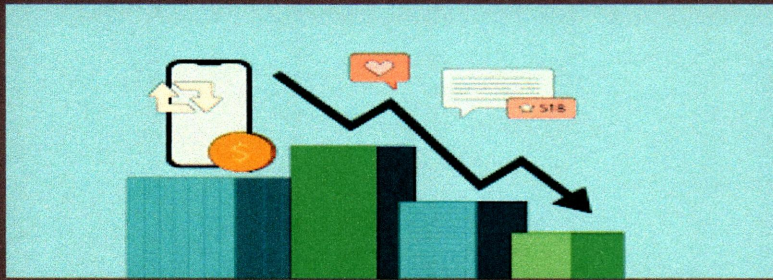


INTRODUCTION OF HEALTH ECONOMICS



دكتورة حنان مهدي
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لا أصل النشر والتصوير

What Is Health?

مقدمة / قراءة

- Health is a multifaceted concept and not easily measurable.
- WHO definition:
 - Health is a state of complete physical and mental well-being and not merely the absence of disease or infirmity (WHO, 1948)
- Refer to peoples' health status (how healthy they are).

- Important part of human capital
 - Human capital: value of learning, experience and ability embodied in workers which increases productivity and income.
 - Asset: accumulates and depreciates
- Individual or households can improve their health through use of health care, diet ..
 - Production of health
 - ✓ Health Production Functions
 - ✓ Determinants of health

أصل المالك البشري
مقمة التعلم - التجربة و
القدرة المحسنة في العاملين
→ تزيد من الانتاج
والدخل

الأصل (asset) → value
accumulates تراكم
depreciates وتستهلك
قد تكون مالموسة
أو غير ملموسة

What Is Health Care?

تعريف الرعاية الصحية

Definition: The prevention, treatment, and management of illness and the preservation of mental and physical well-being through the services offered by the medical and allied health professions.

□ Important difference between health and health care

- Health care can be traded on the market but health cannot.
- Demand health care to improve our health
□ Demand for Health Care
- Health care markets differ from markets for other commodities
□ Role for Government

الحاجة للرعاية

أدوار الرعاية الصحية

Roots of Health Economics

1. Kenneth Arrow (1963) "Uncertainty and Welfare Economics of Medical Care" *The American Economic Review*.
2. Mark Pauly (1968) "The Economics of Moral Hazard: Comment" *The American Economic Review*.
- Concerned with the health market not with health or health status.

عدم اليقين - اقتصاد المرضية في الرعاية الطبية

امتصاصية الخلل الاقتصادية

3. **Jacob 2002**- Health economics is concerned with the use of resources affect the health care industry.

استخدام الموارد يؤثر على صناعة الرعاية الصحية

4. **Gupta & Mohanjan 2003**- Health economics is the discipline that determines the price and quantity of limited financial and non-financial resources

(عَنْ وَكَلْمَةِ الْمَصَادِرِ الْمَالِيَّةِ وَغَيْرِهَا)

ECONOMICS

The TERM 'ECONOMICS' is taken from Greek word 'OIKOS' means household and "NOMOS" means management. So, managing the things using the things using the funds available in the most economical manner as possible.

إدارة الأشياء
باستخدام الأموال المتاحة
بأفضل طريقة اقتصادية ممكنة

Health economics is the study of how (scarce) resources are allocated to and within the health economy.

- Production of health care (doctors, specialists, or nurses).
- How do we distribute health care across the population?
 - Based on who can pay or who needs it or some combination.
- How much money should the government spend on health care?

1. الرعاية

2. توزيع الرعاية؟

3. كم المخصص
الحكومة تصرف

What is Health Economics?

1. Demonstrates the magnitude and importance of the health sector.

e.g. How fast it might be growing and why

2. What makes it different from other markets and how our analysis may need to adjust.

3. Models the determinants of health status and looks and how government policy might improve health status in short and long run.

مصنع نماذج لمحددات الصحة
ويرى كيف للحكومة كسب
الحاجه الصحة على المدى

كيف قد يحتاج تحليلنا إلى التعديل؟! كيفية

توضيح مقدار وأهمية
القطاع الصحي

ما الذي يجعل سوق
الصحة مختلف عن باقي
الأسواق!

