

SPATIAL COMPETITION AND QUALITY: EVIDENCE FROM THE ENGLISH FAMILY DOCTOR MARKET

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General practices are the most frequent point of contact between patients and the National Health Service, they act as gatekeepers to hospital and community health services, and their quality can affect the health and well-being of patients. There are around 8000 general practices in England, most owned by partnerships of general practitioners (GPs) and their revenue increases with their list size. In this paper we examine whether general practices that face more competition from other local practices respond by increasing their quality in order to maintain their list sizes and hence their revenue.

To capture the multi-dimensional nature of quality we use measures of clinical performance and measures of patient-reported satisfaction with their practice. We measure the competition facing a practice by the number of GPs in other local practices within 1km. We use data on all English practices and follow them for eight years to test if changes in the local competition facing a practice are associated with changes in its quality. We also compare the changes in quality in practices in 30 Primary Care Trusts which received extra funding to attract more GPs with changes in quality for practices in Primary Care Trusts which did not receive extra funding.

We find that increases in local competition are associated with increases in clinical quality and patient satisfaction, particularly for firms with lower quality. However, as with other policies to improve general practice quality, the magnitude of the effect of greater local competition was small.

Full paper available at

https://www.york.ac.uk/media/che/documents/papers/researchpapers/CHERP151_spatial_competition_quality_family_doctor_market.pdf

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