Defying Distance? The Provision of Services in the Digital Age

Digital platforms are transforming services by making the physical distance between provider and user less relevant. I quantify the potential gains this flexibility offers in the context of digital primary care in Sweden, harnessing nationwide conditional random assignment between 200,000 patients and 150 doctors. I evaluate causal effects of matching patients of varying risks to doctors with different skills and assess counterfactual policies compared to random assignment. Matching patients at high risk of avoidable hospitalizations to doctors skilled at triaging reduces avoidable hospitalizations by 20% on aggregate – without affecting other adverse outcomes, such as counter-guideline antibiotics prescriptions. Conversely, matching the best triaging doctors to the richest patients leads to more avoidable hospitalizations, since the most vulnerable patients are often the poorest. Hence, remote matching can sever the link between local area income and service quality in favor of a needs-based assignment, improving the effectiveness and equity of service provision.