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Managed Care And Technology Diffusion: The

Case Of MRI: Could managed care inhibit the spread of beneficial technologies? One

case study—magnetic resonance imaging—provides some answers.

Authors: [Laurence C. Baker](#) and [Susan K. Wheeler](#) | [AUTHORS INFO & AFFILIATIONS](#)

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ABSTRACT:

A growing body of evidence suggests that managed care can reduce overall health care costs but provides little insight into how this could happen. One possibility is that managed care influences the adoption of new medical technologies. In examining the relationship between health maintenance organization (HMO) activity and market-level availability and use of magnetic resonance imaging (MRI), we find that high HMO market share is associated with low levels of MRI availability and use. This suggests that managed care may be able to reduce health care costs by influencing the adoption and use of new medical equipment and technologies.



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NOTES

1.

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