

Hoja de resumen de comunicación

Título Decentralization of health care and its impact on health outcomes
Responsable de la comunicación Dolores Jimenez Rubio Department of Economics and Related Studies, University of York, YO10 5DD York (UK) e-mail: djr109@york.ac.uk
Autores Dolores Jimenez Rubio, Peter C. Smith
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Resumen <p>Objective: This paper explores the impact of health care decentralization on a characteristic of human development: the overall level of population's health. According to the fiscal federalism doctrine, decentralization, by allowing a close match between provision of local public goods and services and citizens' wishes, and a greater experimentation and innovation in the production of these goods and services, is expected to increase both allocative and productive efficiency. For the specific case of the health care sector the potential efficiency gains from decentralization lead to an improvement in health outcomes.</p> <p>While much of the literature on decentralization in health care has stressed the advantages of sub national provision of health services, in the absence of a quantitative measure of the magnitude of the effect of decentralization, there is little that can be said in terms of its benefits and costs for the health sector. The purpose of this study is therefore to contribute to the empirical literature on this issue by investigating the hypothesis that shifts towards more decentralization would be accompanied by improvements in population health.</p> <p>Methods: Building on a theoretical model of local government's public finance applied to health care, the above hypothesis is tested empirically on the highly decentralized Canadian provinces during the period 1979-1995. Decentralization, the main independent variable, is measured as the proportion of sub national health spending over the total health spending for all the levels of government. We have used infant mortality as our dependent variable, given that it is considered as one of the most comprehensive and best-measured indicators of health status. The objective of the model is to find an association between decentralisation and infant mortality not attributed to the inherent characteristics of the provinces. For that purpose we have</p>

used the fixed effects version of the panel data estimator controlling, in addition to provincial specific heterogeneity, for several other variables of social capital, needs, and public and private spending in health care.

Results: The results of the econometric estimations for Canada suggest that decentralization in Canada did have a positive and substantial influence on the effectiveness of public policy in improving population's health. However, some caution is required in interpreting these results. First of all, the indicator of health decentralisation used captures just one of the multiple dimensions of the health care decentralisation process: the fiscal one. Secondly, the measure of health outcomes employed does not fully reflect the underlying level of health in a society. In spite of these analytical problems, this research adds a new empirical perspective to the evaluation of the economic gains arising from decentralization in health care.