

# Quality Information and Competitive Selection in Health Care

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*Abstract* :

How does information from subjective online reviews affect the composition of health care providers? We examine the patient review and feedback system run by the National Health Service (NHS) in England and exploit the fact that patients see a star rating which is a rounded average of underlying individual reviews. Focusing on GP practices, we find strong evidence that patients respond to discontinuities in star ratings. Negative quality information also causes an increase in the probability that GPs exit the market. Using the same variation, we estimate a structural model incorporating patient uncertainty about quality and endogenous exit of providers. The results imply that competitive selection is an important mechanism by which reviews affect equilibrium quality.