

HM105 : Health Economics: Managerial Aspects

1. Objectives :

The provision and production of health care have different characteristics and incentives from other consumer goods; making health related market a unique topic for study. The subject will cover a number of topics including basic economic concepts important for the study in health economics, why health is different from other good, aspects of the Indian health care market, as well as discussing the importance of health for development and some basic economic evaluation techniques. The primary aim of this subject is to provide a clear, concise introduction to micro and macro economics in general and economics applied to hospital and health care sector in specific. Further, this course will teach the student to use economic analysis to understand critical issues in health care and health policy. The student will also be exposed to the concept of health insurance and various health insurance models. This will be dealt in specific reference to the Indian context.

2. Scope :

Unit 1

Introduction

Health- Economics- Health Economics- Role of Economics in Healthcare- Key Terms in Healthcare Economics

Unit 2

Role of Government

Government Intervention in health care- Market imperfections- Market Failure- Redistribution used in kind subsidies

Unit 3

Demand Side Considerations in Healthcare

Law of Demand- Demand for Health- Demand for Medical Care- Determinants of Demand

Unit 4

Supply side considerations in Healthcare

Law of Supply- Determinants of Supply- Managed Care- Production Function and Cost Minimization- Competitive Behavior- Market Performance- Production of Health Care- Pricing of Health Care

Unit 5

Concept of Cost

Concept of Cost analysis- Price elasticity- Determinants of cost and utilization- Policies to contain cost- Cost of health care- Process of costing in healthcare- Types of cost in healthcare- Cost benefit analysis- Costing for decision making- Cost effective analysis

Unit 6

Insurance

The market for health insurance- Health insurance in India- Health insurance worldwide- Public Insurance- Private Insurance- Social Insurance- Community health care insurance in India- Life insurance

Unit 7

Technology in Healthcare and Its Economics

The economics of Technology Change- The levels of technology change- Role of insurance in diffusion of technology- Brief outline about the pharmaceutical industry

Unit 8

Brief Introduction about the fundamentals of economics with reference to Healthcare

DALY- QALY- Externalities- Concept of Micro Economics- Concept of Macro Economics- Equilibrium- Population Coverage

Reference Books:

- **Health Economics and Policy**- James W Henderson, South-Western, Thompson Asia Pvt. Ltd.
- **Economic of Healthcare**- Paul J. Feldstein, Delmar Publisher Inc.
- **Health Economics**- H.P.S. Rana
- **Health Economics for Developing Countries: A Practical Guide:** by S.Witter, T.Ensor, M.Jowett and R.Thompson