

L'Hôpital's (Selection) Rule

An Empirical Bayes Application to French Hospitals

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Outline

If all you have is a hammer, everything looks like a nail.

- ▶ Hammer: Selection as a compound decision and empirical Bayes framework. (Robbins, 1956; Gu and Koenker, 2023)
- ▶ Nail: French hospitals' use of labor. (Croiset and Gary-Bobo, 2024)

Literature: Measuring efficiency of individual units

- ▶ *Productivity/Efficiency*: Factories, Schools, Hospitals etc.
- ▶ *Ownership*: Public (Teaching, Ordinary) vs. Private (For profit, Non-profit).
- ▶ *Methodology*: Following Croiset and Gary-Bobo (2024), we use the *conditional input demand function*. The less input is needed to produce the same amount of output, the more efficient the hospital is. [▶ Reasons](#)

Literature: Invidious decision

- ▶ *League table mentality*: Ranking & Selection.(Gu and Koenker, 2023)
- ▶ *Noisy estimates*: e.g. estimated fixed effect $\hat{\theta}_i$. (Chetty et al., 2014; Kline et al., 2022)
- ▶ *Compound Decision/ Empirical Bayesian*: Compound decision framework (Robbins, 1956), (Non-parametric) Estimation of the prior distribution of θ_i . (Koenker and Mizera, 2014; Gu and Koenker, 2017)

References I

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References II

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