Identifying Provider Prejudice in Healthcare

Amitabh Chandra (with Douglas Staiger)
Kennedy School of Government, Harvard University

Abstract:

There are large racial and gender disparities in healthcare that are not explained by differences in patient access, preferences, or severity. These disparities are believed to contribute to differences in health outcomes, and are often ascribed to prejudicial providers. To evaluate this theory, we use simple economic insights to distinguish between two competing views of physician behavior, each with very different policy implications. If prejudicial, providers use a higher benefit threshold before providing care to minority groups; these patients should therefore have higher returns from being treated. Under statistical-discrimination, race and gender are statistically related to the benefit from treatment. Using data on heart-attack treatments, we find no evidence that of prejudicial behavior against women or minorities by providers. We also evaluate alternative explanations for differences in the treatment of women and minorities, such as different triage rules, different implicit values of life, different treatment objectives, greater clinical uncertainty, differences in costs, or differences in provider skill. We test and reject each of these explanations.