

ABSTRACT

This study aims to analyze the efficiency of public sector spending, especially government spending on health sector. Using the concept of technical efficiency based on production theory, the measurement of the efficiency value is obtained by using analytical methods Data Envelopment Analysis (DEA), which the DEA method the efficiency score obtained in this study of technical efficiency relatively.

Furthermore, based on similar research that ever held by Jafarov and Gunnarsson in 2008, the variable that use in this study are input variable and output variable , this research also uses the output variables. Calculating of technical efficiency score obtained in this study partially done by connecting each of these variables, so that in this study will be found score for technical efficiency and cost efficiency to technical systems.

The results showed that generally most of the districts / cities in Central Java is inefficient in technical health care costs, this phenomenon indicates that so many wastage in the use of health expenditure but not accompanied by the provision of facilities and health services for the society .

Keywords: Theory of Production, Data Envelopment Analysis, cost technical efficiency, system technical efficiency.