

**Course Code: ECON 308****Course Title: Health Economics****Course Type (GED/ Core/ Elective):** Core**Year/ Level/ Semester/ Term:** 3<sup>rd</sup> Year**Academic Session:** 2021-22 & 2022-23**Course Teacher/ Instructor:****Pre-requisite (if any):** ECON 101; ECON 404**Credit Value:** 04**Contract Hours:** 60

**Course Rationale:** Along with training and education, health is another component of human development that increases productivity. Like many other market health market is also plagued by information asymmetry and moral hazard problem. Removing of imperfection can help expand the health market. Introduction of health insurance and development of private initiative in the health market are important.

**Course Objectives:** The objective of the course is to provide understanding of the nature and functioning of the health market. Identifying the areas of imperfection and designing remedial measures are among the subject matters of this course.

**Course Learning Outcomes:** After successful completion of the course, students will be able to:

1. comprehend the economic problems faced by the health sector;
2. understand the adverse selection and moral hazard problem in the health sector;
3. perform an economic evaluation of the health sector;
4. understand the role of insurance in expanding the coverage of the health sector; and
5. plan allocation of human resources for health sector development.

**CLOs Mapped to PLOs**

CLO/PLO	PLO1	PLO2	PLO3	PLO4	PLO5	PLO6	PLO7	PLO8	PLO9
CLO1	1	0	2	3	3	3	1	3	3
CLO2	1	0	2	3	3	3	1	3	3
CLO3	0	0	1	1	1	3	1	3	3
CLO4	0	3	3	3	0	3	1	3	3
CLO5	1	1	0	0	2	3	1	3	3

### Course Contents

Topic	Content Summary	Teaching Strategies/Tools	In-Class Assessment	#Class Hours	CLOs
1	<b>Introduction to Health Economics:</b> Introduction to medical or health care economics; Relevance of health economics; Importance of health sector in macro economy; Economic problems faced by the health sector.	<b>Strategies:</b> Verbal exposition. <b>Tools:</b> Books; Handouts; Multimedia; Online resources	Q&As Quizzes Homework Assignments Presentations Tutorials	6	1, 2
2	<b>Measuring Health Status and Determinants of Health indicators of health status:</b> Morbidity and mortality: physical, social and other functional indicators. <b>Microeconomic Tools for Health Economics:</b> Scarcity and the Production Possibilities Frontier • Practice With Supply and Demand • Functions and Curves	As above	As above	6	2

	<p>Consumer Theory: Ideas Behind the Demand Curve</p> <ul style="list-style-type: none"> <li>• Individual and Market Demands</li> <li>• Elasticities</li> <li>• Production and Market Supply</li> </ul>				
3	<p><b>Main features of the healthcare service and its relation with economic development.</b></p> <p><b>Asymmetric Information:</b> Information and market; Asymmetric Information: extent of the problem in health sector; Health insurance and information; Adverse selection and moral hazard; Consumer information; Prices and quality.</p>	As above	As above	8	3, 4
5	<p><b>Production of Health:</b>The Production Function of Health, The Historical Role of Medicine and HealthCare,The Production Function of Health in theModern Day, How Does Health Care Affect OtherMeasures of Health?, The Role of Schooling</p>	As above	As above	5	
6	<p><b>The Production, Cost andTechnology ofHealth Care :</b> Production and the Possibilities forSubstitution</p> <ul style="list-style-type: none"> <li>• Costs in Theory and Practice</li> <li>• Technical and Allocative Inefficiency</li> <li>• Technological Changes and Costs</li> </ul>	As above	As above	5	
7	<p><b>Applying the Demand Model to Health Sector:</b> The demand model; Impact of income, taste knowledge and prices on demand; Value of time as a demand shifter; Market effects of individual demand shift, Co-insurance as demand shifter; Empirical measurement of demand elasticity; Issues in measuring health care demand; Supplier induced demand.</p>	As above	As above	6	
8	<p><b>Health Insurance:</b> Risk and insurance; Demand for insurance; Risk aversion and willingness to pay for insurance: the optimal level of coverage; Effects of co-insurance and deductibles on demand; Social insurance.</p>	As above	As above	6	4
9	<p><b>Economic Efficiency</b></p> <ul style="list-style-type: none"> <li>• Cost-Benefit Analysis: Background</li> <li>• Cost-Benefit Analysis: Basic Principles</li> <li>• Valuing Human Life</li> <li>• Cost-Effectiveness Analysis</li> <li>• Cost-Utility Analysis, QALYs, and DALYs</li> <li>• QALYs Revisited: Praise and Criticism</li> </ul>	As above	As above	6	3, 6

