Semester: III

Core Course

12. Course Code & Title: MPC 53 03 & Health Economics

Credits: 3

Course objectives:

1. To provide students with a basic understanding of Health economics and Health Care financing.
2. Enable students understand health care markets, and demand and supply of medical care within them.
3. To orient students to various health financing mechanisms and enable them appreciate the characteristics of each of them.
4. To sensitize students on health insurance and its role in influencing the demand and access to health care.
5. To enable students', identify the role of various stakeholders (Governments, Patients, Providers and Private Players) in impacting the supply and demand of health care.

Course outcomes:

On successful completion of this course, students will be able to

1. Understand health care markets and health care financing systems.
2. Understand health insurance and its role in universal health coverage.
3. Develop competence to conduct economic evaluation of health interventions.

Skills Developed:

On successful completion of the course, the students shall be able to manifest skills in Assessing the demand for health care, conduct economic evaluation of health interventions and understand functioning of health insurance and health care financing mechanisms.

Teaching Methods: This course will be delivered using a variety of teaching methods which include (but not limited to) classroom lectures, online classes, webinar's, assignments, field work and group work.

Units and Topics	Teaching Methods								Mandatory Readings
Unit I: Introduction to health economics									
	L	F W	F V	C S	G W	S S	S P	P	
1.1 Introduction	**X**								Santerre, R. E., & Neun, S. P. (2012). Health economics: Theory, insights, and industry studies. Cengage Learning.
1.1 Common terminologies used in health economics	**X**					**X**			
1.2 Demand, Supply and Market Equilibrium	**X**					**X**			
1.3 Utility and demand	**X**					**X**			
1.4 Health as an economic good	**X**					**X**			
Unit-II: Demand for health									
2.1 Demand for health capital-Grossman's model	**X**					**X**			Grossman, M. (2000). The human capital model. In Handbook of health economics (Vol. 1, pp. 347-408). Elsevier. Available at http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.455.9173&rep=rep1&type=pdf
2.1 Demand for medical care	**X**					**X**			

Topic									References
2.3 Utility maximization and demand for medical care.	X					X			Santerre, R. E., & Neun, S. P. (2012). Health economics: Theory, insights, and industry studies. Cengage Learning. Cuyler, A., & Newhouse, J. 2000. Handbook of health economics.
2.4 Economic and non-economic determinants of demand for medical care.	X					X			Santerre, R. E., & Neun, S. P. (2012). Health economics: Theory, insights, and industry studies. Cengage Learning.
2.5 Demand for medical care in the context of health insurance	X					X			Besley, T. (1989). The demand for health care and health insurance. Oxford Review of Economic Policy, 5(1), 21-33.
Unit III: Health care markets									
3.1 Structure, conduct and performance paradigm	X				X	X			Santerre, R. E., & Neun, S. P. (2012). Health economics: Theory, insights, and industry studies. Cengage Learning.
3.2 Market power and market types	X					X			
3.3 Market competition	X					X			
3.4 Medical care production & costs in Health care markets	X					X			
Unit-IV: Health Insurance									
4.1 The anatomy of health insurance	X								Cutler, D. M., & Zeckhauser, R. J. (2000). The anatomy of health insurance. In Handbook of health economics (Vol. 1, pp. 563-643). Elsevier.

Topic									References
4.2 Types of health insurance	X					X			
4.3 Theory of demand for health insurance	X					X			Nyman, J. A. (2008). Health insurance theory: the case of the missing welfare gain. The European Journal of Health Economics, 9(4), 369-380. Nyman, J. A. (2004). Is 'moral hazard inefficient? The policy implications of a new theory. *Health Affairs*, *23*(5)
4.4 Private health insurance industry	X					X			Robinson, J. C. (2006). The commercial health insurance industry in an era of eroding employer coverage. Health Affairs, 25(6), 1475-1486.
4.5 Provider Insurer Relationships TPAs and HMOs.	X								
4.6 National Health Protection Scheme (Ayushman Bharat)	X					X			Lahariya, C. (2018). 'Ayushman Bharat' program and Universal Health Coverage in India. Indian Pediatrics, 55(6), 495-506.
4.7 Issues and challenges in insurance	X					X			
Unit-V: Role of Government in Health care									
5.1 Government interventions in health care	X					X			Santerre, R. E., & Neun, S. P. (2012). Health economics: Theory, insights, and industry studies. Cengage Learning.
5.2 Government as Health Insurer	X				X	X			
Unit-VI: Economic Evaluation									

Topic									References
6.1 Introduction	X								Cuyler, A., & Newhouse, J. 2000. Handbook of health economics.
6.2 Cost-effectiveness analysis	X				X	X			Quade, E. S. (1966). Cost-effectiveness: an introduction and overview. Transportation Journal, 5-13.
6.3 Cost-utility analysis	X				X	X			
6.4 Cost-benefit analysis	X				X	X			Johannesson, M. (1995). The relationship between cost-effectiveness analysis and cost-benefit analysis. Social science & medicine, 41(4), 483-489. Bartlett, E. E. (1995). Cost-benefit analysis of patient education. Patient education and counseling, 26(1-3), 87-91.
Unit-VII: Health care financing									
7.1 Concept and Functions of Health Financing and Universal Health Coverage	X					X			Evans, D. B., Hsu, J., & Boerma, T. (2013). Universal health coverage and universal access. Available at https://www.scielosp.org/article/bwho/2013.v91n8/546-546A/
7.2 Models of health care financing	X					X			
7.3 Modes of Health Financing - Tax and revenue - Social security/social insurance - Private/voluntary Insurance - International (donor) Funding - Out of Pocket Expenditure (OOPE)	X					X			World Health Organization. (2005). *Designing health financing systems to reduce catastrophic health expenditure* (No. WHO/EIP/HSF/PB/05.02). World Health Organization.

L- Lecture; FW- Field work; FV - Field Visit; CS - Case study; GW- Group work; SS- Self-study; SP- Seminar presentation; P-Practical

Evaluation:

As per CBCS guidelines, this course will be evaluated for 100 marks with a Continuous Evaluation (CA) component of 40 marks and End-Semester Evaluation (ESA) component of 60 marks. CA would be conducted through Examinations, Assignments and Presentations.

Additional readings:

1. Kutzin, J. (2001). A descriptive framework for country-level analysis of health care financing arrangements. *Health policy*, *56*(3), 171-204. Available at https://apps.who.int/iris/bitstream/handle/10665/45367/WHF_1994_15%284%29_p323-328.pdf
2. Neumann, P. J. (2004). Using cost-effectiveness analysis to improve health care: opportunities and barriers. Oxford University Press. Available at http://respati.ac.id/Gberita/ebook/D-EBK-0000000000000001015-%200-19-517186-1%20-full-text.pdf
3. Glied, S. A. (2008). *Health care financing, efficiency, and equity* (No. w13881). National Bureau of economic research. Available at https://www.nber.org/papers/w13881.pdf