

Hospital Ownership and Quality: A Decomposition of Process and Outcome Differences

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Abstract

The effect of hospital ownership status on quality has been extensively examined in the literature, yet no clear consensus has been reached. Using administrative data from 2014 to 2023 for all acute inpatient stays in France, we aim to study difference in quality between hospital ownership taking into account its multidimensional aspect by using process and outcome indicators. For all indicators, quality in public hospitals is lower than private hospitals. We apply a Oaxaca-Blinder decomposition to explain mean differences in quality between public, private non-profit, and private for-profit hospitals. We find that, both differences in characteristics (structure, case-mix, environment) and their differences in coefficients explain quality differences but the coefficients effect mainly drive quality differences. The structure characteristics that contribute the most to mean quality differences is the level of specialization. Regarding case-mix, the most important characteristics is the comorbidity index. Finally, for environment characteristics, GP accessibility is a key contributor. However, when considering the relative importance of all factors, the role of environmental factors is minor compared with structure and case-mix characteristics.

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