

Competition between physicians: evidence from Paris

(Very preliminary)

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Abstract:

This note compares the locations and prices of general practitioners and ophthalmologists in Paris and its suburbs. Prices of general practitioners are largely regulated, hence the only way to increase income for most of them is to increase the number of patients, and thus to choose location based on healthcare demand and offer. Conversely, virtually all ophthalmologists are free to set prices. They can thus increase revenue through higher fees, which gives them an incentive to settle in wealthier areas. The comparison of geographic distributions and prices show that they do so in a significant way while it is not the case for general practitioners.

Keywords:

JEL Classification Numbers: XXX

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1 Introduction

The lack of physicians is a most prominent health policy issue in France. Among the various specialities, ophtalmology is one of the most affected, which translates into a high deregulation i.e. a high proportion of physicians free to set prices. On the other hand, most general practitioners are constrained to adopt the very same fee, determined by law. While the debate certainly belongs in the public sphere, the complexity of the regulation and the lack of data make it difficult to develop a reasonable opinion. An element which most likely limits our ability to reform the system is the absence of consensus as to whether healthcare should be viewed as a market or not. Data studied in this note suggest that ophtalmologists do respond to market incentives by focusing on wealthier areas where they set higher fees.

2 Data

3 GPs

Figure 1: Density of GPs vs. household revenue by district

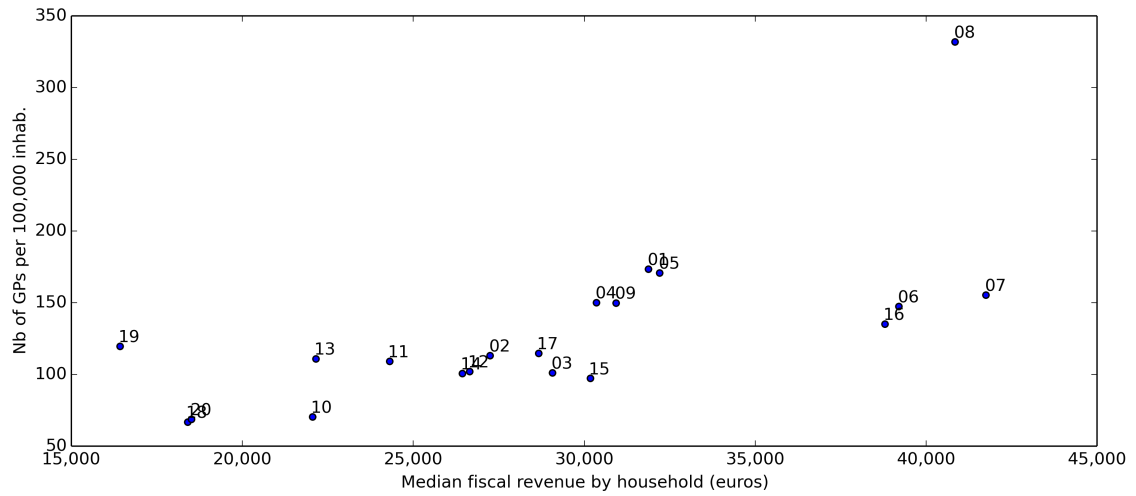


Figure 2: Density of sector 1 GPs vs. household revenue by district

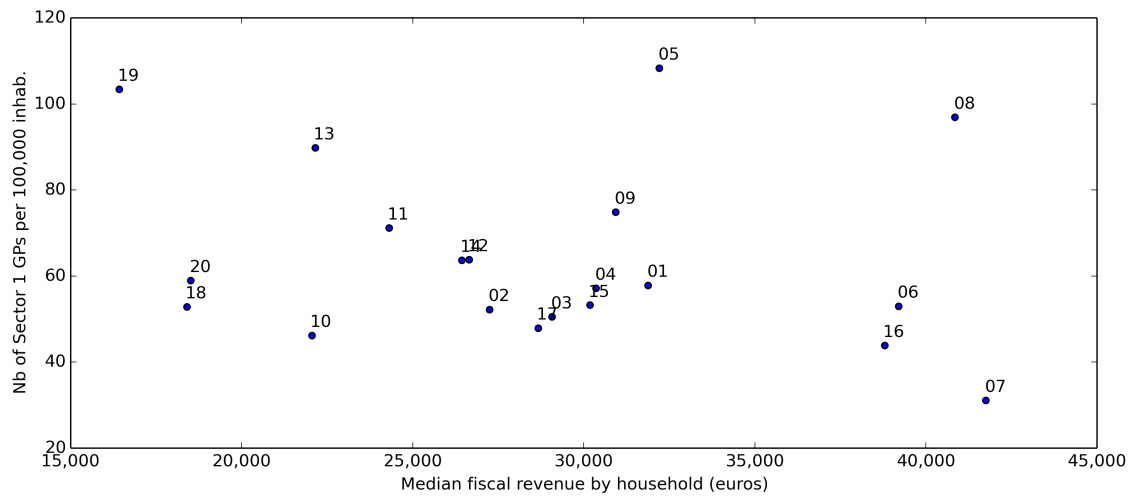


Figure 3: Density of sector 2 GPs vs. household revenue by district

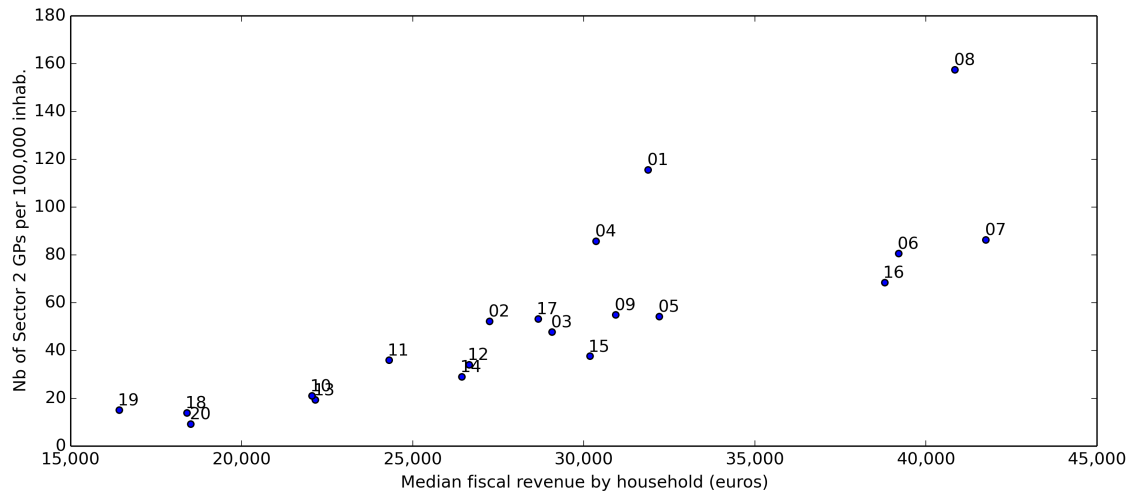
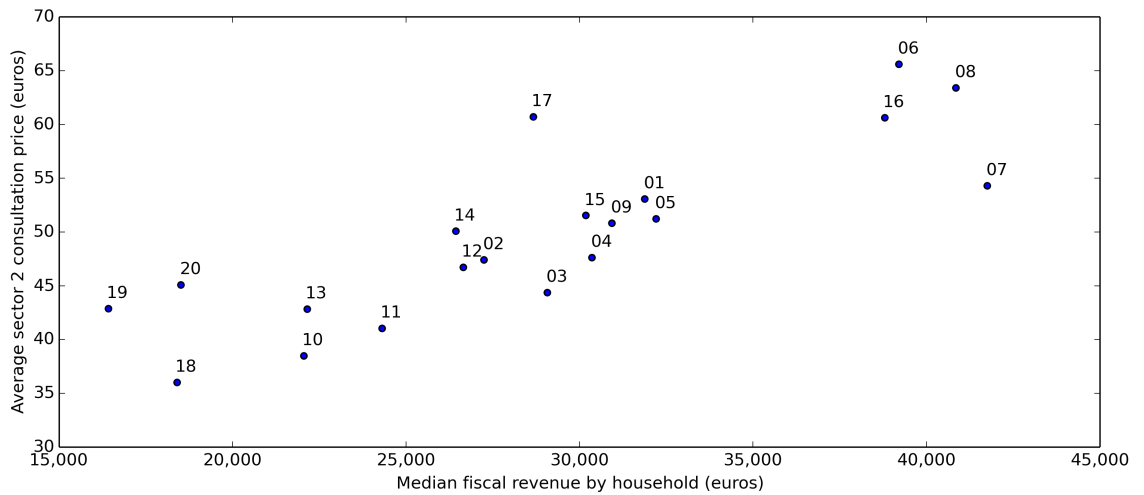


Figure 4: Average sector 2 GP consultation price vs. household revenue by district



