Does fiscal decentralization affect regional disparities in health? Evidence from an Italian tax reform

Discussion
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Brief overview

- To assess the impact of fiscal decentralization on between-regional and within-regional disparities in self-assessed health

- "Natural experiment": 1998 reform of health care funding system:
  - from a situation totally based on central government transfers
  - to a system divided between central transfers and own revenues.

Brief overview

- Outcome variable: regional inequality measure (median-based index) on self-assessed health
- Controls:
  - 3 years leads (for common trend assumption),
  - 4 years lags (for delays in the effect of the reform)
  - Inequality indexes in health care services and in health improving life styles
  - Regional fixed effects
  - Time fixed effects
- Estimation: Multivalued treatment

Main results

- No remarkable effect on between-regional disparities (descriptive)
- Effect on within-regional inequality (estimated) , mainly two years after the reform
  - A decrease of 4 times standard deviation of within-regional inequality index
  - Stronger effect in northern compared to southern regions
  - Stronger effects without autonomous regions

Major points

- How much, in real terms, fiscal autonomy related to the health care system rose after the reform?
  - ✓ Total amount of funds was granted
  - ✓ IRAP and regional IRPEF at minimum tax rate were mandatory
- What is the link between self-assessed health and regional health care system efficiency and quality?
  - ✓ Does patient mobility play any role (especially on self-assessed health in southern Regions)?

Major points

- What are the advantages of a median index with respect to a mean index in this context?
  - ✓ It is possible to have a comparison with a more traditional inequality mean-based index?
  - ✓ KM indexes (fig.1) started from “substantially” lower values in poorer regions and ended with similar values with respect to Northern regions. Isn’t it counterintuitive?
- Figure 1 casts some doubts on the common trend assumption between low and high income regions (even if leads are reassuring)

Minor points

- Descriptives of SAH Northern vs Southern regions (like figure 1 for KM index)
  - ✓ To see if there are substantial differences in perceived health (median SAH looks pretty high. Variability across regions?)
- Being a matter of change in fiscal autonomy, I would rather use table 4 as the main specification
  - ✓ For special regions nothing really changed in 1998. Why Trentino and Friuli, that were already largely autonomous, should blurry the initial effect of the reform?

Minor points

- A broader description of the inequality in services indexes would help (what is inpatient care? Home care stands for?)
  - ✓ Why interested only in the absolute values and not the sign?
- Pro-poor services are more accessible for the poorer?
  - ✓ Contacts pro-rich, is it an income effect?
  - ✓ Diet, smoke pro-poor means?
- Level of disposable income in Xit?
- The expenditures for prevention schemes are pretty small in all regions.