

# THE UNIVERSITY OF THE WEST INDIES ST. AUGUSTINE, TRINIDAD AND TOBAGO DEPARTMENT OF ECONOMICS, FACULTY OF SOCIAL SCIENCE

## ECON 3057 HEALTH ECONOMICS: THEORY AND POLICY SEMESTER 1, UNDERGRADUATE, YEAR 3

**PRE/CO-REQUISITES** ECON 1001 INTRODUCTION TO MICROECONOMICS

**COURSE TYPE** ELECTIVE

**CRIDITS** THREE

MODE OF DELIVERY BLENDED

**COURSE COORDINATOR** MRS. ROXANNE BRIZAN-ST.MARTIN

**CONTACT** <u>ROXANNE.BRIZAN@STA.UWI.EDU</u>

**LOCATION AND OFFICE** ROOM 216 DEPARTMENT OF ECONOMICS

**HOURS** OFFICE HOURS: MONDAYS 1-3PM, WEDNESDAYS 8-10 AM

**TUTOR INFORMATION** MS NAJAY PARKE

NAJAYPARKE@HOTMAIL.COM

#### **COURSE DESCRIPTION**

This course examines the issues surrounding the provision of health care that is consistent with the reality of scarce resources and the main concern of improving the quality of life of the population. Emphasis will be placed on elucidating the relationship between epidemiology and the allocation of resources and understanding the importance of health information in different economies.

#### **RATIONALE**

Health Economics: Theory and Policy (ECON 3057) is one of the Level III elective courses offered by the *Department of Economics*. This course introduces students to the issues surrounding the financing and delivery of health care consistent with the reality of scarce resources and the overriding concern with improving the quality of life. Students will be exposed to the use of economic analysis in the design of health policy, health planning and research. Special emphasis will be placed on issues and challenges facing Caribbean countries.

#### **COURSE AIMS**

To provide Economics students an understanding of the issues and challenges surrounding health care in developing countries with special reference to the Caribbean.

#### **COURSE LEARNING OUTCOMES**

Upon successful completion of this course students will be able:

- 1. To identify the issues surrounding the financing and delivery of health care consistent with the reality of scarce resources and the overriding concern with improving the quality of life;
- 2. To use economic analysis in the design of health policy, health planning and research.
- 3. To understand and interpret health information and data of different countries;
- 4. To analyze the special socio-economic issues and challenges facing Caribbean countries in the delivery and financing of health care.

#### PROGRAMME GOALS AND COURSE LEARNING OUTCOMES MATRIX

Qualities of the Distinctive UWI Graduate	Programme Level Learning Outcomes At the end of the programme students will be able to:	Course Learning Outcomes
1. Creative and Critical Thinker	To develop deliver quality research and anticipate and offer practical solutions to economic problems.	To identify the issues surrounding the financing and delivery of health care consistent with the reality of scarce resources and the overriding concern with improving the quality of life.
		To use economic analysis in the design of health policy, health planning and research.
2. Globally Aware		To understand and interpret health information and data of different countries.
3. Effective Communicator		To analyze the special socio- economic issues and challenges facing Caribbean countries in the delivery and financing of health care.

#### **COURSE ASSESSMENTS DESCRIPTION**

#### Course Work

The course work component of the course accounts for 25% which is divided into two parts. Part 1 takes the form of either an individual or group project based on selected issues in health economics, for example, mental health, HIV/AIDS, Chronic Non-Communicable Diseases and its application to Caribbean Economies. Part 2 of the course work is aimed at helping students interpret and understand health data for different economies and will take the form of interactive working sessions. Two or three sessions will be conducted during the semester.

#### Final Examination

The Final Exam accounts for 75% of course marks and will take the form of a written exam which will be conducted over a two-hour period.