4 Ophtalmologists

ADD TABLE: NBS (STATUS), DENSITY, AVG PRICE

Figure 5: Density ophtalmologists vs. household revenue by district

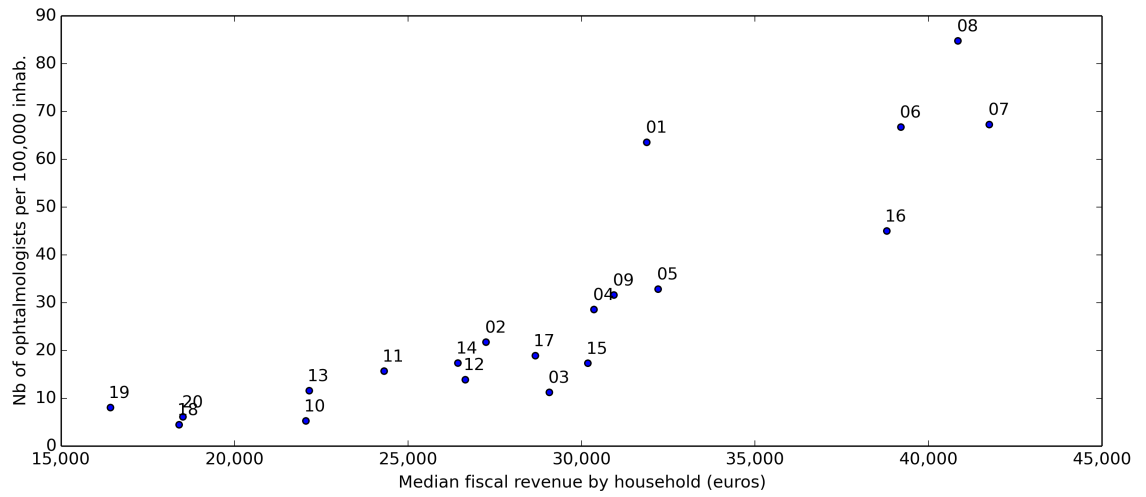


Figure 6: Density of sector 1 ophtalmologists vs. household revenue by district

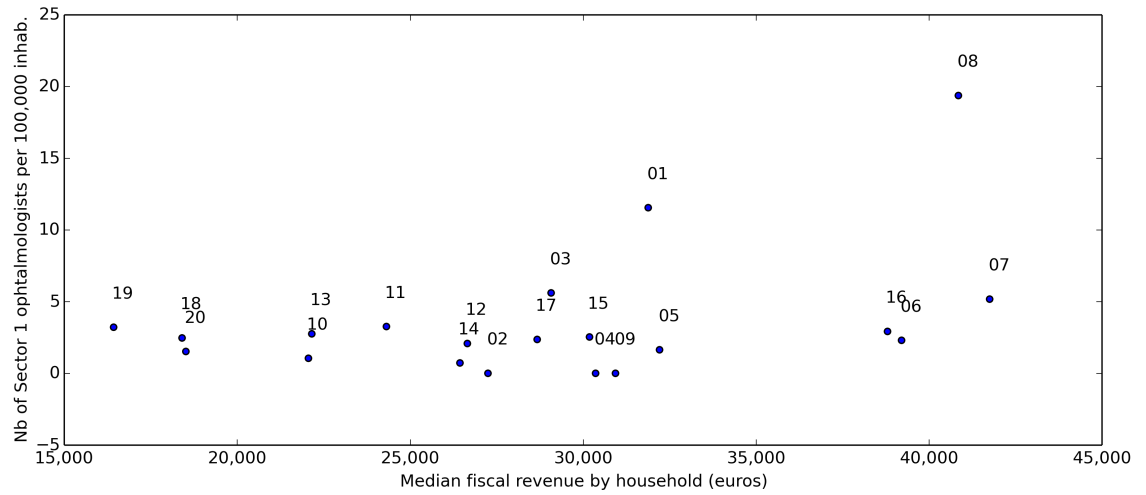


Figure 7: Density of sector 2 ophtalmologists vs. household revenue by district

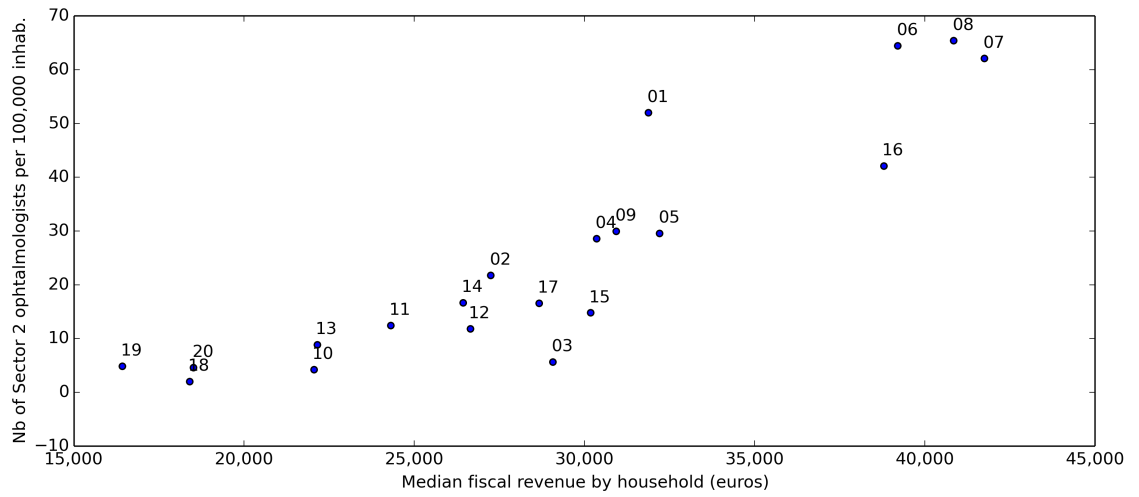


Figure 8: Average sector 2 ophtalmologist consultation price vs. household revenue by district

