

# Provider Diversity in the NHS: impact on quality and innovation

Will Bartlett (Bristol), Pauline Allen (LSHTM),  
Virginie Perotin (Leeds), Jenny Roberts (LSHTM),  
Stephen Peckham (LSHTM)



# Aims of project

- To map and characterise provider diversity in four local health economies
- To investigate the factors that determine entry and growth of diverse providers, including the commissioning process
- To investigate the impact of entry of new providers on performance (quality and innovation) of incumbents
- To identify differences in performance between non-profits (social economy), for-profits (private), and NHS incumbents as providers of health services

# Hypotheses

- Both social economy not-for-profit and private for-profit providers face entry barriers due to weak bargaining position and informational asymmetries compared to incumbents. They may encounter obstacles raised by incumbents
- Social economy (third sector) organisations face greater barriers to entry due to capital constraints
- Differences in comparative performance of social economy, private f-p, and incumbents depends on
  - differences in governance systems and motivations
  - incentives embodied in the commissioning process
  - barriers to growth and development

# Methods: general issues

- Selection of case study sites
  - Four LHS selected on basis of density of independent sector organisations and degree of poverty / social exclusion
  - Include demonstration sites
- Tracers:
  - Orthopaedic surgery
  - NHS home care for older people
- Combined qualitative and quantitative methods

# Qualitative Methods

- Qualitative methods aims at in-depth understanding of interactions within LHEs
- Documentary evidence from providers and PCTs
- Observation of meetings
- Semi-structured interviews with providers and commissioners
- Focus groups
  - The patients' views: gauging patient satisfaction with different types of provider
  - One focus group for each LHE

# Quantitative Methods

- Comparing quality and innovation between provider types, and identifying entry and growth barriers
- Survey of provider organisations
  - Focus on ownership, governance, incentives, quality, innovation, entry barriers, barriers to growth
- Administrative data
  - Used to supplement the survey data
  - Examples: re-admission rates, hospital-acquired infection rates
  - Health Commission indicators of quality
  - NHS Institute for Innovation and Improvement 'Better Value, Better Care' indicators

# Quantitative analysis

- Survey and administrative data matched by provider organisation
- Unbalanced panel from approx. 50 organisations over 5 years
- Equation explaining entry - count data models
- Set of equations explaining quality and innovation indicators – hazard models and robust methods, either panel or GMM

# Expected results

- Entry
  - Policy relevant findings on barriers to entry facing new providers from social economy and private sector, and the development of their contributions
- Quality and innovation
  - Policy relevant findings on the impact of diverse providers on services offered to NHS patients by different types of provider organisations