

A GENERAL MODEL OF HOSPITAL BEHAVIOUR

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Abstract

Many papers studying the effect of design and/or institutional features on hospital behaviour tend to focus on those specific features under analysis, disregarding the role of other features potentially relevant in driving providers behaviour. Moving from this literature, in this paper we develop a theoretical model of hospital behaviour general enough to evaluate the impact of many features of the healthcare system. In particular, we first present the model in the more general formulation. Then, we provide an illustrative example of how we can use the model to study some questions concerning the role of specific features of the healthcare system.

Keywords: hospital behaviour, quality, cost-reducing effort, payment systems.

JEL classification codes: I12, I18.