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Comparative Study on the Allocative Efficiency among 5 countries

Authors: Euasin Joung (a), Rodigues Jean Marie (b), Insoo Chung (c)

Introduction

Policy makers aim to improve efficiency by ensuring that finances are appropriately allocated for optimal policy outcomes (Palmer et al., 1999). The majority of the efficiency research conducted in the micro dimension, with only a few studies at the macro; national level of the health system (Rahab, 2023). Allocative efficiency (AE) research should be paralleled by research on the other two dimensions to ensure that structural changes and influences within and outside the healthcare environment are taken into account when measuring efficiency. This study aims to increase the framing understanding of trends and determinants of system-level efficiency.

The study is based on the following research question.

How allocative efficiency changed before and after the implementation of the Case- based Funding System (CbFS)?

Methods

The previous analyses of AE tended to examine typological trends and features among OECD countries Their inputs were mainly calculated as health expenditure or utilization, and the output is defined through information on Mortality, life expectancy, or QALYs (Greene, 2004; Leciaf-Roberts, 2004; Afonso & Aubyn, 2005; Bhat, 2005). These studies have contributed to resolve the incompleteness of the macro-level resource allocation in the existing micro-level efficiency analysis. The study covers five countries (Korea, France, UK, Australia, and the US), and the analysis compares the pre- and post-CbFS implementation changes of AE. The inputs are calculated as Activity and Cost dimensions, and the outputs are divided into Quality of Care and Volume divided into two categories: demographic and economic. The demographic category will use the proportion of the population aged over 65 or 14, the economic one will use monetary inflation, GDP Deflator factor and PPP (Purchase Power Parity).

The data would use statistics on Health expenditure, utilisation, service provider resources, and on the Economy and Society from the OECD and WHO. Secondary data at the country level should be used for some proxy variables as well.

Findings

By comparing the AE changes associated with CbFS in five countries with different healthcare environments using a common international index, this study will contribute to inferring the management points of inefficiency at the country level. The international comparison will also be a key reference for generating standards and evidence for efficiency checks and management of resources and finances.

Conclusions

The highlights of this study show that comparing efficiency and identify similarities and differences among countries could be the basis for periodic monitoring of resource and financial efficiency in each country. The study has limitations in that it does not consider all the determinants of AE efficiencies as country-specific institutional influences.

a: Former Health Insurance Review & Assessment Service, South Korea
b: UNIVERSITY JEAN MONNET SAINT ETIENNE FRANCE, France
c: The Ethelyn R. Strong School of Social Work Norfolk State University, United States