#### **UNIVERSITY GRADING SCHEME**

GRADE	GPA	MARKS
A+	4.3	90-100
A	4.0	80-89
A-	3.7	75-79
B+	3.3	70-74
В	3.0	65-69
В	2.7	60-64
C+	2.3	55-59
С	2.0	50-54
F1	1.7	40-49
F2	1.3	30-39
F3	0.0	0-29

#### COURSE ASSESSMENT TYPE AND COURSE LEARNING OUTCOME MATRIX

Assessment Item	Course Learning Outcomes		Weighting	Assessment Description	Assessment Length		
Course Work	1	2	3	4	25%		
- Group/Individual Project	1	1	1	1	15%	Group Project based on Special Issues in Health and Economics.	Two months
- Lab Working Sessions	<b>√</b>	V	V	<b>√</b>	10%	Two or three working sessions aimed at helping students understand the importance of health information and interpreting health data for different countries. Includes exposure to health methodologies used across the world with applications to the Caribbean.	
Final Exam	1	1	1	√	75%	Written Exam covering topics covered in the course.	Two Hours
Total					100%		

#### **TEACHING STRATEGIES**

#### METHOD

#### **DESCRIPTION**

**LECTURES** 

Teaching will primarily take place through descriptive face to face lecture sessions and class discussions. Lectures will be conducted on Tuesdays between 10 am – 12 noon. Each student is required to attend one two-hour lecture session per week.

Included here are lectures with experts specializing in different areas of health economics including Dr. Christine Laptiste and Dr. Kimberly-Ann Gittens-Baynes.

#### **Contact and Location**

Dr. Kimberly-Ann Gittens-Baynes-

Kimberly-Ann.Gittens-Baynes@sta.uwi.edu

HEU, Centre for Health Economics #25A Warner Street, St Augustine

Dr. Christine Laptiste

Christine.Laptiste@sta.uwi.edu

HEU, Centre for Health Economics #25A Warner Street, St Augustine

#### **TUTORIALS**

Each student is to register for a tutorial session which will meet once per week for one hour. The tutor will conduct the sessions on the assumption that all students in attendance have read/prepared the required material as indicated by the tutorial assignment(s). *All students are expected to participate fully in these tutorial sessions.* The tutor will maintain an attendance record which will be kept as part of the Department's records.

#### WORKING SESSION

Working sessions will be conducted in coordination with lecture sessions. There will be two or three working sessions throughout the semester. *All students are expected to participate fully in these working sessions.* 

#### **CONTENT**

- 1. General Introduction: Why Health Economics?
- 2. The Demand for Health
- 3. Equity and Ethics in Allocation
- 4. Economic Evaluation and Efficiency
- 5. Health Sector Reform
- 6. Special Issue: HIV/AIDS, Non-Communicable Disease Economic Considerations

## COURSE CALENDAR

Week	Topic	Objectives/Activities/Assignments			
1	Introductions, Re	eview of Course Outline, Course Assessment and Expectations			
2	Unit 1 – General Introduction: Why Health Economics?	From this module, the student will gain a basic appreciation and understanding of the application of economic theory and techniques to answering resource allocation questions in the health sector. The student is also introduced to the links between health and the functioning of the overall economy.			
3	Unit 2 – The Demand for Health	This module of the course introduces the student to mainstream theorizing on the demand for health care services. Students should have a grasp of several issues inclusive of the difference between the demand for health and health care services; supplier-induced demand, the impact of investing in health over the life cycle, and the impact of insurance on the demand for health care.			
	_	Assignment of Projects (Week 3)			
4	_	1: Utilizing and Understanding Health Economics Data			
5-6	Unit 3 – Equity and Ethics in Allocation	This module highlights some practical and philosophical issues as they pertain to the measurement of equity in the health systems. Students should be able to define and analyse various manifestations of equity and engage in discussion about the various contributory factors that cause inequity to exist in health systems.			
7-8	Unit 4 – Economic Evaluation and Efficiency	Students are introduced to practical applications of economic evaluation techniques and should be able to arrive at the most efficient resource allocation position when presented with problems to solve.			
9	Unit 5 – Health Sector Reform	In this module students are introduced to the main strategies employed in health sector reform, namely, various financing and service delivery initiatives including health accounts estimation			
10	Working Session 2: System of Health Accounts				
11	Unit 6 – Special Issue: HIV/AIDS and Non- Communicable Diseases– Economic Considerations	Students should be able to highlight the trends in the prevalence and incidence of the epidemic in the region and pinpoint the regional initiatives that have been employed to control the spread of the virus. Issues of the costing of HIV/AIDS Strategic Plans and the economic impact of the epidemic in selected countries will also form part of the module. Students should be fully cognizant of the response initiatives to HIV/AIDS of one country of their choice.			
12	•	tions and Feedback vember 25 <sup>th</sup> , 2019			
13	Course Review				

