

Report on Bachelor / Master Thesis

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

Student:	Adam Jankura
Advisor:	Jana Votapkova
Title of the thesis:	Changes in Hospital Financial Performance after Legal Form Conversion

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

The student tried to analyze in his thesis a very interesting topic whether there is any change in financial performance of corporatized hospitals compared to non-transformed hospitals. The topic is highly interesting and very actual in Czech as well as international circumstances because number of states is dealing with issue of low performing hospitals and is looking for a blueprint solution.

The student built his rigorous thesis on his Master Thesis (of an identical title) defended at the Institute of Economic Studies in September 2013. In his extension he tried to respond to the comments to his diploma thesis.

The student starts his thesis with the summary of up-to-date literature concerning corporatization of hospitals as well as with examples from other sectors. He applied general as well as sector-specific theories to corporatization in health system. Compared to his diploma thesis he analyzed some of the described principles more in details within Czech hospitals. As he correctly pointed out, based on the case study by Roubal and Hrobon in Saltman, R.B. et al.: *Governing Public Hospitals* (World Health Organization 2011), it is hard to separate and test the impact of legal changes from the impact of other economic influences on change in hospital performance with available data. Nevertheless, it is appreciated that he tried to cope with these challenges. Some of the questions raised in the thesis such as the highlighted changes brought by corporatization (p. 11) – whether there was any difference among corporatized hospitals (and maybe also control group hospitals) in terms of narrowing mandate, defining explicit performance measures and increasing responsibility of management before and after corporatization? - remained unanswered due to the lack of data and could be analyzed further in other studies.

The methodology chosen for the analysis assumes common trend in both groups – treatment as well as control group. Compared to the diploma thesis it is appreciated that this was tested during the analysis by excluding university hospitals that have special status in Czech health care system and whose costs were influenced by strikes of physicians, restructuralization effort as well as state regulation of payment mechanisms and prices in Regulation of payment mechanisms and prices (so called “Uhradova vyhlaska”).

The only comment that was not taken into consideration in extension of thesis is about the choice of variables. The list of variables should at least partially try to capture the parameter of changing accounting principles on costs and revenues of corporatized hospitals. Was there any structural change– e.g. is the depreciation method the same before and after transformation?, did any of revenues disappeared due to transformation – e.g. subsidies, should any costs or revenues be excluded from the analysis? And was it the same in all corporatized hospitals?

¹ Roubal and Hrobon: „The development of payments from insurance funds is relatively stable and there have been only minor changes recently (such as the possibility of a contract defined number of total hip replacements for a defined price). One of the main changes in the financing of hospitals was connected with the change of ownership of the hospitals studied. As the municipalities took over the ownership of the hospitals, they realized that they did not have the financial means to subsidize the hospitals and the subsidies sharply decreased.

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Further, it is still viewed as very important to enlarge internal and external characteristics (especially internal) by those more closely related to the theory provided in the beginning of the study – e.g. were there any changes in how management and board of directors were appointed? was it same for all monitored hospitals?, did the management get any explicit goals?, etc. The differences in these characteristics might explain at least part of the ambiguity of results. Importance of these characteristics are repeatedly admitted by the student in the thesis.

In the summary, the thesis was improved after taking into account some of the recommendations but there is still room for further research by improving parameters and internal and external characteristics proposed by the theories quoted in the beginning of the study.

The thesis is written in good academic English and there are only minor grammatical and formatting errors. Thesis is well structured and easy to read. Tables are well prepared and support the ideas in the thesis.

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
Literature (max. 20 points)	19
Methods (max. 30 points)	20
Contribution (max. 30 points)	22
Manuscript Form (max. 20 points)	20
TOTAL POINTS (max. 100 points)	81
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Henrieta Tulejova

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Referee Signature