



Livio Di Matteo is a Professor of Economics at Lakehead University in Thunder Bay, Ontario he specializes in public policy, health economics, public finance, and economic history. His work examines health-care spending and its sustainability and the historical evolution of wealth inequality. He co-edited *Bending the Cost Curve in Health Care: Canada's Provinces in International Perspective* (University of Toronto Press: 2014) and recently published work in *Canadian Public Policy*, *The European Review of Economic History*, *The International Journal of Health Economics and Management*, *Health Policy* and the *Canadian Journal of Economics*. Di Matteo is a member of the CIHI National Health Expenditure Advisory Panel, the Evidence Network, the Research Advisory Board of the Northern Policy Institute, Senior Fellow with the Fraser Institute and a contributor to the economics blog, *Worthwhile Canadian Initiative*. He has been listed in *Canadian Who's Who* since 1995 and holds a Ph.D. from McMaster University, an M.A. from the University of Western Ontario, and a B.A. from Lakehead University.

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Physicians as Health Expenditure Drivers: An Empirical Comparison of Supplier-Induced Demand in Canada and Spain

Speaker Livio Di Matteo

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Arts & Admin Bldg. Rm A1046

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economics@mun.ca

864-8248

Abstract: In this paper, we empirically study the impact of physicians on health care expenditure and its dynamics over time in two of the most decentralized countries in the world (Canada and Spain) for two overlapping time-spans of data availability: Canada, 1981 to 2013 and Spain, 2002 to 2013. Using regression analysis on each of the data sets, we find that physician numbers are a statistically significant driver of real per capita provincial government health expenditures in Canada but not in Spain, despite the fact that the per capita number of physicians is greater in Spain. Supplier induced demand, therefore, seems to characterize the health sector in Canada but not necessarily in Spain. Spain appears to be achieving health outcomes that are the equivalent or better than Canada and is doing so with more physicians per capita, while spending less per capita. Ultimately, these differences in outcomes and expenditures are most likely a reflection of differences in institutional structures.

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