

Health Economics News

issue 12 • September 2011
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Welcome to the CHE Newsletter

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Do NHS hospitals respond to greater autonomy?

Research team: Rossella Verzulli, Rowena Jacobs, Maria Goddard

Foundation Trusts (FTs) were first introduced in 2004/05 and remain a key component of the current government's plans to 'liberate the NHS' from top-down control. The government still expects that the majority of remaining hospitals will become Foundation Trusts and that this policy will 'secure the quality, innovation and productivity needed to improve outcomes.'

Our research used robust econometric methods to compare performance of FTs and non-FTs over a 7 year period pre and post reform. The analysis focused on some key measures of financial performance, clinical quality, patient safety as well as staff satisfaction. Whilst we found that FTs do indeed perform better than non-FTs generally, the

difference was not attributable to their FT status. Rather, the differences were long-standing and existed prior to the reform (e.g. lower waiting times in Figure 1 prior to 2004/05) with the solid line showing the year of the policy introduction. In later years the performance of both groups of hospitals has tended to converge, with any original differences diminishing as a result. The confidence intervals overlap zero in 2008/09 showing no difference between FTs and non-FTs. The absence of a substantial positive "FT effect" does not mean that FTs are doing any worse than other hospitals, but it does raise questions about whether the extra costs of setting up and monitoring FTs - which have not been trivial - are necessarily worth the gains. [www](http://www.york.ac.uk/che/publications)

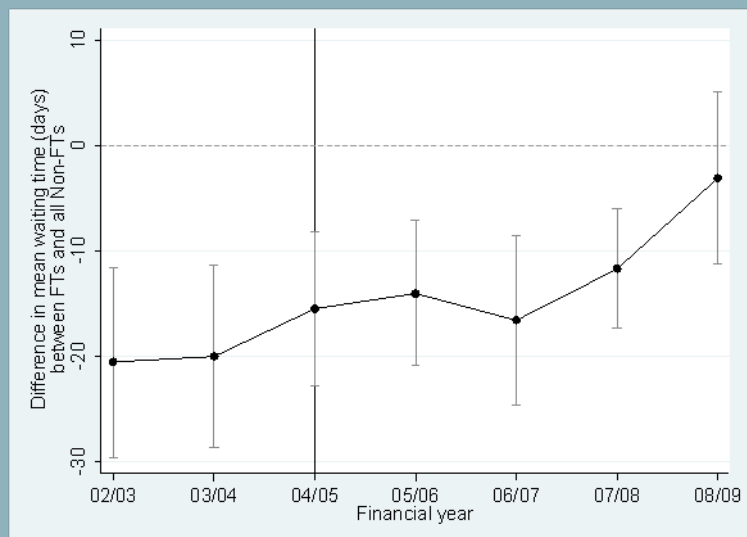


Figure 1. Estimated differences between FTs and all non-FTs: mean waiting time (days)

Are female GPs exploited?

Research team: Hugh Gravelle and Rita Santos (York); Arne Hole (Sheffield).

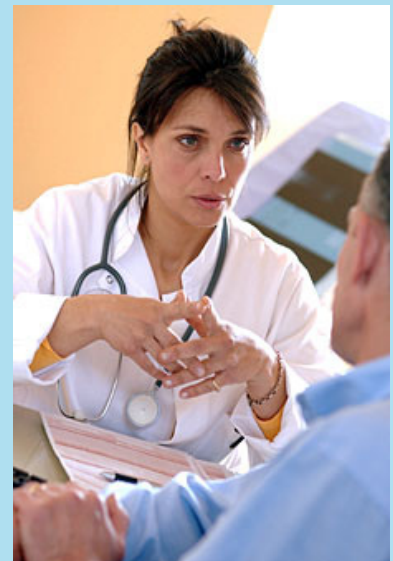
Female GPs earn much less than male GPs: in 2008 their income was 70% of male GPs. By using a national survey of GPs we found that the main reason for the difference in income is the difference in hours of work. Female GPs put in around 75% of the hours of male GPs, so that their wages (income/hours) are 89% of male GPs. Female GP incomes are more responsive to hours worked: their incomes are proportional to hours worked whereas the income of male GPs only increases by 2.5% for a 10% increase in hours. About one third of the difference in income was due to observable differences between female and male GPs, such as hours worked, work experience, the type of practice they worked in, and whether they were salaried or partners.

