

Table 1: Changes in Hospital Admission Rates, 1983-1985

Number of Beds	Percent Change
< 50 beds	-22.0%
50-99	-17.1%
100-199	-11.4%
200-299	-8.4%
300-399	-5.1%
400-499	-5.8%
500 +	-2.7%

Source: Table 12.5 in Phelps

Figure 1: Trend in Average Hospital LOS by Medicare Patients

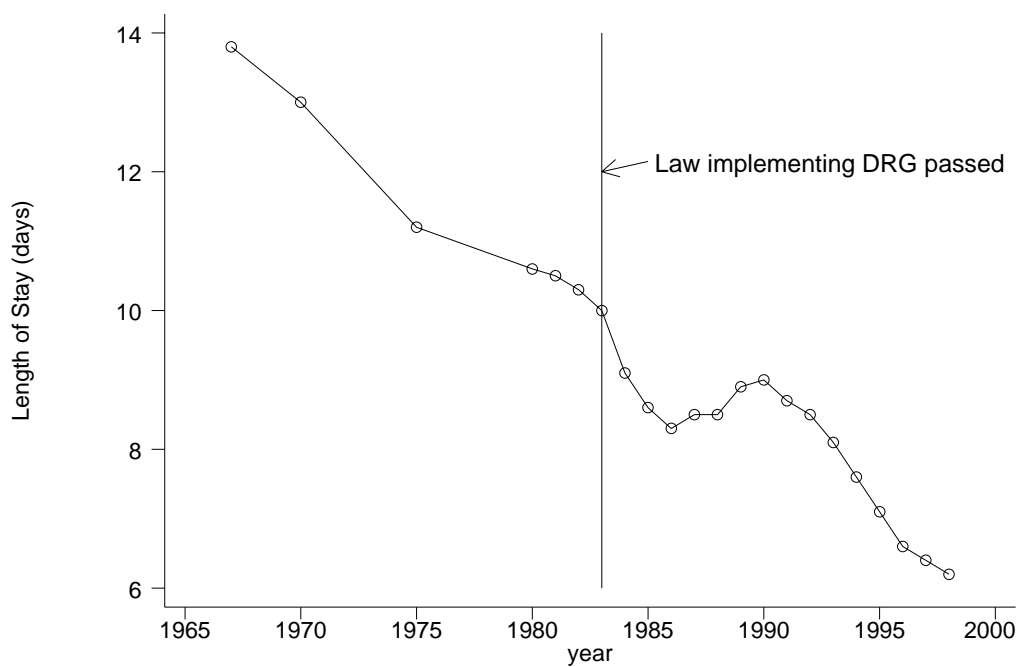


Figure 2: Type I and Type II error

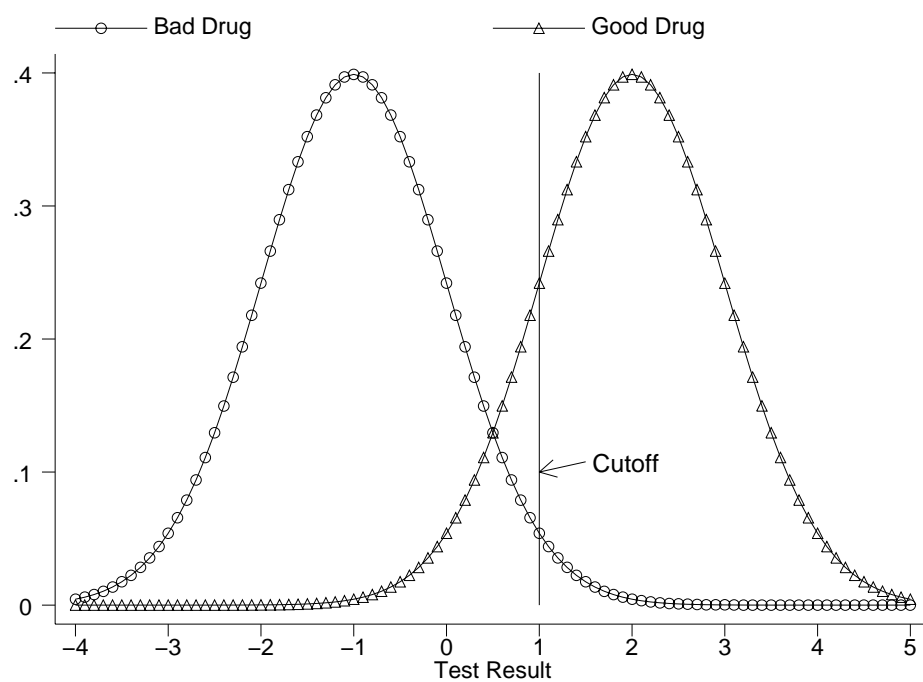


Table 2: New Drug Introductions: 1951-1970

Period	New Chemical Entities	Other New Drugs
1951-1954	39	303
1955-1958	42	352
1959-1962	44	239
1963-1966	17	120
1967-1970	15	69
1951-1962 (I)	42	298
