

Title: Equilibrium Model of Waiting Times for Non-Emergency Procedures in the NSW Public Hospitals

Abstract:

This paper studies the determinants of waiting times for elective non-emergency procedures in the NSW public hospitals. It estimates an equilibrium model of the market for elective procedures in which waiting time serves as the mechanism which equilibrates demand and supply. The model is estimated on the level of Australian census postal code areas using data on patient admissions to New South Wales public hospitals in 2004-05 and postal code area characteristics taken from the Australian census. Empirical results indicate that the elasticity of demand for elective procedures with respect to waiting times is relatively high. This suggests that policies aimed at increasing the supply of elective procedures are likely to stimulate utilization without having a large effect on the equilibrium waiting times.