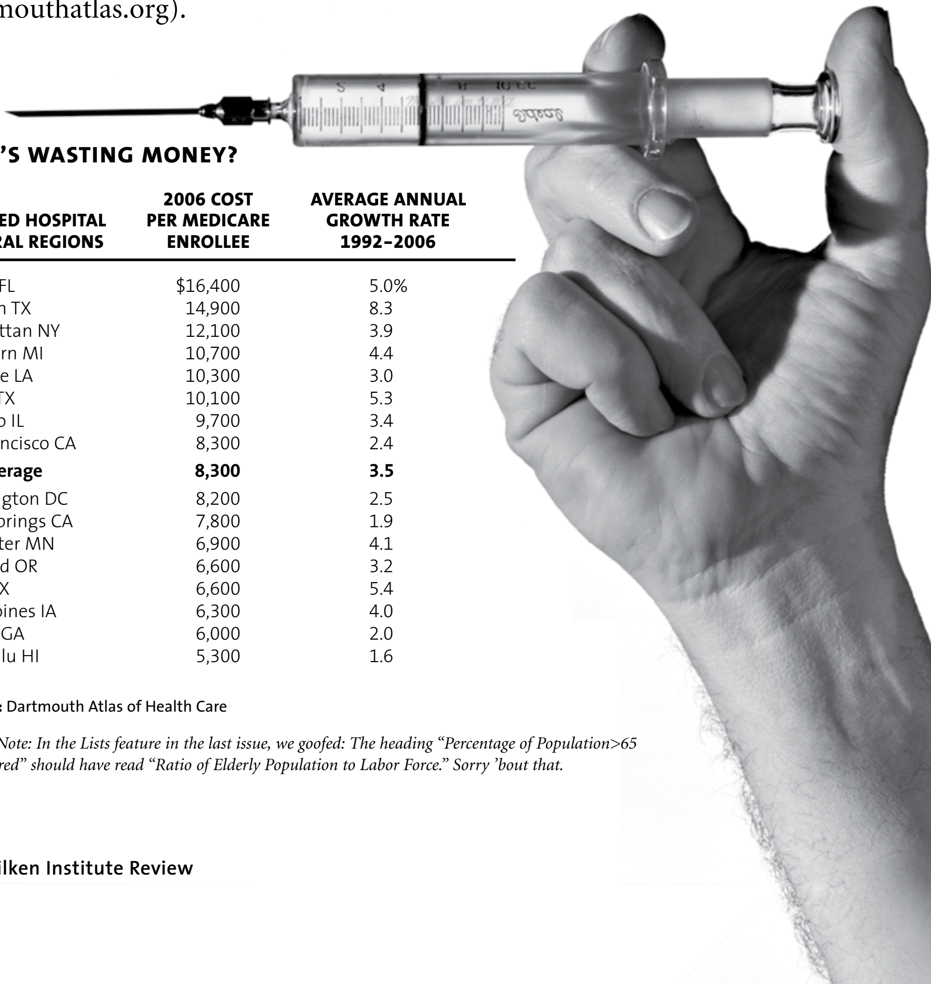
More for less?

By now, you've no doubt heard that the cost of Medicare varies widely from place to place – and that the differences have little predictive power for medical outcomes (morbidity, mortality, etc.). Of course, some of the variations reflect differences in the cost of living, and some reflect differences in the average health of Medicare enrollees. But most of the differences can't be explained so easily.

If you're a cup-half-empty sort of person, the numbers for Medicare suggest just how difficult it will be to contain medical costs without major interference in what services are covered and the way the services are delivered. If you're an optimist, though, the variations show just how much money could be saved (without reducing quality) if the whole country operated at the efficiency of the lowest-cost localities. To drill deeper, check out the Dartmouth Atlas of Health Care (www.dartmouthatlas.org).



WHO'S WASTING MONEY?

SELECTED HOSPITAL REFERRAL REGIONS	2006 COST PER MEDICARE ENROLLEE	AVERAGE ANNUAL GROWTH RATE 1992–2006
Miami FL	$16,400	5.0%
McAllen TX	14,900	8.3
Manhattan NY	12,100	3.9
Dearborn MI	10,700	4.4
Metairie LA	10,300	3.0
Dallas TX	10,100	5.3
Chicago IL	9,700	3.4
San Francisco CA	8,300	2.4
U.S. Average	**8,300**	**3.5**
Washington DC	8,200	2.5
Palm Springs CA	7,800	1.9
Rochester MN	6,900	4.1
Portland OR	6,600	3.2
Waco TX	6,600	5.4
Des Moines IA	6,300	4.0
Albany GA	6,000	2.0
Honolulu HI	5,300	1.6

SOURCES: Dartmouth Atlas of Health Care

Editor's Note: In the Lists feature in the last issue, we goofed: The heading "Percentage of Population>65 and Retired" should have read "Ratio of Elderly Population to Labor Force." Sorry 'bout that.

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