New study links hospital privatization to worse patient care

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A new review has concluded that hospitals that are privatized typically deliver worse quality care after converting from public ownership. The study, led by University of Oxford researchers, has been published today

in *The Lancet Public Health*.

Lead author Dr. Benjamin Goodair, postdoctoral researcher at the Department of Social Policy and Intervention at the University of Oxford, said, "This review challenges the justifications for health care privatization and concludes that the scientific support for health care privatization is weak. Overall, hospital privatization may reduce costs, but does so at expense of quality of care."

The researchers carried out a [meta-analysis](#) based on evidence from 13 [longitudinal studies](#), covering a range of high-income countries. Each study assessed quality of health care measures for patients before and after health service privatization, at either the hospital or regional level. The studies included measured indicators of care quality which included staffing levels, patient mix by insurance type, the number of services provided, workload for doctors, and [health outcomes](#) for patients such as avoidable hospitalizations.

Increases in privatization generally corresponded with worse quality of care, with no studies included in the review finding unequivocally positive effects on health outcomes. Additionally, hospitals converting from public to private ownership status tended to make higher profits. This was mainly achieved by reducing staff levels and reducing the proportion of patients with limited health insurance coverage.

Privatization generally corresponded with fewer cleaning staff employed per patient, and higher rates of patient infections, and in some studies, higher levels of hospital privatization corresponded with higher rates of avoidable deaths. However, in some cases (e.g., Croatia), privatization led to some benefits for patient access, through more precise appointments and new means of care delivery, such as out-of-hours telephone calls.

According to the researchers, the results challenge the theory that privatization can improve the quality of health care through increased market competition, and by enabling a more flexible and patient-centered approach.

Further research is now needed into the effects of privatization on other aspects of health care, including community, primary, and ambulance services.

Co-author Professor Aaron Reeves, from the Department of Social Policy and Intervention at the University of Oxford, said, "Health-care systems are under pressure from aging populations, constrained budgets, and the reverberations of the COVID-19 pandemic and governments might look to privatization as a single, simple solution to pressures. There is a risk, however, that seeking short-term reductions can come at the expense of long-term outcomes, since outsourcing services to the private sector does not seem to deliver both better care and cheaper care."

The countries included in the analysis were Canada, Croatia, England, Germany, Italy, South Korea, Sweden, and the U.S.

More information: The effect of health-care privatisation on the quality of care, *The Lancet Public Health* (2024). DOI: 10.1016/S2468-2667(24)00003-3

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