

Lay Summary

Mixed effects of patient choice and hospital competition on mortality

by Moscelli, G., Gravelle, H., Santos, R., Siciliani, L.

Many countries are extending competition in health care. When patients do not pay for care and hospitals face fixed prices per patient, as in the NHS, hospitals can only attract more patients by improving quality. It has been argued that the incentive to improve quality will be greater when providers face more rivals and if patients have greater freedom to choose a hospital.

Previous studies of the effects of the relaxation of constraints on patient choice hospital in 2006 have focussed on mortality following treatment for heart attack (acute myocardial infarction – AMI) as the measure of hospital quality. They have found that after the choice reform mortality fell by more for hospitals that had more local competition.

We have extended previous analyses in a number of ways

- in addition to heart attack mortality we also look at two other high volume conditions with high mortality – hip fracture and stroke
- since mortality rates differ substantially for different types of heart attack and different types of stroke it is possible that the effects of competition and greater patient choice could differ for sub-diagnoses. We therefore allow for sub-diagnoses in our analysis
- we also allow for the effect of patient characteristics such as age, gender, comorbidities, previous hospital admissions, and sub-diagnosis) to differ before and after the 2006 policy change. We can thus control for possible confounding arising from changes in the effects of patient characteristics on mortality due to trends in overall population health (manifested in changes in age and sex specific mortality rates), advances in medical care, and changes in clinical coding.

We find that the 2006 choice reform

- reduced mortality risk for hip fracture patients by 0.62% compared with the 2002/3-2010/11 average mortality of 3.5%.
- led to a bigger reduction mortality for hip fracture patients in more deprived areas
- had no overall effect overall for heart attack and stroke patients but did reduce mortality for 3% of heart attack patients and 21% of stroke patients.

Our findings suggest that policies to increase competition and to give patients greater choice are likely to have mixed effects.

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Contact Hugh Gravelle: hugh.gravelle@york.ac.uk

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