

Semester-VII

Discipline Specific Elective-DSE-II 7.4

Economics of Health

Offered by Economics Department, College of Vocational Studies

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Semester	Course title & Code	Credits	Duration (per week)			Eligibility Criteria	Prerequisite
			Lecture	Tutorial	Practical/ Practice		
VII	Economics of Health	4	3	1	0	Class 12th Pass	Nil

Learning Objectives:

The learning objectives of this paper are to understand and analyse the economic principle underlying healthcare systems. The paper also intends to apply economic concepts to healthcare decision making. Economics of Health and education will help to analyse healthcare financing models. This paper aims to apply economic concepts and methods to real world health care problems and policy issues.

Learning Outcomes:

The students will be able to:

- Analyse the economic aspects of health care system, including financing, delivery and regulation
- Recognise the role of economic evaluation in healthcare decision making, including cost benefit analysis, cost effectiveness analysis and cost utility analysis
- Critically evaluate the economic impact of health care policies and interventions.
- Apply economic concepts and methods to real world health care problems and policy issues.
- Develop skills in economic evaluation and decision making in healthcare.

Unit I: Overview, structure, concepts and terminologies of Health economics, Health as an economic good, Economics of health Vs Economics of health care. Arrow's perspective on health care. Demand in health care, Utility and Health, measuring price sensitivity and elasticities, Supply in health care

(10 hours)

Unit II: Financing and insurance in Healthcare, Equity and Health, Financing and insurance in health care, Financing health care, Uncertainty and Risk- Health insurance, Moral hazard, Adverse selection

(13 hours)

Unit III: Behavioural health economics: introduction, Expected utility theory, Prospect theory, Nudge theory

Theory and principles of economic evaluation: Introduction, cost benefit analysis, cost effectiveness and cost utility analysis

(14 hours)

Unit IV: Public health and policies, Socio economic disparities in Health, Indian Health system

(8 hours)

Practical Exercises:

The learners are required to:

1. Assess and manage risks associated with health insurance, including factors such as adverse selection, moral hazard
2. In the Health Insurance Game participants buy and sell insurance under several different scenarios of information availability (perfect information, asymmetric uncertainty or symmetric uncertainty) and policy restrictions
3. Micro and macro health data handling

Suggested Readings:

- Bhattacharya, J., Hyde, T., & T. P. (2014). *Health Economics*. (4th ed.). Palgrave Macmillan.
- Morris, S., Devlin, N., Parkin, D., & Spencer, A. (2012). *Economic Analysis in Healthcare* (2nd ed.). Wiley.
- Zweifer, P., Breyer, F. & Kiffman, M. (2009). *Health Economics*. (2nd ed.). Springer
- Kohn, J. (2021) "The Health insurance game", in Platt, M. & Goodman, A. C. (ed.) *Handbook on Teaching Health Economics* (2021), Edward elgar publishing.
- Joe, W., Mishra, U. S. & Navaneetham, K. (2008) *Economic and political weekly*, Aug 2-8, Vol 43, No. 31
- Sodhi, C. & Rabbani, A. (2014) "Health Service system in India: Is insurance the way forward" in *Economic and Political Weekly*, August 30, 2014, Vol. 49, No. 35

Notes:

1. Suggested readings shall be updated and uploaded on the college website from time to time.
2. Examination scheme and mode shall be prescribed by the Examination branch, University of Delhi from time to time.