



Centre For Health Economics

Health Economics News

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Welcome to the CHE Newsletter

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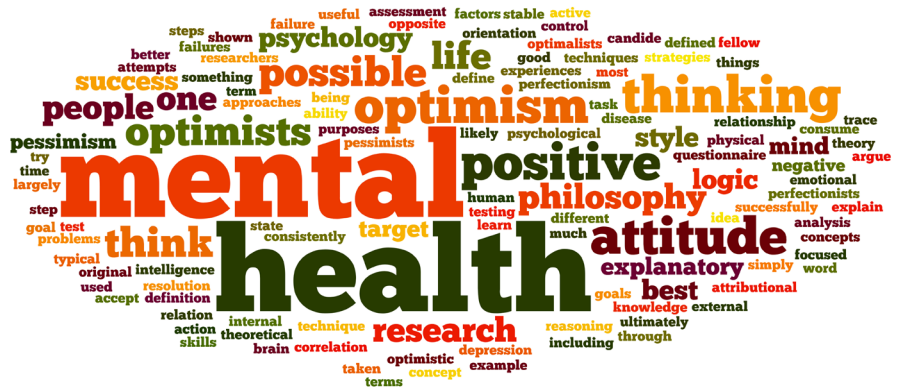
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Does better primary care reduce psychiatric admissions?

Research team: Rowena Jacobs, Nils Gutacker, Anne Mason, Maria Goddard, Hugh Gravelle (CHE), Tony Kendrick (University of Southampton), Simon Gilbody (Department of Health Sciences, University of York), Lauren Aylott, June Wainwright (Service Users)

Serious mental illness (SMI) encompasses a set of chronic enduring conditions such as schizophrenia, bipolar disorder and psychoses. The Quality and Outcomes Framework (QOF) pays GP practices for providing good quality care to patients with a SMI through having a regular review and a care plan. Good quality primary care has the potential to reduce emergency hospital admissions, but also to increase elective admissions if physical health problems are identified by regular health screening. Better quality primary care may reduce length of stay (LOS) by enabling quicker discharge, and it may also reduce NHS expenditure.

We investigated whether better quality primary care, as measured in the QOF, is linked to (a) lower levels of emergency admissions for people with a SMI; (b) higher levels of planned admissions for physical care; (c) a shorter LOS; and (d) lower public sector costs. We found that, contrary to our expectations, better care is associated with higher rates of unplanned and planned admissions for people with a SMI, for both mental and physical health problems, and has no impact on LOS or costs.

It is possible that higher admissions reflect GPs finding previously unmet need. To investigate this further, research needs to look at the care received by individual patients and the way QOF reflects this care.

The link to the HS&DR report can be found here www.hsdr.org and the link to the BMJ Open paper is here www.bmj.com

Courses and Workshops

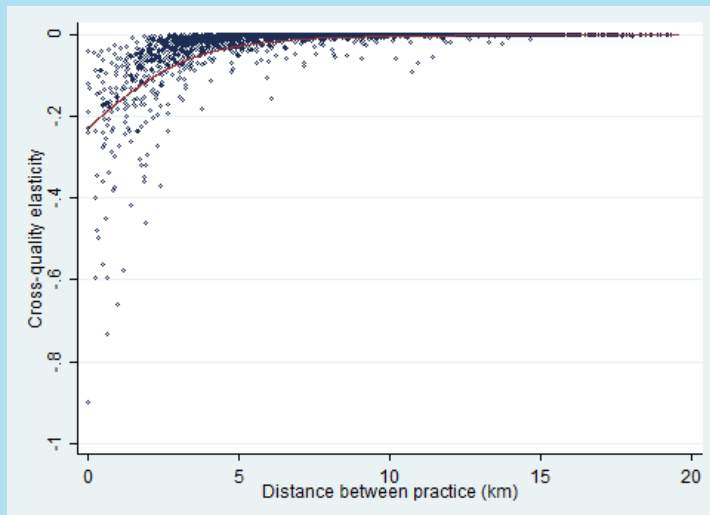
The Analysing Patient-Level Data using Hospital Episode Statistics (HES) workshop is taking place from Monday 2 November to Wednesday 4 November 2015 at the University of York. This intensive workshop introduces participants to HES data and how to handle and manipulate these very large patient data sets using computer software.

