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 *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