Centre For Health Economics Seminar Series 2016

THE SUPPLY RESPONSE TO HOSPITAL EMERGENCY DEPARTMENT WAITING TIMES

Presenter: Peter Sivey, RMIT University
Date: Wednesday 2 November 2016
Time: 12.00pm - 1.00pm
Venue: RB Scotton Room
Centre for Health Economics

Abstract:

Hospital emergency departments (EDs) ration access to care under excess demand using a combination of prioritisation mechanisms and waiting times. Waiting times reduce demand for care by increasing the opportunity cost to patients of seeking treatment, leading to a downwards-sloping demand curve. However increased waiting times may also provide incentives to providers to increase the quantity or speed of treatments. We test for the existence of an upwards sloping supply curve in Victorian hospital EDs by exploiting unit-record patient data aggregated to the hospital/day level to estimate panel data models of the relationship between presentations per day, waiting times, and the average ‘treatment time’ for each patient. Our rich data will allow us to account for changes in the characteristics of patients including diagnosis, triage category, mode of arrival, and demographics. Our models allow us to take account of unobserved heterogeneity at the hospital level and isolate variation in waiting times caused by shocks to the number of presentations. Preliminary results indicate a substantial waiting time elasticity of supply.

Presenter:

Peter Sivey is an Associate Professor at the School of Economics, Finance and Marketing at RMIT University in Melbourne, Australia, and an honorary Senior Fellow at the Melbourne Institute of Applied Economic and Social Research, University of Melbourne. He worked at the Melbourne Institute from 2008 until the end of June 2013 and a Senior Lecturer at La Trobe University from 2013 to 2016. Peter's research interests centre on the economics of healthcare markets. He is working on research projects including hospital waiting times, hospital competition, doctor pricing and market entry. His wider research interests include multinomial choice models, microeconometrics, and microeconomic theory applied to healthcare markets. Peter has a PhD in Economics (2009) from the University of York, UK.

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