

**TRUE & FALSE QUIZ FROM:**  
***THINKING ABOUT HEALTH POLICY: An Economist's Perspective***

**Victor R. Fuchs, Ph.D., Stanford University**

**Kalsman Institute**  
**23 January 2005**

1. Employers who provide health insurance pass on all or most of the cost to employees in lower wages or to consumers in higher prices.
2. Expenditures of Medicare plus Medicaid are larger than defense expenditures.
3. Drug industry profits account for at least 8 percent of U.S. health care expenditures.
4. An American who has a heart attack is more than twice as likely as a Canadian with a heart attack to have an angiogram, angioplasty or bypass surgery.
5. Between 25 and 30 percent of all Medicare expenditures are incurred during patients' last year of life.
6. If the uninsured had health insurance their use of medical care would at least double.
7. The net income (after practice expenses) of physicians accounts for at least 20 percent of health care expenditures.
8. The increase in the 5-year survival rate from breast cancer between 1980 and 2000 shows that more emphasis on early detection had a favorable effect on female life expectancy.
9. Greater use of screening tests and periodic check-ups would lower health care expenditures in the long run.
10. Per capita health care expenditures in the U.S. are more than double the average of France, Germany, Italy and the United Kingdom.

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1. Employers who provide health insurance pass on all or most of the cost to employees in lower wages or to consumers in higher prices.  
**TRUE**
2. Expenditures of Medicare plus Medicaid are larger than defense expenditures.  
**TRUE**
3. Drug industry profits account for at least 8 percent of U.S. health care expenditures.  
**FALSE (drug industry revenue 11%, drug industry profits 2%)**
4. An American who has a heart attack is more than twice as likely as a Canadian with a heart attack to have an angiogram, angioplasty or bypass surgery.  
**TRUE**
5. Between 25 and 30 percent of all Medicare expenditures are incurred during patients' last year of life.  
**TRUE**
6. If the uninsured had health insurance their use of medical care would at least double.  
**FALSE**
7. The net income (after practice expenses) of physicians accounts for at least 20 percent of health care expenditures.  
**FALSE (50%)**
8. The increase in the 5-year survival rate from breast cancer between 1980 and 2000 shows that more emphasis on early detection had a favorable effect on female life expectancy.  
**FALSE (from 1980 to 2000, no improvements in age-specific mortality rate)**
9. Greater use of screening tests and periodic check-ups would lower health care expenditures in the long run.  
**FALSE (This would add to expenditures)**
10. Per capita health care expenditures in the U.S. are more than double the average of France, Germany, Italy and the United Kingdom.  
**TRUE**