

# The Life-saving Effect of Hospital Proximity<sup>\*</sup>

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## Abstract

We provide a new assessment of the effect of hospital proximity in an emergency situation exploiting the exogenous variation in the proximity to cities that are legally allowed to have a hospital based on their population size. Based on Italian municipal data, our instrumental variable results show that a one-standard-deviation increase in the distance to the nearest hospital (5 km) raises the fatality rate by 13.84% at the sample average. This figure is equal to 0.92 additional deaths per 100 accidents. We show that both OLS and DD estimates, generally used in the literature, provide a downward-biased measure of the true effect of hospital proximity because they do not fully solve spatial sorting problems. Proximity is more important when the level of road safety is low, when emergency services are less responsive, and when the nearest hospital has relatively low quality standards.

*JEL Classification:* C26, I10, R41

*Keywords:* Access to Care, Hospital Proximity, Road-Traffic Accidents, Instrumental Variables, Difference in Differences

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<sup>\*</sup>We would like to thank seminar participants at the University of Economics in Prague, Copenhagen Business School, the University of Southern Denmark (COHERE), Copenhagen University, DIW Berlin, ZEW Mannheim, the 6th Petralia Sottana Applied Economics Workshop, the Spanish Association of Health Economics, the Workshop of Health Economics (Cambridge), and the Workshop of Health Economics (Copenhagen University) for their comments. We are grateful to Giacomo Calzolari, N. Meltem Daysal, Libor Dusek, Ronny Freier, Štěpán Jurajda, Toni Mora, Francesco Moscone, Tommaso Nannicini, Dario Pozzoli, Jonathan Skinner, and Mircea Trandafir for their useful suggestions.

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