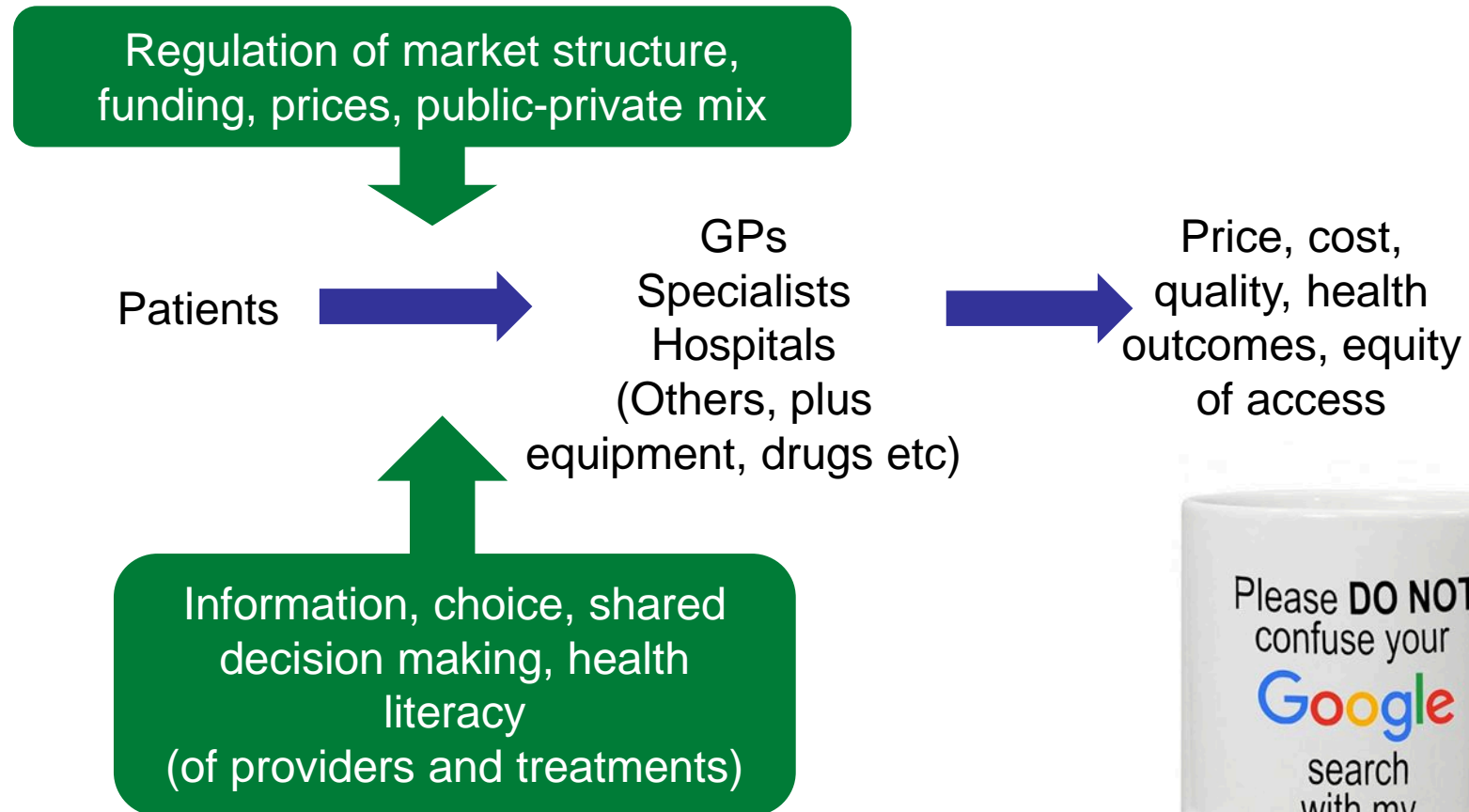


# Markets, competition and choice in health care

Anthony Scott

# Overview



# Current Australian evidence: GPs

- More recent literature on impact of market structure on:
  - Prices/fees
  - quality
- More competition:
  - reduces prices and increases bulk-billing
  - has less of an impact on prices where GPs care less about money
  - no impact on intensity of care in consultations
  - mixed effects on quality (low value care)
  - price discrimination by socio-economic status
- Patient's preferences for referrals to specialists

# Current Australian evidence: Specialists

- Current research on competition and determinants of fees charged
  - In progress ARC grant
  - Using data from the Medicine in Australia: Balancing Employment and Life (MABEL) panel survey, and linked MBS sample
- Fee variation:

Initial consult with	Medicare Schedule Fee	Fee charged (Mean)	Fee charged (Max)	Number of items
Physician (item 110)	\$150.50	\$177.04	\$1803	220,128
Anaesthesia (item 17610)	\$43	\$74.71	\$7,610	213,588

Source: 10% MBS sample (2014)

# Hospitals

- One study using data from Victoria between 2000 and 2005
- Competition had mixed effects on quality (30-day mortality and unplanned re-admissions)

Eur J Health Econ (2013) 14:415–429  
DOI 10.1007/s10198-012-0386-7

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ORIGINAL PAPER

## **Effects of competition on hospital quality: an examination using hospital administrative data**

Alfons Palangkaraya · Jongsay Yong

# Context

- Productivity Commission review of Competition and Informed User Choice in Human Services
  - Social housing
  - **Public hospital services**
  - **End-of-life care**
  - **Public dental services**
  - Commissioning family and community services
  - Human services in remote Indigenous communities
- Other sectors
  - Community pharmacy review
  - Aged care
  - Health insurance

# Knowledge gaps (and opportunities)

- Very little evidence on impact of information and choice, including fee (price) transparency
  - Most focused on market structure (number/density of providers)
- Most studies are of GPs, not of specialists or referral networks
- Little evidence about competition amongst hospitals (public and private)
- Role of private sector providers (e.g. corporate medical practices)