

# **Scarce resources, allocation decisions, and prioritization in medical care - A laboratory experiment**

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## **Abstract**

Medical resources are limited in many instances. Their scarcity may for example stem from timely limitations physicians face every day, from limited infrastructure such as not enough intensive care unit beds, or simply from a lack of budgetary funds. In experimental health economics, previous studies mainly investigate the weight that physicians attach to patient benefit relative to their own profit. However, physicians do not only face trade-offs between their own profit and the medical care assigned to one single patient. In fact, they usually treat several patients and, therefore, also face tough decisions regarding the allocation of resources between patients. We conduct a laboratory experiment with subjects in the role of physicians and patients. In particular, one physician faces two patients. She decides how much of a given budget (capitation) is spent on medical services for each of the two patients, with patients differing in their need and urgency of treatment. We aim to shed light on the questions, (1) how the size of a physician's budget influences her allocation decisions, (2) how patients' health characteristics (urgency, need) influence the allocation of scarce medical resources, and (3) how efficiency concerns and prioritization are integrated into decision making.