Market Design in Single-Payer Healthcare: Evidence from a GP Allocation System

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Abstract

Many centralized assignment systems seek not only to provide good matches for participants' current needs, but also to accommodate changing preferences and circumstances. We study the problem of designing such a system in the context of Norway's system for assigning patients to general practitioners (GPs). We provide direct evidence of misallocation under the current system -- patients sitting on waitlists for each others' doctors, but who cannot trade -- and propose an alternative mechanism that adapts the Top-Trading Cycles algorithm to a dynamic environment. We then estimate a structural model of switching behavior and GP choice and empirically evaluate how this mechanism would perform relative to the status quo. We estimate modest differences in overall GP desirability; as a result, introducing Top-Trading Cycles would dramatically reduce average wait times. Finally, we explore distributional consequences and implications for justified envy.