

Competition in NHS makes hospitals better, study says [Print](#)

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Competition produces better managed hospitals which, in turn, produce better outcomes for patients, according to new research from the Centre for Economic Performance at the London School of Economics.

With the role of choice and competition in the National Health Service still highly controversial - the British Medical Association is currently running a large campaign against the commercialisation of the NHS - the research provides "clear cut evidence that competition between hospitals produces benefits," Carol Propper, one of the study's authors, said.

The study interviewed managers and clinicians at 100 big NHS hospitals, using a mildly adapted version of a standard measure of management performance that is widely used to assess private sector companies.

It compared the quality of management with a small range of clinical outcomes - such as deaths from heart attacks and emergency surgery, or hospital-acquired infections - and the scores given to hospitals for quality of care and financial management by the NHS inspectorate, the Care Quality Commission. It then looked at how many local rivals the hospitals had.

The conclusion, Professor Propper said, is that "better management produces better hospitals and competition between hospitals produces better management".

Hospitals "with higher management scores have better clinical outcomes, shorter waiting times, better financial performance and higher staff satisfaction," the study concludes.

Management was better where senior managers have some clinical training - a finding that reinforces repeated government attempts over recent decades to involve clinicians more in management. But it also concludes that "competition has a large effect in improving managerial quality in hospitals".

How it does so remains open to question, the study says. It may be that the market reforms in the NHS, with money attached to each treatment, mean "hospitals now have an incentive to provide better care to attract patients".

In areas with a relatively large number of competitors, it may be easier to assess performance by comparison with neighbours. Or it may be that a competitive environment provides an attractive market for good managers.

"With more hospitals nearby, it is easier for managers to look out for better employment opportunities."

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