For further details please visit the CHE website here www.york.ac.uk/che

Does clinical quality influence patient choice of general practice?

Hugh Gravelle, Rita Santos (CHE), Carol Propper (Imperial College London)

Reforms giving healthcare users a choice of provider aim to improve quality. A necessary condition for such reforms to work is that quality affects choice of provider, so that providers have an incentive to raise quality to attract patients. In a paper to be published in the Economic Journal, Hugh Gravelle and Rita Santos, with Carol Propper from Imperial College, have examined the choice of practice by 3.4 million patients in the East Midlands region. Although distance from home to practice is important it is not the only consideration: only 40% of patients choose the nearest practice. Patients choose practices with younger GPs, with a higher proportion of female GPs, and with a smaller proportion of



overseas qualified GPs. They are also more likely to choose practices with higher clinical quality. The positive effect of quality is also economically important: a one standard deviation increase in clinical quality would increase demand by around 17%. Practices operate in geographically small markets: close practices are substitutes while those further away are not. A practice will lose 2.5% of its list if a practice less than 2km away improves its quality by 10% whereas an increase in quality of a practice more than 6km away will have almost no effect.

Download the paper from the Economic Journal here [www](#)

Graph shows Plot of Cross Practice Quality Elasticities against Distance to Other Practice

Informing resource allocation in health and social care

Research Team: Mark Sculpher, Simon Walker, Seb Hinde and Karl Claxton

Public health, health services and social care sectors face increasingly challenging resource allocation decisions over the coming years. This comes from changing patterns of needs and restricted budgets. The process by which budgets have been allocated have implications for the cost-effectiveness of different services and interventions as the benefit of the services provided at the margins may differ between budgets, and thus the opportunity cost of new demands on those budgets may vary. Our research considered the analytical methods, evidence sources and research activities required to inform policy responses to these challenges.

We developed an analytical framework based on cost-effectiveness analysis to consider reallocating resources both within and between sectors. The framework allows consideration of two distinct policies: (i) directed investment and disinvestment (where the interventions to be funded and withdrawn are known); and (ii) undirected investment and disinvestment (where the sector budgets are increased and decreased with the choice of interventions to fund or withdraw left to the decision makers). For the latter, only knowledge of cost-effectiveness thresholds for different budgets is required, to see if resources can be spent more effectively in one budget area than another. For the former, knowledge of the cost-effectiveness of the interventions is required but should be benchmarked against budget-specific cost-effectiveness thresholds.

Whilst the cost-effectiveness of interventions and cost-effectiveness threshold estimates are well established for health care, this is not the case for public health and social care, so these represent major areas of uncertainty and require significant future research.

Many methodological challenges remain (for example, the comparability of outcomes across health and social care, costs falling outside of health and social care and the consideration of uncertainty), but the research sets out a clear framework by which the challenging resource allocation decisions can be considered.

Link to: EPRU Paper No 17 [www](#)

How do patients choose hospitals?

Research Team: Giuseppe Moscelli, Luigi Siciliani, Nils Gutacker, Richard Cookson and Hugh Gravelle

The English NHS regularly publishes information about its hospitals' quality of care and waiting times. This helps patients choose which hospital to attend for planned treatment. Two recent studies explore how patients choose hospitals and whether this choice leads to inequalities in access.

In the first study we examine past choices made by patients receiving hip replacement surgery. We estimate hospital choice models to test whether a hospital's ability to improve their patients' health affects its demand. Our results suggest that patients respond to Patient Reported Outcome Measures (PROM) scores more than to mortality rates but that distance to hospital is still the most important factor in hospital choice. Hospitals can generate a sizeable increase in demand if they can improve their patients' health more than their local competitors.

