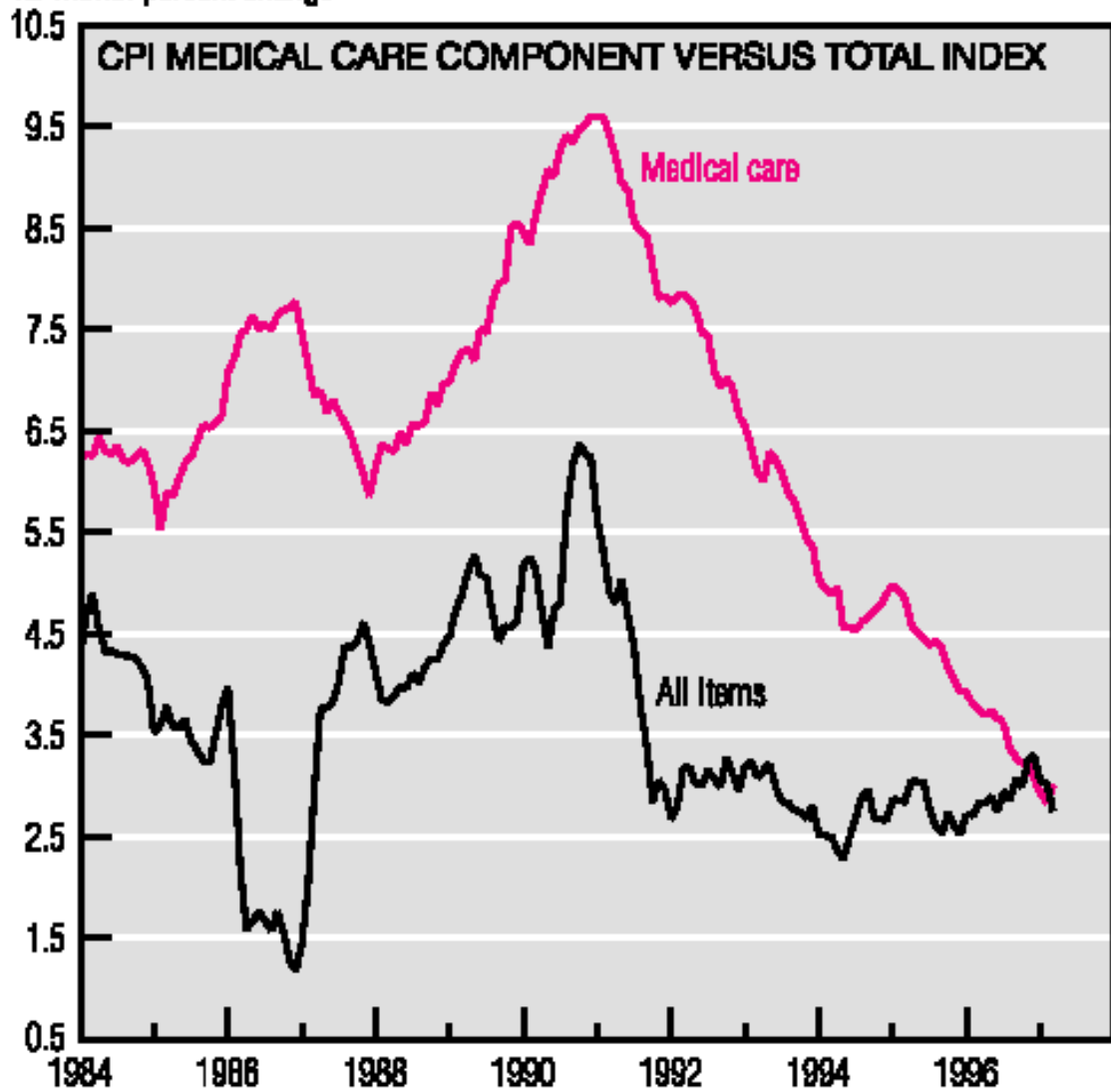


12-month percent change



SOURCES: U.S. Department of Labor, Bureau of Labor Statistics; the Federal Reserve Bank of Cleveland; the Commodity Research Bureau; and U.S. Department of Commerce, Bureau of Economic Analysis.

