

5th World Congress on

Health Economics, Health Policy and Healthcare Management

October 14-15, 2019 | Copenhagen, Denmark

The impact of competition on per-day and per-case charges in healthcare

Patrick Michael Plummer
Penn State University, USA

This analysis focuses on the impact of 5-digit ZIP-code level competition on U.S.-based acute-care hospital charges per case and charges per day. Similar to FTC horizontal merger guidelines that use the Herfindahl-Hirschman Index (“HHI”) of concentration for competitive significance, this analysis identifies where firms (competitors) in the candidate market (the ZIP code) have charges per-day or charges per-case that impose at least a small but significant and non-transitory increase in price (“SSNIP”) of five percent or more above the mean charges experiences by all ZIP code cases. This study uses 2017-to-present-day data from multiple sources. The analysis suggests that there is an increase in patient charges as the number of competitors (standalone or system-aggregated) decreases in all geographical market sizes, including metropolitan (50,000+ population), micropolitan (10,000-50,000) and rural (<10,000) analysis areas.

Biography

Plummer started at Penn State in 2016 after a 25-year entrepreneurial career. During that time, he started three different healthcare data/analytics’ firms that he sold to publicly-traded or venture-capital-backed firms. After each acquisition, he served as a corporate officer or as a member of its board of directors. Plummer was the Editor-in-Chief of two peer-reviewed monthly periodicals for senior healthcare executives and has published 300+ trade-journal articles on the business of healthcare.

drpmp@psu.edu

Notes: