

***SOCIAL ENVIRONMENT AND EFFICIENCY IN
ITALIAN HEALTH CARE SYSTEM:
A SIMAR–WILSON METHODOLOGY ANALYSIS***

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When exploring inefficiency in health care provision several studies [Evans *et al.*,(2000); Green (2004); Retzlaff-Roberts *et al.*,(2004); Spinks and Hollingsworth (2009); Afonso and Aubyn (2005)] show that socio-economic variables explain differences in efficiency in different national contexts. However, these studies are based on cross-country data, that cannot disentangle the problem of heterogeneity attributable to differences in the institutional settings of different national health care systems. Restricting the analysis to single countries with multiple jurisdictions providing health care, it is possible to overcome this problem. In this respect, Italy is an interesting study case. Italian national health system (NHS) has been decentralized in the 1990's, following a process aimed at improving the performance and constraining the costs of healthcare system. But, Northern and Southern regions widely differ in their socio-economic structure, and the decentralization process has fostered the divide in terms of healthcare infrastructures and expenditures.

In this paper, we have evaluated efficiency in health services across Italian provinces by assessing outputs (life expectancy, infant survival) against inputs directly used in the health system (doctors, beds, MRI units) and environmental variables (income per capita, drop out school, Gini index and corruption rate), applying the innovative two-stages procedure of Algorithm 2

proposed by Simar-Wilson (2007). Our results show that income per capita, drop out school, Gini index and corruption rate are highly and significantly correlated to output scores. The results also suggest possible drawbacks for healthcare decentralization once interregional differences are taken into account.