Efficiency evaluation of county-level public hospitals in Hainan, China: a four-stage data envelope analysis model based on panel data

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To the Editor: Hainan is located in the southernmost of China, which has attracted increasing international attention. Although it is continuously developing its health services in recent years, there are still significant differences between hospitals. To continue to formulate the reform measures and reduce the gap, it is essential to understand whether there are differences in efficiency between different types of hospitals and what factors influence them. This study was to evaluate the efficiency scientifically, observe the efficiency changes from 2015 to 2017, and analyze the factors that caused these changes.

We implemented a stratified sampling design to obtain a representative sample of 88 hospitals from 12 counties on the premise of balancing the geographical, economic, and service population characteristics. The sample size was determined by the data envelope analysis (DEA) method (The minimum sample capacity of the DEA model is $2 \times N \times M$, where N and M represent the number of input and output indicators, respectively.). Finally, 264 observations were obtained. There were 66 general hospitals (GHs) and 22 traditional Chinese medicine hospitals (TCMHs). Patient information was not included in the study, so that ethics statement or informed consent was not needed.

We used the Stata v.14.0 software (Stata Corp., College Station, TX, USA) to perform Tobit regression analysis and random effects to analyze the data according to a Hausman test. A four-stage DEA model was used to analyze the efficiency of county-level public hospitals in Hainan from 2015 to 2017.

Stage 1: Super-efficiency DEA model. The model can analyze whether the hospital achieves both technical effectiveness and effective scale, find the influencing factors of hospital benefits, optimize the allocation of hospital resources, and improve efficiency by reducing the amount of input without changing the output quantity.

Stage 2: Tobit regression for slack. The Tobit regression method is used to analyze the effect of external influence factors on the slack of the decision unit. The value of the slack variable refers to the difference between the actual input and the input of the most effective scheme. In this study, the dependent variable in the Tobit is the calculated total amount of relaxation (the sum of the amount of ray relaxation and the amount of non-radiative relaxation). The independent variable is the environmental influence factor.

Stage 3: Adjusting the original input factors. The results of the Tobit regression model are used to further adjust the input of the decision making unit (DMU), increase the input of the DMU with a better environment, and eliminate the external environmental impact.

Stage 4: Using the adjusted input factors and original output data, the ultra-efficient DEA is performed again to obtain new efficiency values.

The descriptive statistical results show that there was a large gap between the input and output for 88 hospitals. DEA results show that 13 hospitals had a comprehensive technical efficiency, 29 hospitals had a pure technical efficiency, and 13 hospitals had a scaling efficiency. Tobit regression analysis results [Table 1] show that the disposable income of urban residents, financial subsidy income, and the number of visits per doctor per day were significant factors affecting the efficiency. The degree of influence for each variable on the 88 hospitals was different. Therefore, the initial input factors were adjusted using the regression results of this stage to

Access this article online

Quick Response Code: 0000010000001293
Website: www.cmj.org
DOI: 10.1097/CM9.0000000000001293
The uniqueness of this study is that we added a super-efficiency DEA to the traditional DEA model. We have seen the changes in the efficiency of each hospital more intuitively. However, due to insufficient data, we could only observe the efficiency across 3 years and could not conduct an in-depth, dynamic evaluation of the overall efficiency of each hospital. Future research should focus on what are the factors that lead to the difference in efficiency among different county hospitals. A dynamic evaluation assessment may be necessary.

**Funding**

This work was supported by a grant from the Natural Science Foundation of Hainan Province, China (No. 817139).

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**Table 1: Regression analysis of environmental factors and input slack variables for stage 2 from 2015 to 2017.**

| Explained Variables                                      | Coefficient | Standard error | Z   | P   |
|----------------------------------------------------------|-------------|----------------|-----|-----|
| **Model 1: Number of practicing (assistant) physicians**  |             |                |     |     |
| GDP                                                      | -0.02       | 0.01           | 1.67| 0.094|
| Disposable income of urban residents                     | 0.02        | 0.00           | 2.74| 0.006|
| Hospital grade                                           | -10.82      | 7.67           | -1.41| 0.158|
| Hospital type                                            | -14.68      | 7.89           | -1.86| 0.063|
| Actual number of open beds                               | 0.03        | 0.03           | 0.93| 0.351|
| Financial subsidy (RMB, Yuan)                            | 0.00        | 0.00           | 2.25| 0.025|
| The number of health technicians                         | -0.02       | 0.02           | -0.71| 0.477|
| Number of visits per doctor per day                      | -2.37       | 0.86           | -2.77| 0.006|
| **Model 2: Actual number of open beds**                  |             |                |     |     |
| GDP                                                      | 0.01        | 0.03           | 0.28| 0.780|
| Disposable income of urban residents                     | 0.00        | 0.00           | 2.01| 0.044|
| Hospital grade                                           | -14.38      | 17.32          | -0.83| 0.406|
| Hospital type                                            | -6.81       | 18.01          | -0.38| 0.703|
| Actual number of open beds                               | 0.40        | 0.07           | 5.58| 0.000|
| Financial subsidy (RMB, Yuan)                            | 0.00        | 0.00           | 2.07| 0.039|
| The number of health technicians                         | -0.25       | 0.06           | -4.47| 0.000|
| Number of visits per doctor per day                      | -5.42       | 1.98           | -2.73| 0.006|
| **Model 3: Fixed assets**                                |             |                |     |     |
| GDP                                                      | -3.59       | 18.81          | -0.19| 0.849|
| Disposable income of urban residents                     | 2.74        | 1.69           | 1.62| 0.105|
| Hospital grade                                           | -16,813.46  | 10,114.05      | -1.66| 0.096|
| Hospital type                                            | -7117.27    | 10,664.12      | -0.67| 0.505|
| Actual number of open beds                               | 14.34       | 48.66          | 0.29| 0.768|
| Financial subsidy (RMB, Yuan)                            | 0.33        | 0.19           | 1.69| 0.091|
| The number of health technicians                         | 16.03       | 37.35          | 0.43| 0.668|
| Number of visits per doctor per day                      | -3166.67    | 1258.03        | -2.52| 0.012|
| **Model 4: Number of equipment above 10,000 Yuan**       |             |                |     |     |
| GDP                                                      | -0.16       | -0.15          | -1.05| 0.294|
| Disposable income of urban residents                     | 0.03        | 0.01           | 2.72| 0.007|
| Hospital grade                                           | -120.31     | 83.24          | -1.45| 0.148|
| Hospital type                                            | -120.43     | 86.61          | -1.39| 0.164|
| Actual number of open beds                               | 0.44        | 0.33           | 1.33| 0.184|
| Financial subsidy (RMB, Yuan)                            | 0.00        | 0.00           | 2.35| 0.019|
| The number of health technicians                         | -0.06       | -0.26          | -0.24| 0.810|
| Number of visits per doctor per day                      | -14.82      | 8.56           | -1.73| 0.083|

GDP: Gross domestic product.
Conflicts of interest
None.

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How to cite this article: Yang Y, Xue WJ, Liu J. Efficiency evaluation of county-level public hospitals in Hainan, China: a four-stage data envelope analysis model based on panel data. Chin Med J 2021;134:876–878. doi: 10.1097/CM9.0000000000001293