

Table 10.2 Summary of Empirical Studies of Competition

Authors	Dependent Variable	Methodology	Findings
Pauly and Satterthwaite (1981)	Physician prices	SCP	Prices higher when search is more difficult
Robinson and co-authors (1985, 1987)	Hospital costs and services	SCP	Costs lower in more concentrated markets
Noether (1988)	Hospital prices and costs	SCP	Costs lower in more concentrated markets. No relationship between prices and competition
Zwanziger and Melnick (1988a)	Hospital costs	SCP in repeated cross-sections	Negative relationship between cost and concentration disappears over time
Dranove et al. (1992b)	Hospital prices and costs	SCP in repeated cross-sections	Negative relationship between price/cost margins and concentration disappears over time
Connor et al. (1998)	Hospital prices	SCP in repeated cross-sections	Negative relationship between prices and concentration disappears over time
Capps et al. (2010)	Hospital prices	SCP in repeated cross-sections	Trend in which concentration leads to higher prices diminishes after 2000
Dranove et al. (1992a)	Hospital services	SCP	Failure to account for hospital location leads to biased coefficients on concentration
Lynk (1995)	Hospital prices	SCP	Negative relationship for non-profits but not for for-profits
Dranove and Ludwick (1999)	Hospital prices	SCP	Lynk results not robust to changes in key assumptions
Keeler et al. (1999)	Hospital prices	SCP in repeated cross-sections	Negative relationship for non-profits disappears over time
Gaynor and Vogt (2003)	Hospital prices	Structural	Competition leads to lower prices
Town and Vistnes (2001)	Hospital prices	Structural	Competition leads to lower prices
Capps, Dranove, and	Hospital prices	Structural	Competition leads to lower prices

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Authors	Dependent Variable	Methodology	Findings
Satterthwaite (2003) Ho (2009)	Hospital prices	Structural	“Star” hospitals and hospitals near capacity may charge high prices and end up “out of network”
Kessler and McClellan (2000)	Mortality of heart attack patients	SCP	Innovative measure of market structure; mortality is higher in more concentrated markets
Kessler and Geppart (2005)	Mortality of heart attack patients	SCP	Harmful effect of concentration greater among most severely ill patients
Gowrisankaran and Town (2003)	Mortality of heart attack patients	SCP	Harmful effect of concentration greater for Medicare patients
Propper et al. (2004)	Mortality of heart attack patients	DID	Mortality is lower in more concentrated markets after UK reforms encouraging competition
Propper et al. (2008)	Mortality and waiting times for heart attack patients	DID	Mortality is lower and waiting times higher in more concentrated markets after 1990s UK reforms encouraging competition
Gaynor et al. (2010)	Mortality for heart attack patients	DID	Mortality is higher in more concentrated markets after 2006 UK reforms encouraging competition
Cooper et al. (2010)	Mortality for heart attack patients	DID	Mortality is higher in more concentrated markets after 2006 UK reforms encouraging competition
Sari (2002)	AHRQ quality indicators	SCP	Quality is lower in more concentrated markets
Mukamel et al. (2002)	Mortality for high-risk diagnoses	DID	Mortality is higher in more concentrated markets
Mutter et al. (2008)	AHRQ quality indicators	SCP	Mixed results using a range of measures of concentration