

## Abstract

This rigorous thesis estimates cost efficiency of 99 general hospitals in the Czech Republic during 2001–2008 using the Data Envelopment Analysis (DEA) and the Stochastic Frontier Analysis (SFA). It tests comparability of their results finding out a certain qualitative similarity. Next, determinants were added into SFA and efficiency of Czech hospitals examined. The presence of inefficiency is group specific even having accounted for various determinants. Effects of determinants were tested. Inefficiency increases with teaching status, more than 20,000 treated patients a year, not-for-profit status, larger share of the elderly in the municipality and average salary in the district. Inefficiency decreases with less than 10,000 patients treated a year, larger population, higher unemployment rate and more hospitals in the region. The IES WP enclosed incorporates comments raised previously against the master thesis, i.e. excludes the effect of unemployment as a determinant from the SFA model; it further uses wages directly in the the cost function. Considerable similarity between the two SFA models has been found both in terms of coefficients and signs of the remaining variables, as well as, in terms of resulting efficiency scores. The effect of the labor market is thus dual in the former case but it is accounted for when wages are included directly into the cost function.

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