



# Module 2: Physician Agency and Treatment Decisions

## Part 0: Motivation

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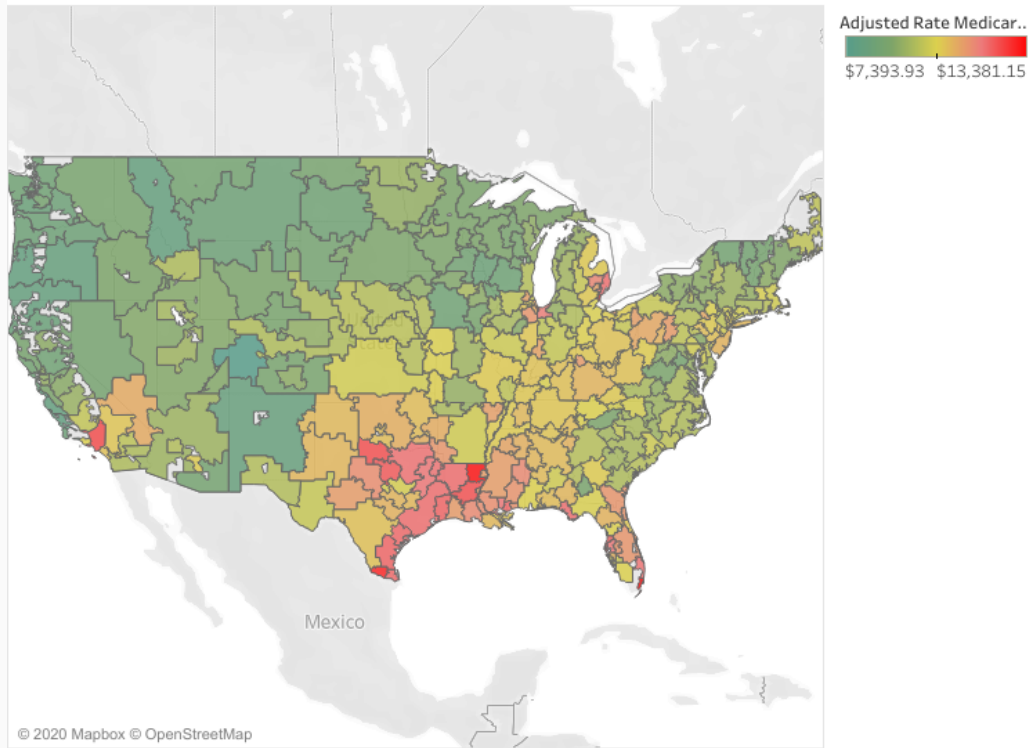
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Econ 372

# What is physician agency



# Variation in care

Map: Price-Adjusted Total Medicare Reimbursements per Enrollee (Parts A and B), by HRR (2016)  
(Price, Age, Sex, and Race adjusted)



# Wasteful?

- Estimates are that more than 30% of health care expenditures are "wasteful":  
([The Atlantic, 2013](#))
- Some clear areas of waste:
  - Payment differentials by location of treatment (policy quirks)
  - Better imaging with little benefit
  - Proton treatment (for some conditions)
  - Heart stents (for some patients)
  - Arthroscopic knee surgery

Many estimates of "waste" are after-the-fact. It's actually very hard to identify waste before-hand. [Report on End-of-life Spending](#)

# More examples

- Here's a great example of the role of physician agency and what it might mean for health care spending, [link](#)