

Course Code	<b>EEC 5004</b>	Semester	<b>III/IV</b>
Course Title	<b>HEALTH ECONOMICS</b>		
Credits	<b>4</b>	Type	<b>Elective</b>

### Course Description

Health economics is a growing field of economics primarily dealing with issues relating to scarcity in the allocation health and health care. The aim of this proposed course is to familiarize the students with economic ideas and motivate them into undertaking future research and build their careers in health economics. This is an introductory course giving the application of economic principles to policy relevant questions in the arena of health and health care. The course begins with an overview of health economics and students will learn about the health care sector and how to apply economic tools in analyzing structure and performance of health care sector.

### Course Outcome

By the end of the course, students are expected to be able to:

- Explores the role of health system
- Applying tools of microeconomics to answer important policy questions.
- Discuss critically key issues in health economics
- Demonstrate a familiarity with a range of policy issues and relevant analytical and empirical tools

### Course Structure

Module 1 Introduction to Health Economics: concepts in Economics– Utility, Demand and supply analysis, Elasticity, Expenditure Function, Production Possibility Frontier (PPF), Externalities and Market Failure: Approaches to Economics-Positive and Normative, Welfare economics and health.

Module 2 Economic Evaluation: What is economic evaluation? Various types of economic evaluation used in health care, measuring outcome, Cost effectiveness analysis (CEA), Cost-Benefit Analysis (CBA), Divergence between social and private costs and benefits in health care, Limitations of economic evaluation, Consumer Impact Assessment. The importance of costing in Health Economics, Alternative definitions of cost, types of cost - monetary and non-monetary, measurement and valuation issues in cost, production cost and discounting, Constraints in measuring health cost.

Module 3. Concepts and Measures of Health Inequalities: Defining health inequality, Why measure health inequality; Health equity and inequality: Concept and definitions; Understanding of the concepts such as need, access and utilisation; cardinal and ordinal health variables; Presence of inequality: Review of some elementary measures of health inequality: Index based approach Axiomatic approach to measurement; Individual-mean and inter-individual comparison; WHO Index, Coefficient of Variation, Generalised Entropy Index, Lorenz Curve and Gini Coefficient\

Module 4. Health Financing and Health Insurance: Health care financing system, source of health care spending, The Health Insurance – intermediary agent, The private health insurance, Regulation of health insurance, Government as health insurer in India, Equity in health care finances, Future investment strategies in health sector, Willingness to pay for health care, User charges as determinant of health financing, Health financing and insurance in India, Health Polices and NHRM

## Module 5. Global Pandemic and Development: Plague, Cholera, Spanish Flue and COVID 19

### Testing & Evaluation

Internal Evaluation consisting of Presentation, Assignment, Mid-term exam and final end semester examination.

### References

#### Essential

- Rexford E. Snterre and Stephen P. Neun, Health Economics: Theories, Insights and Industry Studies, Thompson South – Western, 3<sup>rd</sup> Edition (614, San/Hea, 073226) Note: 4<sup>th</sup> Edition is out in 2007 (ISBN: 032432068X; ISBN13: 9780324320688)
- Paul J Feldstein, Economics of Health Care, CENGAGE learning, 2011
- Drummond MF, Sculpher MJ, Torrance GW, O'Brien B, Stoddart GL, eds. Methods for economic evaluation of health care programmes, Third Edition, Oxford University Press, 2005.
- O'Donnell O, Doorslaer E v, Wagstaff A and Lindelow M. Analyzing Health Equity Using Household Survey Data, AGuide to Techniques and Their Implementation
- Gold Marthe R, Joanna E Siegel, Lousie B russel, and Milton C Weinstein, 1996, Cost effectiveness in health and medicine, new York: Oxford University Press. <http://www.sciencedirect.com/science/handbooks/15740064>

#### Reading List: Suggested

- Zweifel and Breyer, 1997, Health Economics, Oxford University Press)
- Health economics: 3<sup>rd</sup> Edition by Phelps
- The economics of health and health care, 2<sup>nd</sup> edition by Folland, Goodman and Stono (FGS)
- Handbook of Health Economics (Anthony J. Culyer and Joseph P Newhouse eds., Elsevier Science, 2000: Available online at:
- Culyer A J and J P Newhouse, 2000, The state and scope of health economics, Handbook of Health Economics, Volume 1A, Eds. Culyer and Newhouse, Elsevier, 2000, pages 1-7.

#### Recommended Journals:

- Health Policy and Planning
- Health Policy
- Inequalities in Health
- Bulletin of the World Health
- The Lancet