Provider Diversity in the NHS: impact on quality and innovation

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Aims of project

• To identify and characterise provider diversity in four local health economies

• To investigate differences in quality and innovation performance between NHS incumbents, private for-profit companies, and not-for-profit third sector organisations, as providers of health services

• To explore 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 of incumbents
Hypotheses

• Performance differences between provider types depends on:
  – Differences in corporate governance systems which may favour private providers
  – Differences in intrinsic motivations which may favour public providers
  – Incentives embodied in the commissioning process may shape provider performance

• Overall, direction of performance effect not clear \textit{a priori}
Qualitative Methods

• Aim: to gain an in-depth understanding of interactions within local health economies

• Selection of case study sites
  – Four local health economies selected on basis of degree of social deprivation and expected density of independent sector organisations
    • Tower Hamlets
    • Kensington & Chelsea
    • Bristol
    • Oldham

• Semi-structured interviews with providers and commissioners
  – About 50 in depth interviews have been carried out with informants from PCTs, NHS FTs, social economy organisations, and local authorities
Quantitative Methods

- Aim: comparing quality and innovation between provider types
- Patient experience survey, covering NHS Trusts, FTs, and ISTCs
  - Comparative analysis of subjective perceptions of patient experience (quality)
  - Controlling for patient and hospital characteristics and selection bias
- Survey of provider organisations
  - Focus on ownership, governance, incentives, quality, innovation, entry barriers, barriers to growth
- HES data
  - Regression model dependent variable: re-admission rates (quality indicator)
  - Dummy variables for provider type