Offering Amenities to Increase Health Care Demand in Mexico

Sector(s): Firms, Health

Location: Mexico City, Mexico

Sample: 2,085 patients

Target group: Adults

Outcome of interest: Take-up of program/social service/healthy behavior Health

Intervention type: Behavioral economics Information Health care delivery Non-monetary incentives Pricing and fees

AEA RCT registration number: AEARCTR-0006156

Partner organization(s): Harvard Business School

Preventive health care products and services remain underutilized in many low- and middle-income countries, despite their potential to save lives and enhance quality of life. While initial patient-provider interactions can influence a patient's perception of quality of care, it is less clear if amenities like a short wait time or provider demeanor can influence demand for services, especially underutilized services. Researchers conducted an evaluation to test the impact of offering a high-amenity diagnostic consultation for cataracts at different prices on uptake of an underutilized service—cataract surgery—in Mexico. Lower prices for the high-amenity consultation increased exposure to amenities, which ultimately boosted surgery take-up.

Policy issue

Preventive health care services are underutilized in many in low- and middle-income countries, despite their potential to enhance quality of life. This low uptake is due to various factors, including limited information about the quality of available services. One way patients ascertain the quality of health care is via repeated interactions with the health care provider. These encounters can help patients learn about certain aspects of care quality, typically including amenities like perceived clinic efficiency or the way a provider treats a patient. However, the technical quality of care, such as adherence to evidence-based treatment protocols, is harder for a patient to verify. As a result, amenities might influence the demand for health care, even though they do not directly affect health outcomes like clinical quality does. Can providing more amenities and a more comfortable experience during consultations increase patients' demand for underutilized health services?

Context of the evaluation

In many low-income countries, cataracts, or the clouding of the eye's lens, are a major cause of blindness among the elderly. The only remedy for severe cataracts is surgery, but its uptake is limited in low-income contexts for reasons such as limited access to high-quality surgeons, high treatment prices, and a lack of knowledge of the costs and benefits of surgery. Latin American countries tend to have low cataract surgery rates per capita compared to other regions. Mexico, the setting for this evaluation, had particularly low rates in 2013, ranking below Argentina, Brazil, Chile, and Colombia.

A barrier to surgery uptake in Mexico is the long wait time for specialized care: on average, a patient waits 4.7 weeks to see a specialist and another 18.2 weeks to go from diagnosis to surgery in Mexico's public health care system, where most cataract surgeries are performed. In addition, service quality in many public health care institutions is graded poorly. Given this, many patients turn to private providers for care, such as the cataract surgery clinic the researchers in this study partnered with.

This clinic served primarily low-income elderly patients in Mexico City and offered meaningful benefits relative to the public sector. Benefits included care meeting international standards and shorter wait times, which could be as little as two days and were guaranteed to be at least 40 percent shorter than the average four months among public providers. Additionally, the price of basic surgery started at MX$6,400 (roughly US$512) compared to private competitors' price ranges of MX$15,000 to MX$35,000 (about US$1,200 to US$2,800)[1].

Offering high-quality services at these lower prices was possible because the clinic charged fees for optional amenities on top of the basic services (diagnostic consultations and cataract surgeries). The available optional amenities included reduced wait times and a more comfortable waiting area at a "premium consultation" facility across the street from the main clinic. While consultations took up a substantial portion of physicians' time, surgeries represented a much larger share of the clinic's profits; as such, the clinic was interested in increasing surgery take-up.

Approximately 21 percent of the study participants were diagnosed with cataracts and the average wait time at the clinic was 3.5 hours. Additionally, about 37 percent of the patients were male and patients were on average 58 years old.



A waiting room in Mexico.

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Details of the intervention

In partnership with the cataract surgery clinic, researchers conducted a randomized evaluation to test the impact of offering amenities to patients on cataract surgery take-up rates in Mexico City.

From January to April 2013, each of the 2,085 patients that came to the main clinic for a diagnostic consultation were told about three types of available consultations:

1. *Basic:* Patients in this group waited the standard wait time, were seen by a provider in a standard room, and were provided no additional amenities. This consultation type cost MX$50 (about US$4).
2. *Reduced wait time:* Patients in this group waited a reduced wait time, were seen by a provider in a standard room, and were provided no additional amenities. This consultation type cost MX$200 (about US$16).
3. *Premium:* Patients in this group went to the premium facility and waited a reduced wait time, were seen by a provider in an upgraded room, and were provided additional amenities in the form of free soft drinks. The price of this consultation type was randomly varied—MX$250, MX$300, or MX$350 (or roughly US$20, US$24, or US$28).

After hearing these three options, patients were given an envelope from a randomly ordered stack that included the randomized price of the premium consultation and were told that they could access the premium consultation at that price. Patients were also informed of the approximate wait time.

In addition to data on the offered randomized prices, estimated waiting time provided to patients, and patients' consultation choice, the researchers also collected data on the diagnosis received following consultation and whether an individual decided to undergo surgery for operable cataracts.

Results and policy lessons

A lower price for the premium diagnostic consultation increased the take-up of premium consultations, leading to higher cataract surgery take-up as a result.

Consult choice: Each additional hour of expected wait time increased the likelihood that a patient chose the reduced wait time or premium consultation, at any price, by 2.3 and 2.9 percentage points, respectively. Patients assigned to either the MX$250 or MX$300 price group for the premium consultation were approximately 13 percentage points more likely to take up the premium consultation compared to the MX$350 price group. When the randomized incremental price for the additional amenities is lower, patients are less likely to select the consultation with reduced wait time alone.

Surgery take-up: When diagnosed with cataracts, patients assigned to the MX$250 or MX$300 price groups for the premium consultation were, respectively, 5 or 6.4 percentage points more likely to go through surgery than the MX$350 group, which had an 8.8 percent take-up rate (a 56.8 percent and 72.7 percent increase, respectively). Researchers estimated that updates in patients' valuation of surgery due to amenities was a key driver of increases in surgery take-up.

Taken together these results suggest that one potential way to increase demand for underutilized health care products and services in low-income settings is to provide additional amenities to patients during their initial interactions with health care providers.

Adhvaryu, Achyuta, Emilio Gutierrez, Anant Nyshadham, and Jorge Tamayo. "Diagnosing Quality: Learning, Amenities, and the Demand for Health Care." Working Paper, March 2021.

1. Exchange rate based on researchers' estimation of MX$50 equating to roughly US$4 at the time of the study.