#### READING/LEARNING RESOURCES

- Jamison, Dean T. et al, eds. 2006. *Disease Control Priorities in Developing Countries*: 2nd Edition. The World Bank and Oxford University Press. <a href="http://files.dcp2.org/pdf/DCP/DCP.pdf">http://files.dcp2.org/pdf/DCP/DCP.pdf</a>
- Pan American Health Organization (PAHO). 2007. *Health in the Americas 2007 Volume I (Regional)*. Washington D.C.: PAHO. <a href="http://www.paho.org/HIA/vol2paisesing.html">http://www.paho.org/HIA/vol2paisesing.html</a>
- World Bank (WB). 1993. *World Development Report 1993: Investing in Health.* New York: Oxford University Press.
- OECD, Eurostat, WHO (2011), A System of Health Accounts, OECD Publishing. doi: 10.1787/9789264116016-en

Topic/Unit	Readings
General Introductio n: Why	Feldstein, Paul, J. <i>An Introduction to the Economics of Medical Care.</i> In Health Care Economics 5 <sup>th</sup> Edition. New York: Delmar Publishers, 1999.
Health	Chapter 1 pp.1-17.
Economics?	Jamison, Dean, T. "Investing in Health." Disease Control Priorities in Developing Countries. eds. Dean T. Jamison et. al. The World Bank and Oxford University Press, 2006. Chapter 1 pp.3-34. <a href="http://files.dcp2.org/pdf/DCP/DCP01.pdf">http://files.dcp2.org/pdf/DCP/DCP01.pdf</a>
	Lee, Kenneth and Anne, Mills (eds). <i>The Economics of Health in Developing Countries</i> . New York: Oxford University Press, 1983.
	Over, Mead. "The Health Sector in a Developing Economy." Economics for Health Sector Analysis: Concepts and Cases. Washington D. C.: The World Bank, 1991. Chapter 1.
The Demand for Health	Arrow, K. J. (1963). "Uncertainty and the Welfare Economics of Medicare."  American Economic Review, 54: 5,941-973. <a href="http://www.jstor.org/stable/pdfplus/1812044.pdf">http://www.jstor.org/stable/pdfplus/1812044.pdf</a>
	Feldstein, Paul, J. <i>An Introduction to the Economics of Medical Care.</i> In Health Care Economics 5 <sup>th</sup> Edition. 1999. New York: Delmar Publishers. Chapter 5 pp.82-116.
	McGuire et. al. <i>The Demand for Health - a household production theory approach.</i> in The Economics of Health Care: An Introductory Text. 1988.  Chapter 7.
	Santerre, R.E and S.P. Neun. <i>The Demand for Medical Services</i> in Health Economics: Theories, Insights and Industry Studies. 2004. Chapter 5, 98-
	Grossman, Michael. <i>On the concept of health capital and the demand for health</i> . Journal of Political economy. 1972 Mar 1; 80(2):223-55. <a href="http://www.jstor.org/stable/pdf/1830580.pdf">http://www.jstor.org/stable/pdf/1830580.pdf</a>