We devised a number of new tests to determine if the remaining unexplained difference in incomes could be due to discrimination within practices, with female GPs being paid less than male GPs for the same activities. There is some weak evidence of pro-male discrimination but the results may be vulnerable to the small number of female GPs in all female practices. We also found no effect of the gender of the senior GP on the incomes of male or female GPs.

Compared to similar male GPs, female GPs are more satisfied with their job, have the same satisfaction with income, and are not more likely to report that an adequate income for their job exceeds their actual income.

By contrast, GPs who qualified overseas or who were non-white reported much greater differences between what they regarded as an adequate income and their actual income. If there is gender discrimination it is surprising that it does not manifest itself in dissatisfaction with pay or in a larger difference between reported adequate and actual income for female GPs.

Full report available on line: Journal of Health Economics. [www](http://www.jhe.oxfordjournals.org/)



Avoidable mortality

Research team: Adriana Castelli and Olena Nizalova

The concept of “avoidable mortality” refers to all those deaths that, given current medical knowledge and technology, could be avoided by the healthcare system through either prevention and/or treatment. We review empirical literature that measures avoidable mortality over time and across countries, and whether socio-economic status and ethnicity are related to avoidable mortality. Most studies use data taken from national death registries, though some utilise routinely collected administrative data. We suggest an agenda for future research that makes better use of patient-level data to explore the relationship between avoidable mortality and healthcare input and the extent to which the concept offers a robust indicator of the quality of healthcare provision.

Full report can found at [www](http://www.jhe.oxfordjournals.org/)

Alan Williams Health Economics Fellowships

Congratulations to the two successful applicants who were awarded an Alan Williams Fellowship. The award of £5000 is intended as a contribution towards living and travel expenses associated with a visit to the Centre for Health Economics.

- *Cinzia Di Novi*, a Research Fellow from Università del Piemonte Orientale, Italy. Cinzia will be working on a research project during the visit, hosted by Rowena Jacobs, focussing on flexible working conditions, fixed-term contracts and their influence on employee psychological well-being.
- *Marco Huesch*, Assistant Professor from Duke University School of Medicine, USA. Marco’s research during the visit, hosted by Richard Cookson, will consider the implications of offering patients repeated chances of treatment, based on an extension of Alan Williams’ notion of a ‘fair innings’.

Staff news

Congratulations to **Ranjeeta Thomas** who won the prize for the best student paper at the World Congress of the International Health Economics Association (iHEA) in Toronto.

Her paper "Conditional Cash Transfers to Improve Education and Health: An ex ante evaluation of Red de Proteccion Social, Nicaragua." is available as a HEDG working paper. [www](http://www.che.ac.uk)



Claire McKenna has won an award from the Society for Medical Decision Making for



Outstanding Paper by a Young Investigator. It was awarded in relation to a paper published in the *Journal of Health Economics* (2010) entitled "Budgetary policies and available actions: A generalisation of decision rules for allocation and research decisions" by Claire McKenna, Zaid Chalabi, David Epstein and Karl Claxton [www](http://www.che.ac.uk)

New funding

Bernard Van Den Berg

Valuation of patient time
Funded from VU University Amsterdam via a Dutch Research Council

Hugh Gravelle, Nigel Rice, Steve Martin
Updating and enhancing a resource allocation formula at general practice level based on individual characteristics (PBRA 3)

Funded from the Nuffield Trust for Research and Policy Studies in Health Services

Conference and workshop presentations

Ten of CHE's staff and students attended the 8th World Congress on Health Economics organised by the International Health Economics Association, held in Toronto on 10-13 July. Twenty-one papers and presentations were given by members of CHE at the conference and many additional sessions involved CHE members as discussants, panel members and chairs (CHE staff included: **Adriana Castelli; Karl Claxton; Mike Drummond; Maria Goddard; Claire McKenna; Nigel Rice; Mark Sculpher; Ranjeeta Thomas; Bernard Van den Berg; Eugenio Zucchelli**).