القريب والبعيد!

Goals of Health Economics

To provide the best quality health care to the largest number of people, given available financial resources.



أفضل جودة للرعاية
الصحية لأكبر قدر ممكن
من الناس على حسب
المصادر الاقتصادية

Methods In Health Economics

1. Cost Accounting محاسبة التكاليف
2. Cost- Benefits Analysis تحليل التكلفة والفائدة
3. Cost-Effectiveness Analysis تحليل فعالية التكلفة
4. Marginal Analysis التحليل الهامشي

Why is it important?

1. The size of the health economy is large and growing
2. Role of government in the health care markets
3. Health care market is different from other markets
4. Externalities

اقتصاد الصحة - كبير
دور الحكومة!

سوق الصحة غير!

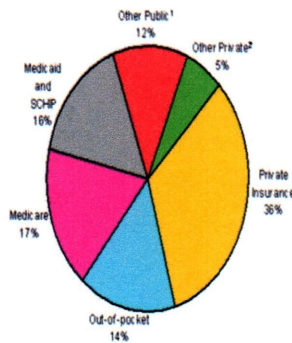
العوامل الخارجية

Role of Government

Participate because of market failures

- Demand side جانب الطلب
- Provision of insurance التأمين
- Effort to affect health behavior

- Supply side جانب العرض
- Price controls التحكم بالأسعار
- Restriction of entry/exit الحد من الدخول والخروج
- Subsidize research دعم البحث
- Tax policy سياسة ضريبية
- and much more ...



How is the medical care market different from other markets?

1. Presence of Uncertainty
- Demand is irregular and uncertain
 - Accidents, can you deny someone lifesaving care if they don't have the money?

uncertainty
supply!
insurance!
- equity
- need
Non profit providers

← NO!

2. Supply - hard to understand the product

- Asymmetric information
 - When we are sick we don't understand the treatment we need and must trust our doctor in their diagnosis.
- Different doctors may suggest different treatments due to uncertainty of outcome.
- Hard to judge quality
 - Governments establish licensing requirements to ensure minimum level of quality

ترخيص الطبيب
(لوائح) .. لحماية صحة الناس!

ليس من الصعب فهم المنتج؟

المعلومات غير متجانسة ✓

اختلاف العلاج ✓

علاج الطبيب

من الصعب الحكم على

الجودة .

3. Prominence of Insurance

- People buy insurance to cover themselves against the risk of illness.
- With third party financing most of the cost of medical care, individuals are insulated from the full cost of the care they receive.
- Demand for medical care may rise if you don't pay the full cost.
- Treatment recommendations are adjusted to insurance status.

الممول من الطرف الثالث
لوقته به رغبة التأمين

Ppl buy insurance → insulated from full cost →
↑ demand (because you don't pay fully)

tx adjusted to insurance status !

4. Large role of not-for-profit providers 85%.

- Economists usually assume firms maximize profits.
- There are many not-for-profit hospitals (85%). How should economists model their behavior?

تعاكس الاقتصاد العام !

5. Role of equity and need

- Belief that people ought to get health care whether or not they can afford it.
- Economists need to take this feature of the good into consideration.

الناس المفروض يحصلو على الرعاية الصحية حتى لو ما كان قادرين !

What questions do health economics ask?

- 1 What role should the government play in health?
- 2 What health care investments should a developing country make?
- 3 What advertising should be banned?
- 4 What is the optimal design for health insurance?
- 5 Why has health care become so expensive?

لماذا ار HC صارت غالية

أنت تعلمها
Health Economics

What questions do health economics ask?

- 6 Does health care early in childhood lead to improved cognition and higher incomes in the future?
- 7 Have Medicare and Medicaid increased utilization and improved health outcomes?
- 8 Do different methods of doctor payment change quality of care, outcomes or costs?

هل ار HC المبكرة في
تؤدي الى كم
الادراك و نتائج صحية
أفضل؟

هل اختلاف طرق الدفع
تغير جودة الرعاية والنتائج؟