No. 692. Consumer Price Indexes (CPI-U) by Major Groups: 1980 to 2000

[1982-84=100. Represents annual averages of monthly figures. Reflects buying patterns of all urban consumers. Minus sign (-) indicates decrease. See text, this section]

Year	All items	All items less food and energy	Commodities	Energy	Food	Shelter	Apparel	Transportation	Medical care	Fuel oil	Electricity	Utility natural gas service
1980	82.4	80.8	86.0	86.0	86.8	81.0	90.9	83.1	74.9	87.7	75.8	65.7
1985	107.6	109.1	105.4	101.6	105.6	109.8	105.0	106.4	113.5	94.6	108.9	104.8
1990	130.7	135.5	122.8	102.1	132.4	140.0	124.1	120.5	162.8	98.6	117.4	97.3
1991	136.2	142.1	126.6	102.5	136.3	146.3	128.7	123.8	177.0	92.4	121.8	98.5
1992	140.3	147.3	129.1	103.0	137.9	151.2	131.9	126.5	190.1	88.0	124.2	100.3
1993	144.5	152.2	131.5	104.2	140.9	155.7	133.7	130.4	201.4	87.2	126.7	106.5
1994	148.2	156.5	133.8	104.6	144.3	160.5	133.4	134.3	211.0	85.6	126.7	108.5
1995	152.4	161.2	136.4	105.2	148.4	165.7	132.0	139.1	220.5	84.8	129.6	102.9
1996	156.9	165.6	139.9	110.1	153.3	171.0	131.7	143.0	228.2	97.0	131.8	107.2
1997	160.5	169.5	141.8	111.5	157.3	176.3	132.9	144.3	234.6	96.9	132.5	114.6
1998	163.0	173.4	141.9	102.9	160.7	182.1	133.0	141.6	242.1	84.8	127.4	112.4
1999	166.6	177.0	144.4	106.6	164.1	187.3	131.3	144.4	250.6	86.6	126.5	113.0
2000	172.2	181.3	149.2	124.6	167.8	193.4	129.6	153.3	260.8	130.3	128.5	132.0
PERCENT CHANGE ¹												
1980	13.5	12.4	12.3	30.9	8.6	17.6	7.1	17.9	11.0	39.0	15.5	19.2
1985	3.6	4.3	2.1	0.7	2.3	5.6	2.8	2.6	6.3	-4.0	3.4	-0.7
1990	5.4	5.0	5.2	8.3	5.8	5.4	4.6	5.6	9.0	22.8	2.4	0.2
1991	4.2	4.9	3.1	0.4	2.9	4.5	3.7	2.7	8.7	-6.3	3.7	1.2
1992	3.0	3.7	2.0	0.5	1.2	3.3	2.5	2.2	7.4	-4.8	2.0	1.8
1993	3.0	3.3	1.9	1.2	2.2	3.0	1.4	3.1	5.9	-0.9	2.0	6.2
1994	2.6	2.8	1.7	0.4	2.4	3.1	-0.2	3.0	4.8	-1.8	-	1.9
1995	2.8	3.0	1.9	0.6	2.8	3.2	-1.0	3.6	4.5	-0.9	2.3	-5.2
1996	3.0	2.7	2.6	4.7	3.3	3.2	-0.2	2.8	3.5	14.4	1.7	4.2
1997	2.3	2.4	1.4	1.3	2.6	3.1	0.9	0.9	2.8	-0.1	0.5	6.9
1998	1.6	2.3	0.1	-7.7	2.2	3.3	0.1	-1.9	3.2	-12.5	-3.8	-1.9
1999	2.2	2.1	1.8	3.6	2.1	2.9	-1.3	2.0	3.5	2.1	-0.7	0.5
2000	3.4	2.4	3.3	16.9	2.3	3.3	-1.3	6.2	4.1	50.5	1.6	16.8

- Represents zero. ¹ Change from prior year.

Source: Bureau of Labor Statistics, *Monthly Labor Review and Handbook of Labor Statistics*, periodic.

TABLE 14.1 Percentage Change in Average Cost of Treatment Measured in Constant Input Prices

<i>Illness or Condition</i>	<i>1951–1964</i>	<i>1964–1971</i>	<i>1971–1981</i>
Otitis media (children)	-17.8%	3.9%	-3.8%
Forearm fractures (child)			
Cast only	0.0%	3.2%	26.1%
Closed reduction, no general anesthetic	36.3%	23.3%	-6.1%
Closed reduction, general anesthetic or regional anesthetic	117.5%	-9.1%	12.8%
Pneumonia (nonhospital)*	NA	-14.1%	-8.7%
Duodenal ulcer (nonhospital)	-11.7%	9.1%	NA
Appendicitis			
Simple	3.6%	2.2%	19.0%
Perforated	7.9%	13.8%	16.7%
Maternity care*	-0.6%	-7.8%	1.6%
Myocardial infarction*	NA	33.3%	-4.1%
Breast cancer*	16.1%	-5.4%	3.4%

Notes: For column 1, both 1951 and 1964 input costs are calculated at 1964 prices; for column 2, both 1964 and 1971 input costs are calculated at 1971 prices; for column 3, both 1971 and 1981 input costs are calculated at 1981 prices. Percentage changes are calculated from data published in the cited sources.