1963-1970 (II)	16	94
Ratio (II)/(I)	0.39	0.32

Source: Peltzman (1973). “New chemical entities” are drugs containing a single chemical formula no previously marketed. “Other new drugs” are new combinations of previously marketed chemical entities and duplicates of chemical entities marketed under a new brand name (usually by a new manufacturer, sometimes for a new therapeutic indication).

Figure 3: New Chemical Entities: 1948-1972

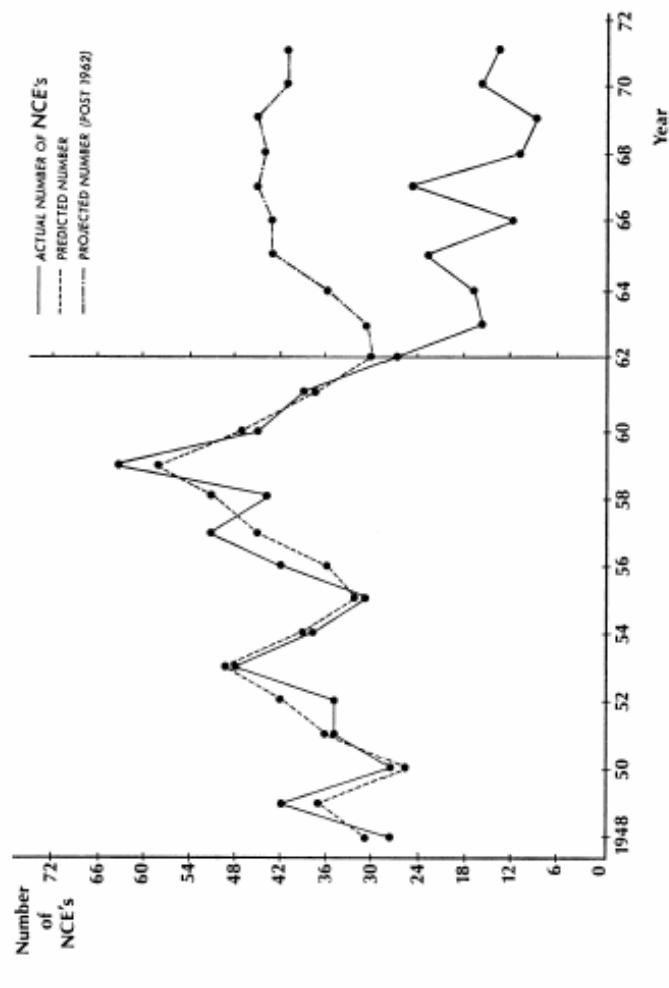


Fig. 1.—New chemical entities, 1948-71

Figure 4: Incentive Effects of Automobile Safety Regulation
Source: Peltzman (1975)

