

Dr. Aviad Tur-Sinai

ד"ר אביעד טור-סיני

Course number: 286.4740

Health Economics

Course hours: Tuesday, 09:15–11:45 a.m., Semester A, Year 2017-2018

Lecturer's office hours: per appointment

Lecturer's email: aviad.tursinai@mail.huji.ac.il

Audience: Students - MPH in Global Health Leadership and Administration

Length: 13 meetings, 3 hours (total 39 hours)

Objective:

The course acquaints students with the latest information in the field of health economics, presents examples of the use of tools of economic analysis in the field of medicine and healthcare, and trains students to understand discussions of the topic and to use these tools in their work.

Overview:

The design of healthcare systems around the world is powered by long-term processes that are influenced by historical, political, and economic developments. The main constraint today in the delivery of healthcare services is resource scarcity. No country today can provide its citizens with the level of medical services that it would like to deliver. The continual increase in healthcare outlays worldwide, driven by population ageing, major technological developments, and growing public awareness, is fueling a continual struggle over the distribution of resources between policymakers and a public that makes escalating demands as technological progress accelerates. Thus, funding sources and economic constraints have become important "players" in healthcare systems.

The course provides an overview of healthcare system economics. It begins with a micro analysis of the behavior of healthcare service consumers, insurers, and medical care providers. It follows with a macroeconomic investigation of the role of government in integrated healthcare systems. Finally, the importance and practice of economic estimations of healthcare services are discussed.

As the course proceeds, students are taught how to understand the healthcare "market" from an economic and a financial points of view, the effects of economic and financial (payment) decisions at the level of policymakers on the consumption and delivery of healthcare services, and the limits and opportunities that these decisions create. The course reveals the unique characteristics of the healthcare system, the economic, financial (payments and costs) and social considerations that influence the delivery and funding of healthcare services, and economic assessments in the making of healthcare policy. It also takes up a range of economic questions about personnel management in a healthcare system, the issue of the balance of power between labor and management, and the need to retain healthcare personnel. A range of examples is given about developments in the management of healthcare system personnel over the years. Comparative data are provided along the course.

This is a basic course in health economics, meant for non-economists. Therefore, it is based on intuitive understanding of the material as opposed to mathematic developments and proofs. The reading material is derived from the medical press and the research literature on healthcare services.

Dr. Aviad Tur-Sinai

ד"ר אביעד טור-סיני

Course format:

- Frontal lectures and discussion in the class, including articles and assignments
- Participation in the class and participation in the course

Upon completion of this course, students will be able to (Learning outcomes):

1. Understand debates at the popular level and at work on issues in healthcare service economics and public health.
2. Understand scientific articles and studies that deal with issues in health economics and healthcare services.
3. Write research proposals and policy papers on issues in health economics and healthcare services.

Course requirements:

1. Class participation 80%
2. Reading articles, participation in class discussion
3. Two presentation assignments
4. Final exam

Grading:

- 10% - Classroom leadership & participation: students will be expected to do the pre-assigned reading and participate actively in class discussions. For various topics on the reading list students will provide a presentation
- 50% - Presentation assignments: students will be asked to present economic analysis (based on relevant formal and academic publications) regarding two of several topics that will be presented along the course. Each presentation will take about 20-25 minutes (+ questions) and should present a logical analysis. The performance dimensions are: quality of content, effectiveness in relaying the message, success in generating thinking.
- 40% - Final exam (The final exam will be given on the last day of class)
- Minimum passing grade—60%

Topics of classwork:

Health financing and expenditure

- Economic profiling of healthcare and healthcare services
- Healthcare expenditure
- Utility and Health

Demand for healthcare services

- Demand for healthcare and healthcare services: demand function and demand elasticity, private versus public demand, cost/benefit
- Disparities and inequality in healthcare/the healthcare system

Supply of healthcare services

- Supply of healthcare services: physicians, hospitals, incentives and contracts, budget and financial/pricing considerations
- Government intervention in the healthcare industry: The role of government, market failures, the government's intervention toolkit

Healthcare personnel

- Structure of healthcare personnel: supply, demand, and trends
- The role of the regulator and the HMO in the management and planning of healthcare system personnel
- Wage policy and remuneration arrangements in the healthcare system: the public/private mix, the balance of forces

Dr. Aviad Tur-Sinai

ד"ר אביעד טור-סיני

- Mobility and retention of healthcare system labor
- Evaluation of employment management and incentivization programs in the healthcare system

Healthcare payment methods

- Hospitals and prospective payments
- Managed care
- Pay for performance (P4P)
- Bundled payments

Financial costs of loss of health and economic/financial utilities of medical interventions

Literature:

Required reading

1. Phelps C. E. (2012), Health Economics. 5th edition. Pearson.
2. OECD (2015), Health at a Glance 2015.

Elective reading

1. Crisp, N. and Chen, L. (2014). Global supply of health professionals. *New England Journal of Medicine*, 370(10): 950-957.
2. Fairfield, G. et al. (1997). Managed care. Origins, principles, and evolution. *BMJ: British Medical Journal*, 314(7097), 1823.
3. Fuchs, V. R. (2013). The gross domestic product and health care spending. *New England Journal of Medicine*, 369(2), 107-109.
4. Gosden T. et al. (2001), Impact of payment method on behaviour of primary care physicians: a systematic review, *J. Health Serv Res Policy* 6:44-55.
5. Kahn K. et al. (1990), Comparing Outcomes of Care Before and After Implementation of the DRG-based Prospective Payment Systems, *JAMA.*, 264:1984-1988.
6. Khan, J. A., & Mahumud, R. A. (2015). Is healthcare a 'Necessity or 'Luxury'? an empirical evidence from public and private sector analyses of South-East Asian countries?. *Health economics review*, 5(1), 3.
7. Laura A. Petersen, MD, MPH et al. (2006). Does Pay-for-Performance Improve the Quality of Health Care? *Annals of Internal Medicine*, 145:265-272.
8. Mackintosh, M. et al. (2016). What is the private sector? Understanding private provision in the health systems of low-income and middle-income countries. *The Lancet*, 388(10044), 596-605.
9. Rucker, T.D. and Keller, M.D. (1990), *Careers in Medicine: Traditional and Alternative Opportunities*, Garrett Park, MD: Garrett Park Press.
10. Shmueli, A. et al. (2015). Managed care in four managed competition OECD health systems. *Health Policy*, 119(7), 860-873.
11. Tarride, J. E. et al. (2009). Approaches for economic evaluations of health care technologies. *Journal of the American College of Radiology*, 6(5), 307-316.
12. Thurow, L. C. (1985). Medicine versus economics. *New England Journal of Medicine*, 313(10), 611-614.
13. Tuohy, C. H. et al. (2004). How does private finance affect public health care systems? Marshaling the evidence from OECD nations. *Journal of Health Politics, Policy and Law*, 29(3), 359-396.
14. Wagstaff A. (1986), The demand for health: theory and applications, *J. of Epidemiology and Community Medicine* 40:1-11.
15. Werling, J. et al. (2014). The supply side of health care. *Survey of Current Business* [serial on the Internet].

The foregoing course program is subject to modification where necessary