New Modes of Health Care Delivery—Effects on Patients and Providers

Janet Currie, Princeton and NBER, PI
Dan Zeltzer, Princeton and NBER, Co-PI
Chris Mills, Research Assistant

We live in an era of rapid changes in the structures and mechanisms of health care delivery. One striking change has been the development of new types of outpatient facilities including retail clinics, urgent care centers, and ambulatory surgical centers. We aim to examine the impact of these non-traditional care settings on the on the utilization of care and on patient outcomes among the elderly. These new care settings, may serve as substitutes or complements for care provided in more traditional settings, such as emergency, inpatient, and primary care office settings. They may therefore provide an opportunity to reduce cost and improve access to care. However, they may also make it more likely that a patient seeks care in a setting that is not optimal for their condition, which could lead to higher costs and worse outcomes. We will use individual medical histories from longitudinal Medicare claims data to account for underlying differences in patient health status, and we will exploit variation in the closing and opening of facilities in order to study the way that patients are selected into different modes of care, substitution patterns across modes, and impacts on patient outcomes.

A second related objective will be to study the impact of new modes of medical care delivery on traditional providers. At the facility level, does increased competition from new providers change merger and acquisition patterns or the types of services offered? At the individual physician level, can we see impacts in terms of where they practice, or the quality of medical decision making? Because it has data on patients, physicians, and facility type, the Medicare claims data is well suited for this type of analysis. The project should shed light not only on the specific issue of how new care modes help or harm Medicare patients, but also on the more general question of whether increasing competition in a setting that is still far from perfectly competitive improves welfare.

This work will build on past work by Currie using claims data to develop ways to evaluate the quality of physician decision making (Currie and MacLeod, 2017, 2018; Currie, MacLeod and Van Parys, 2016). Essentially they identify physicians who are outliers in terms of their responses to observable patient characteristics, and then use outcomes data to determine which types of physician outliers are associated with better and worse patient outcomes. Currie has also shown that it is possible to study the impacts of retail clinics (e.g. in CVS pharmacies) on patient outcome by using clinic openings and closings (Alexander, Currie, and Schnell, 2017). The project will also build on the expertise of Co-PI Dan Zeltzer who has previously worked with individual Medicare claims data to identify physician referral patterns (Zeltzer, 2016).

Budget Overview

We anticipate requesting funding for CMS data access fees, research assistance, and a small amount of travel.

References

Alexander, Diane, Janet Currie and Molly Schnell. "Check Up Before You Check Out: Retail Clinics and Emergency Room Use," NBER WP #23585, July 2017.

Currie, Janet and W. Bentley MacLeod. "Diagnosing Expertise: Human Capital, Decision Making and Performance Among Physicians," Journal of Labor Economics, 35 #1, Jan. 2017, 1-43.

_____ "Understanding Physician Decision Making: The Case of Depression," NBER Working Paper #24955, August 2018

Currie, Janet, W. Bentley MacLeod, and Jessica Van Parys. "Provider Practice Style and Patient Health Outcomes: The Case of Heart Attacks," Journal of Health Economics, 47, May 2016, 64-80.

Zeltzer, Dan. "Gender Homophily in Referral Networks: Consequences for the Medicare Physician Earnings Gap," IZA Discussion Paper No. 11230, 2016.