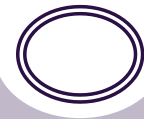


Hospital Productivity



**USC-BROOKINGS SCHAEFFER INITIATIVE FOR HEALTH POLICY
JUNE 25, 2019**

**CHAPIN WHITE
SENIOR POLICY RESEARCHER (ADJUNCT), RAND
INDEPENDENT CONSULTANT**

This briefing represents the views of the author, and not RAND or RAND's funders.

The Challenge



- Most products



- Hospitals



Why Bother Measuring P's and Q's?



- Spending (S) = Price (P) * Quantity (Q)
- General ? : Are we paying more (P) or getting more (Q)?
- ? in Health Care: Are P's fair?
 - service price indexes (SPIs) do a good job at this
 - quality/outcome-adjusted P's muddy the waters
 - if survivorship rises, do hospitals get credit?
 - if readmissions fall, should hospitals get to keep the money?