Link to CHE RP 111 [www](#)



In the second study we explore whether wealthier patients wait less time for heart surgery than poorer patients. One way in which this may happen is if wealthier patients are more likely to bypass their local hospital to reduce their waits. We find that inequality in waiting time has been reducing over time, but still persists. Choice of hospital has a limited effect on this inequality. Link to CHE RP 112 [www](#)

Latest News

Paul Revill organised a HIV Modelling Consortium workshop that took place in March in Harare, Zimbabwe, with Ministry of Health officials from four countries (Zimbabwe, Malawi, Uganda and Kenya) and representatives from international organizations (World Health Organization, PEPFAR/CDC, Global Fund for AIDS, TB and Malaria (GFATM), Medicines Sans Frontiers) in which modelling/cost-effectiveness results to inform new WHO International HIV Treatment Guidelines were presented and discussed.

Also during March there was widespread coverage of the publication of MRC/NIHR funded research which suggests that the NHS is paying too much for new drugs (Methods for the estimation of the NICE cost effectiveness threshold. **Claxton K, Martin S, Soares M, Rice N, Spackman E, Hinde S, Devlin N, Smith PC, Sculpher M.**) It was reported by Times, Telegraph, Guardian, Daily Mail, Financial Times, Independent, BMJ, BBC News Online and a host of provincial newspapers. It also made the American-Statesman (Austin, Texas) and the French Tribune. **Karl Claxton** was interviewed about this research on various BBC TV and Radio stations and also by Sky News and ITN.

Maria Goddard has been appointed to the York Fairness and Equality Board, a partnership of private, public and voluntary sector representatives working together to create a fairer York.

Maria Goddard, Andrew Street and **Richard Cookson** all contributed to 'The Conversation's Manifesto Check' giving their expert advice on the political parties' key election pledges.

At the end of May **Andrew Street** contributed a review of the health-related policies in the recent Queen's speech to an article in The Conversation and also featured on Stephen Nolan's BBC Radio 5 Live show, discussing the reasons for the NHS's funding deficit and how to reduce it. Andrew was also interviewed on BBC Look North and Radio York about NHS spending on agency staff.

On May 19 and 24 **Rowena Jacobs** appeared on BBC Radio 4's File on 4 programme 'Minding the Gap: Mental Healthcare' which explored how mental health care was likely to be funded in the future.

Seb Hinde joined the PSSRU (Personal Social Services Research Unit) Unit Cost advisory panel.

Also in May **Mike Drummond** (pictured) received an honorary doctorate from the University of Lisbon. The award, Doctor Honoris Causa was presented in a ceremony at the Lisbon School of Economics and Management.



Tony Culyer and Alan Maynard (Health Sciences) are the joint prize winners of the 2015 Baxter Foundations William B Graham prize for Health Services Research. Tony is also the recipient of the 2015 Avedis Donabedian Outcomes Research Lifetime Achievement Award.

New funding

Enhancing social-emotional health and wellbeing in the early years: A community-based randomised controlled trial

Gerry Richardson (Led by Tracey Bywater, Institute for Effective Education, University of York) Feb 2015 - July 2019
Funder: NIHR PHR

EEPRU additional responsive **Mark Sculpher** (Led by Sheffield University) April 2014 - Dec 2017
Funder: DoH PRP

MDS-RIGHT: Providing the right care to the right patient with yeloDysplastic Syndrome at the right time **Andrea Manca** (Led by Stichting Katholieke Universiteit, via York PI Alex Smith, Health Sciences) May 2015 - April 2020
Funder: EC

Does better quality of primary care improve outcomes for patients with serious mental illness (SMI)?

Rowena Jacobs Jan 2015 - June 2018
Funder: NIHR HS&DR

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Latest CHE Research Papers

CHERP110 - Productivity of the English NHS:2012/13 update

CHERP111 - Do patients choose hospitals that improve their health?

CHERP112 - Socioeconomic inequality of access to healthcare: Does patients' choice explain the gradient? Evidence from the English NHS

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