

ID: 680601

Comparative analysis of referral costs in English GP practices

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Objectivos (Objectives):

The aim of this paper is to compare English GP practices in terms of their overall referral costs. To compare GP practices on a fair basis it is important to control for factors such as age, gender, and indices of deprivation of the list population served by the practice.

GP practices in the UK are responsible for the health assurance of the individuals that are registered within the practice. This means that when a GP decides to refer a patient to hospital instead of treating her internally, the GP practice is responsible for all the costs involved. Being this so, the costs that a GP practice faces are not only related to the resources used to produce health outcomes, but are also related to intermediate outputs (namely, referrals) that lead to the health improvement of the population.

Metodologia (Methodology):

In this paper we will use Data Envelopment Analysis (DEA) to compare the cost efficiency of GP practices. In a first model, total referral cost is used as the input, and outputs are related to characteristics of the list population. There is some debate in the literature regarding the use of actual visits to the practice rather than its potential demand. In this case we preferred to use, on the output side, a variable that the GP practice cannot control (list population), since the number of visits could easily be manipulated to show the GP practice in a better light. In this model, total cost is considered in an aggregate form.

In a second model we will decompose total cost into inpatient referral costs, outpatient referral costs, and costs of drugs. In this model, volumes and prices are used for the inputs and therefore we can decompose cost efficiency into technical and allocative efficiency.

The above analysis will be performed for the years 2006 to 2009, which means that the performance of GP practices will be analysed over time, through Malmquist indices.

Statistical techniques have been used in both models to choose the relevant population characteristics. The variables at stake were the number of people served by the practice in age band i , with gender k and deprivation index j . As some of these variables were not considered relevant, only some of these are used as outputs in the DEA assessment.

Resultados (Results):

Results are expected to reveal benchmark practices in terms of cost minimisation, and to provide guidelines regarding the potential cost savings in terms of inpatient and outpatient referrals.

Conclusões (Conclusions):

In this analysis we are assuming that quality of care is the same across GP practices. However, this may not be case as it is reasonable to expect a relationship between cost and quality. Further analysis should focus on the cost drivers, including the percentage of list population referred for inpatient and outpatient care, the percentage of patients sent to each of the possible hospitals, and the quality of care provided by each hospital.