

Insight

Disruptive Innovation Brings Down Medical Costs

MARCH 9, 2010

From Carpe Diem

"The type of competition that brings prices down is disruptive innovation. Disruption in health care entails moving the simplest procedures now performed in expensive hospitals to outpatient clinics, retail clinics, and patients' homes. Costs will drop as more of the tasks performed only by doctors shift to nurses and physicians' assistants. Hoping that our hospitals and doctors will become cheap won't make health care more affordable and accessible, but a move toward lower-cost venues and lower-cost caregivers will."

~Clayton Christensen, professor at Harvard Business School, writing in BusinessWeek