Topic/Unit	Readings			
Equity and Ethics in Allocation	Baker, Judy and Jacques van der Gaag. <i>Equity in Health Care and Health Care</i>			
	Financing and delivery of health care: An international perspective. E. van			
	Doorslaer and A. Wagstaff (eds), 1993, p 358-394.			
	Braveman, Paula, and Sofia Gruskin. <i>Defining equity in health</i> . Journal of Epidemiology and Community Health 57(4) (2003): 254-258. <a href="http://jech.bmj.com/content/57/4/254.full.pdf+html">http://jech.bmj.com/content/57/4/254.full.pdf+html</a>			
	Beauchamp, Tom L. and Childress, James F. <i>Principles of Biomedical Ethics</i> .			
	4th edition. New York: Oxford University Press, 1994, Chapter 6.			
	La Foucade, Althea and Ewan B. Scott. <i>A Review of the Literature on Manifestations of Inequitable Access to Health Care: Lessons for the Caribbean</i> . Social and Economic Studies 55 (4), (December 2006), 107-132.			
	Development. Philip Musgrove (ed), 2004 Chapter 4, 105-120.			
	Wagstaff, Adam, et. al. <i>Equity in the Finance and Delivery of Health Care: Some Tentative Cross-Country Comparisons.</i> Oxford Review of Economic Policy. 5(1), (Spring 1989), 89-112.			
	Wagstaff et. al. <i>On the Measurement of Horizontal Inequity in the Delivery of Health Care</i> . Journal of Health Economics 10, (1991), pp. 169-205.  Whitehead, Margaret. <i>The concepts and principles of equity and health</i> . International Journal of Health Services. 1992 Jul 1; 22(3):429-45.http://salud.ciee.flacso.org.ar/flacso/optativas/equity and health.pd			
Economic Evaluation and Efficiency	Drummond, Michael, F. et. al. <i>Methods for the Economic Evaluation of Health Care Programmes</i> . New York: Oxford University Press, 1993, pp. 39-111.  Weinstein, Milton C. (1986). <i>Challenge for Cost-effectiveness Research</i> .  Medical Decision Making 6 (4, Oct-Dec), 194-198. Health Sector Reform:			
	Issues, Options, Experience.			
	Santerre, R.E and S.P. Neun. <i>Cost and Benefit Analysis</i> in Health Economics: Theories, Insights and Industry Studies. 2004. Chapter 3, 53-72.			
	Henderson, J. <i>Economic Evaluation in Health Care</i> in Health Economics and Policy, Third Edition. 2005. Chapter 4, 101-125.			

Topic/Unit	Readings
	HEU, Centre for Health Economics. Costing of Health Programs in Small Island States: Issues And Challenges. 2009. Chapters 1-3,1-45. <a href="http://www.pancap.org/docs/World">http://www.pancap.org/docs/World</a> Bank al%20Report%20-%20with%20exec%20summary.pdf
Health Sector Reform	Berman Peter A., and Thomas J. Bossert. A Decade of Health Sector Reform in Developing Countries: What Have We Learned? 2000. USAID. http://www.hsph.harvard.edu/ihsg/publications/pdf/closeout.PDFhttp: hsph.harvard.edu/ihsg/publications/pdf/closeout.PDFhttp: hsph.harvard.edu/ihsg/publications/pdf/closeout.PDF  Ruggie, Mary. "The US, UK and Canada: Convergence or divergent reform practices?" Health Reform: Public Success, Private Failure. Daniel Drache and Terry Sullivan (eds.). New York: Routledge, 1999, pp. 127-142.  Stewart, Art. "Cost-containment and Privatization: An international analysis." Health Reform: Public Success, Private Failure. Daniel Drache Terry Sullivan (eds.) New York: Routledge, 1999, pp. 65-84.  Pan American Health Organization (PAHO). Health in the Americas 2007 – Volume I (Regional). Washington D.C.: PAHO, 2007. Chapter 4 pp. 300-381.  http://www.paho.org/hia/archivosvol1/volregionaling/HIA07%20Reg 20Volume%20ENG%20Ch%204.pdf  Pan American Health Organization.2004. Analysis of Health Sector Reforms Region of the Americas. Special Edition No. 12.  http://www1.paho.org/hq/dmdocuments/2010/Analysis Health Sector rm-Region Americas 2004.pdf  Poullier J, Hernandez P, and Kei Kawabata. 2002. "National Health Accounts: Concepts, Data Sources and Methodology." World Health Organization  Pearson Mark. 2000. "National Health Accounts What are they and How can we use them?" Department for International Development Resource content/uploads/2012/10/National-Health-Accounts.pdf  Catharina Hjortsberg. 2001. "National Health Accounts-Where are we

Topic/Unit	Readings
	Sedish International Development Cooperation Agency (SIDA) Health Division Document:6.
	Magnoli, Alessandro. 2001. National Health Accounts in Latin American and Caribbean Concepts, Results and Policy Uses. Harvard University.
	Nakhimovsky, Sharon, Roxanne Brizan-St. Martin, Heather Cogswell, Darwin Young, Karl Theodore, Althea LaFoucade, Christine Laptiste, