

Press Release

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Has competition in the NHS increased health care inequalities?

Increased competition in the NHS has not harmed deprived neighbourhoods, according to new research from the Centre for Health Economics (CHE), University of York.

Major pro-competition reforms were introduced into the English NHS during the 2000s, alongside accelerated spending growth. The 'Blair/Brown' reforms aimed to reduce hospital waiting times and improve quality. However, critics predicted that competition would undermine equity by encouraging NHS hospitals to 'cherry-pick' profitable patients and avoid socio-economically disadvantaged patients who are less healthy and more difficult to treat.

Using data on all NHS hospital patients in England, CHE researchers examined whether increased competition led to increased socio-economic inequality of access to health care.

The team found no substantial change in socio-economic patterns of hospital use from 2001/02 to 2008/09, either overall or for a basket of common hospital services including hip, cataract, heart and gastroscopy procedures. In fact, overall inpatient admission rates rose slightly faster in deprived neighbourhoods while need for hospital care as measured by disease prevalence changed at the same rate.

The team also looked specifically at the impact of competition, as opposed to NHS expenditure growth and other factors. They found that increased competition from 2006 did not undermine socio-economic equity in health care and, if anything, may have slightly increased use of elective inpatient services in poorer neighbourhoods.

Finally, using hip replacement as an example, the study showed that NHS hospitals have little incentive to discriminate against hip replacement patients from poorer areas, though there may be incentives to avoid very elderly and very sick patients likely to have long lengths of stay.

Project lead Dr Richard Cookson said:

“Our findings echo similar results from previous research into the Conservative ‘internal market’ reforms of the NHS in the 1990s, all of which points to little change in socio-economic equity in health care over the past two decades. Neither Conservative nor Labour attempts to introduce competition into the NHS appear to have had any measurable effect on socio-economic equity in health care.”

ENDS

Notes to editors

1. Richard Cookson and Mauro Laudicella. *Effects of health reform on health care inequalities*. 2011. Final report to the NIHR SDO Programme and the DH Health Reform Evaluation Programme.

Richard Cookson, Mauro Laudicella, Paulo Li Donni. *Does hospital competition harm equity? Evidence from the English National Health Service*. CHE Research Paper 66, York: University of York, 2011 available at www.york.ac.uk/che/publications/in-house

Richard Cookson, Mauro Laudicella, Paolo Li Donni. *Measuring change in health care equity using small area administrative data – evidence from the English NHS 2001-8*. CHE Research Paper 67, York: University of York, 2011 available at www.york.ac.uk/che/publications/in-house

2. This report presents independent research funded by the NIHR Service Delivery and Organisation Programme (www.sdo.nihr.ac.uk), and managed under the auspices of the DH Policy Research Programme Health Reform Evaluation Programme (HREP) (<http://hrep.lshtm.ac.uk>). The HREP aims to provide independent scientific evaluation of health reform policies to transform their effective implementation and subsequent development, and to ensure transparency and public accountability. The views and opinions expressed in this report are those of the authors and do not necessarily reflect those of the HREP, NIHR, NHS or the Department of Health.
3. The Centre for Health Economics is a research department at the University of York. The Centre's aim is to undertake high quality research that is capable of influencing health policy decisions. The Centre is one of the largest health economics research units in the world. www.york.ac.uk/inst/che/
4. The project was led by Dr Richard Cookson, the principal investigator, and Dr Mauro Laudicella, who led the data analysis. Dr Laudicella worked on the project at CHE from 2007-10 and is now based at Imperial College London. The core team also comprised Paulo Li Donni (CHE, and now University of Palermo, Italy), and Mark Dusheiko (CHE, currently on secondment at University of Lausanne, Switzerland).
5. To obtain further information or arrange an interview with Richard Cookson, contact Paul Wilson (01904 321073 / paul.wilson@york.ac.uk). or Richard.cookson@york.ac.uk