*Pneumonia case data for 1971–1981 includes adult cases only, maternity care data excludes cesarean deliveries, myocardial infarction includes all cases, breast cancer includes all cases.

NA = Not Available

Source: Scitovsky and McCall (1977); Scitovsky (1985).

Identified Ten Cardiovascular Breakthroughs

- Better prevention & diagnosis
 - Improved disease prevention (e.g., pill)
 - Noninvasive imaging
- Improved treatment
 - Angiogenesis
 - MR angiography
 - Transmyocardial revascularization
 - Catheter-based ablation techniques
- New devices
 - Intraventricular cardiodefibrillators, Left ventricular assist devices, new pacemakers

RAND Health

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Example 1: Pill to Prevent Heart Disease

- Target:** General population over age 45
- Likelihood:** 20% in 10 years
40% in 20 years
- Impact:** Reduces risk of death from CHD 77%-92%
(increase life expectancy 5.8-9.5 years)
- Cost:** Similar to lipid lowering-drugs
(Wholesale prices of \$1.33 to \$7.00 per day)

RAND Health

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Example 2: Therapeutic Angiogenesis

- Target:** Patients who undergo revascularization &
Patients with peripheral vascular disease
- Likelihood:** Adjuvant to revascularization—10% in 10 yrs
Replace revascularization—5% in 10 yrs
- Impact:** No effect on mortality
Reduced revascularization rate by 20-30%
Decreased disability (10-20%)
Decreased hospitalizations (20%)
- Cost:** \$3,000 to \$5,000 per case

RAND Health

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Example 3: Pill That Sensitizes Body to Insulin

- Target:** Middle aged adults 'at risk' for diabetes
- Likelihood:** 65% in 20 years
- Impact:** Prevent Type 2 diabetes in 50% of people
- Cost:** \$100/month (similar to glitazone-type drug)

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Aging Panel Identified Seven Breakthroughs

- Cancer
 - Vaccines
 - Selective estrogen receptor modules
 - Antiangiogenesis
 - Telomerase inhibitors
- General aging
 - Compound to extend life span
 - Diabetes prevention
 - Compound to improve cognition

RAND Health

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Example 1: Cancer Vaccine

- Target:** 75% of patients with solid tumors,
leukemia, or lymphomas*
- Likelihood:** 0%-10% in 10 years
10%-20% in 20 years
- Impact:** Cure melanoma/ renal cell carcinoma
Reduce cancer mortality by 25% in others
No effect on morbidity
- Cost:** 2-3x cost of hepatitis vaccine

*Half of those with local disease are eligible, and 100% of those with systemic disease. Half of eligible cancers are local, yielding 75% overall.

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Example 2: Antiangiogenesis

Target: Elderly with solid tumors
Likelihood: 70%-100%
Impact: Cure 10%-50% with metastatic disease
Cost: Similar to GCSF or EPO

Example 3: Selective Estrogen Receptor Modulators

Target: All elderly
Likelihood: 50% in 10 years
90% in 20 years
Impact: Decrease breast cancer by 30%
Indeterminate effects on prostate cancer
Osteoporosis increased by 2%
Reduced heart disease (similar to a reduction in total cholesterol of 5-10% and LDLs by 10%)
Reduced risk of Alzheimer's (20%-60%)
Cost: Similar to Raloxifene (\$2.00/day)

Example 4: Telomerase Inhibitors

Target: 50% of elderly with solid tumors and localized cancer;
10% of elderly with non-localized cancer
Likelihood: 50%-60% in 10 yrs
Impact: 50% will be cured
50% will increase life expectancy 25%
No morbidity effect
(Possible immune compromise)
Cost: Similar to AZT

Neurological Breakthroughs

- Alzheimer's disease
 - Genetic and metabolic profiling for risk assessment
 - Amyloid technology to delay onset, slow progression
 - SERMs and anti-oxidants to delay onset
 - Technologies to enhance cognition
- Parkinson's disease
 - Reduced exposure to environmental toxins and genetic profiling for prevention
 - Neurotransplantation for treatment
- Stroke
 - Primary prevention
 - Neuroprotective drugs & stem cells for treatment
- Depression
 - Improved anti-depressants with fewer side effects

How Did the Cardiovascular Panel Do?

- It has been 22 months since the Cardiovascular panel met – enough time to review their predictions
- They considered 10 potential breakthroughs
- Of the 4 deemed most promising, 3 have had significant research breakthroughs:
 - MRI as a replacement for angiography (clinical testing is starting)
 - expanded ICD use (recent major RCT confirms efficacy for patients with CHF)
 - LVAD (major RCT stopped due to improvement in LVAD group)
- Of the 6 deemed not as promising, none have had significant breakthroughs as yet.