Anne Mason was an invited speaker at the annual Evidence Based Update (EBU) meeting in Holywell Park, Loughborough on 12 May, which was organised by the UK Dermatology Clinical Trials Network. She spoke about the latest evidence on topical treatments for chronic plaque psoriasis, and also participated in the Q&A session 'ask the experts' panel.

Andrew Street gave presentations on hospital funding in Europe and on NHS reforms at conferences organised by the Economic and Social Research Institute in Dublin, by the European Health Management Association in Brussels, and at the annual health summit organised by the Nuffield Trust. Recommendations from his research with Silvio Daidone about how to pay for specialised hospital care have been implemented by the Department of Health.

Maria Goddard has been a member of a number of government and research council reviews of major health related research funding initiatives for the Netherlands, Switzerland, Finland and Scotland. She gave a presentation on Health Economics to the Council of Management of Yorkshire Cancer Research on 20 April in Harrogate. She also spoke about 'Access to dental care - are there lessons from medicine?' at the Faculty of Dental Practice Research Symposium in London on 31 May. In May, Maria joined the NIHR Clinician Scientist Panel which reviews applications for research and training awards for clinical academics.

Eugenio Zucchelli gave a presentation on 14 June at the University of Brescia, Italy entitled 'Do smoking bans have an impact on smoking? A theory and some evidence from bans in England and Scotland' (paper co-authored with Andrew Jones, Audrey Laporte and Nigel Rice).

On 18 July, **Bernard van den Berg** gave a lecture on the Dutch system of managed competition at the Global Health Leadership Forum in Barcelona.

Pedro Rosa Dias attended a workshop on Health Equity at the University of Louvain-La-Neuve on 13 May 2011 and gave a presentation entitled 'Inequality and polarisation in health systems' responsiveness: a cross-country analysis'. He also attended a conference on Economic Inequality at the University

of Rome on the 5 May presenting a paper entitled 'Equalising opportunity in health through educational policy'.

Mike Drummond contributed to the International Society for Pharmacoeconomics and Outcomes Research (ISPOR) 16th Annual International Meeting, Baltimore, held in May, as a Panelist of a session on 'Assessments of Relative Efficacy: do the benefits justify the costs?' and as Moderator of a session on 'Identification, Weighting and Prioritization of Multiple Endpoints for Comparative Effectiveness Research - what have we learned from Germany?' In the same city, Mike also gave a presentation at John Hopkins University, to the Public Health Economics Group, on 'Restricting Access to Healthcare: Is NICE Too Nasty?'

Adriana Castelli gave a seminar at the University of Toronto on 14 July entitled 'Measuring NHS outputs, inputs and productivity'.

Rowena Jacobs presented a paper on 'The impact of crisis resolution and home treatment teams on psychiatric admissions in England' at the 10th Workshop on Costs and Assessment in Psychiatry - Mental Health Policy and Economics, held in Venice. She also discussed a number of papers on 'Medical co-morbidity' at the conference. She also ran a master class in Leeds for the NHS on 'The Economics of Mental Healthcare Provision: Understanding Payment by Results (PbR)'.

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Latest CHE Research Papers

CHERP 62 An equity checklist: a framework for health technology assessments - **Anthony Culyer** and Yvonne Bombard [www](http://www.york.ac.uk/che)

CHERP 63 Avoidable mortality: what it means and how it is measured - **Adriana Castelli** and **Olena Nizalova** [www](http://www.york.ac.uk/che)

CHERP 64 Do hospitals respond to greater autonomy? evidence from the English NHS - **Rossella Verzulli**, **Rowena Jacobs** and **Maria Goddard** [www](http://www.york.ac.uk/che)