7	<b>Human Resources for Health (HRH) Development and Planning and Management:</b> Role of Human Resources Development (HRD) in health system development; Issues in HRH development; HRH planning; Long range workforce planning; Appropriate policies for HRH development and management.	As above	As above	6	1, 6
8	<b>Health System in Bangladesh:</b> Health status of the population; Morbidity and mortality patterns; Nutritional status, Health care organizations health policies and programs; Health workforce development; Health service indicators; Financing health; Development of private health facilities.	As above	As above	6	4, 6

### Class Schedule:

#### Lesson Plan

Week(s)	Topic(s)	#Classes	CLO(s)	Remarks
1 – 3	1	1 – 6	1, 2	
4 – 6	2	7 – 12	2	
7 – 9	3	13 – 18	3, 4	<b>Class Test 1: (Topics 1 &amp; 2) 13<sup>th</sup> Class</b>
10 – 13	4	21 – 26	4, 5	
14 – 16	5	27 – 32	4	<b>Class Test 2: (Topics 3 &amp; 4) 27<sup>th</sup> Class</b>
17 – 20	6	33 – 40	3, 6	
21 – 24	7	41 – 48	1, 6	<b>Class Test 3: (Topics 5 &amp; 6) 41<sup>st</sup> Class</b>
25 – 28	8	49 – 56	4, 6	
29 – 30	1 - 8	57 – 60		<b>Review</b>

### Overall Evaluation Policy:

- Continuous Internal Evaluation (CIE): Marks - 00**
- Year-End Examination (YEE): Marks - 100**

Bloom's Category	Marks (100)
<b>Remember</b>	<b>30</b>
<b>Understand</b>	<b>20</b>
<b>Apply</b>	<b>20</b>
<b>Analyze</b>	<b>10</b>
<b>Evaluate</b>	<b>10</b>
<b>Create</b>	<b>10</b>

- Grading Scheme: As in Section 19**

### Policy for Make-Up Classes:

- Utilize the open slots in consultation with students
- Swap classes with colleagues

### Basic Text

- Phelps, C. E. (2018). *Health Economics*. Routledge.

### Recommended References

1. Ahmed, M., & Shuaib, M. (1995). Health Care: Current Issues. In Rehman, S. (ed.), *Experiences with Economic Reform: A Reviews of Bangladesh's Development 1995*. Center for Policy Dialogue.
2. Belayet, H. (1997). Work-force Supply and Requirements Projections Assuming ESP for Health and Population Sector in Bangladesh. A report prepared for HRD Master Plan Project. MOHFW and WHO Dhaka. 1997.
3. Belayet, H. (1998). The Effect of Remuneration Incentives of Providers Behavior in the Health Sector of Bangladesh. A report prepared for WHO, Geneva.
4. Drummond, M. (2017). *Methods for the Economic Evaluation of Health Care Programmes*. Oxford University Press.
5. Folland, S., Goodman, A. C., & Stano, M. (2017). *The Economics of Health and Health Care*. Routledge.
6. Khan, M. (1997). Development of Private Health Care Facilities in Dhaka City: Impacts of Cost, Access and Quality (ICDDR Working Paper). ICDDR.

***Other Resources***

- Online video lectures
- Course-packs
- Handouts