

Report on Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

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Title of the thesis:	Measuring Efficiency of Hospitals in the Czech Republic

OVERALL ASSESSMENT

The thesis analyses a very topical issue of hospital efficiency. The thesis is an extensive work, with 83 pages of analysis and 24 pages of detailed tables and figures. The first chapter after the Introduction describes the methodology used followed by a description of the data set. Both two major types of methodologies employed, namely the Data Envelopment Analysis (DEA) and Stochastic Frontier Analysis (SFA), are presented very intuitively and in satisfactory detail. The other three chapters provide the preliminary analysis of the data, results and conclusion, respectively.

The thesis is of excellent quality, it is well structured, the author utilises many sources of information and shows an appropriate command of the literature. The arguments are well presented and easy to follow. The author displays a good understanding of the methods employed and is able to draw relevant conclusions. The contribution of the thesis is apparent, Dlouhy et al. (2007) study excepted; this is to my knowledge the only comprehensive Czech study exploring Czech hospital efficiency using a similar methodology.

Regarding some qualifications to the thesis, my only concerns relate to the data used and some of the assumptions employed and conclusions drawn. I understand the limitation of the data publicly available on the web page of UZIS as it is also acknowledged by the author. However, better data are currently available either from health insurance funds or the Ministry of Health Care. Had the author utilised such data, the analysis would have been much more informative. Delivery of health care in a hospital is very complex and hence measuring hospital production by a number of patient day stays especially for acute care is overly simplifying. Not surprisingly, the hospitals delivering the most complex (i.e. the most costly) health care such as teaching hospitals and other big hospitals appear to be very inefficient especially if no environmental factors are accounted for. Secondly, some of the assumptions presented in the thesis such as the effect of unemployment or the case of empty beds are very speculative and can hence be counterintuitive. Thirdly, there is a very strong assertion on page 71 and page 82 that "Czech hospitals are not on average overly inefficient". However, the analysis captures only relative technical efficiency among the Czech hospitals themselves; hence efficiency vis-à-vis hospitals anywhere in the world cannot be assessed.

Based on these qualifications I suggest the following question for the defence:

- What would be the more appropriate output variable(s)?

The concerns mentioned in my opinion do not outweigh the strengths of the thesis, hence in the case of successful defence, I recommend "**výborně**" (**excellent, 1**).

SUMMARY OF POINTS AWARDED:

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	20
<i>Methods</i> (max. 30 points)	25
<i>Contribution</i> (max. 30 points)	25
<i>Manuscript Form</i> (max. 20 points)	20
TOTAL POINTS (max. 100 points)	90
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: RADOVAN CHALUPKA

DATE OF EVALUATION: 18 JUNE 2010

Referee Signature