

**LOCATION, QUALITY AND CHOICE OF HOSPITAL: EVIDENCE FROM ENGLAND
2002/3 - 2012/13**

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Distance from the hospital is the most important single factor in the choice of hospital for elective care, and this is likely to especially so for hip replacement patients who may have mobility problems. However, patients are may also be influenced by quality and waiting time when choosing amongst hospitals.

Understanding whether and how much quality affects hospital choice is important for policy for two reasons. First, in the NHS and other systems where patients do not pay directly for hospital care and hospital revenue varies with the number of patients treated, policies to give patients a wider choice of hospital and to improve their information about quality have been introduced. One of the aims of these policies is to give hospitals a bigger incentive to raise quality. Second, these policies may have different implications for patients in rural and urban areas where the number of alternative hospitals within a given distance may differ greatly and where patients have different willingness to travel further to get better quality care.

We investigate (a) how patient choice of hospital for elective hip replacement is influenced by distance, quality and waiting times, (b) differences in choices between patients in urban and rural locations, (c) the relationship between the responsiveness of a hospital's demand with respect to quality and the number of rivals it has, and how these changed after relaxation of constraints on hospital choice in England in 2006.

Using information on choice of hospital by over 500,000 elective hip replacement patients over the period 2002/3 to 2012/13 we find that patients became more likely to travel to a provider with higher quality or lower waiting times, that the proportion of patients bypassing their nearest provider increased from 25% to almost 50%, and that the responsiveness of hospital demand with respect to quality increased. By 2012/13 10% increases in a hospital's readmission rates and waiting times were associated with reductions demand of 20% and 4%. Providers facing more rivals had greater reductions in demand when their quality fell or their waiting times increased. Patients in rural areas were less concerned about distance when choosing a hospital.

Full report available at:

http://www.york.ac.uk/media/che/documents/papers/researchpapers/CHERP123_location_quality_choice_hospital.pdf

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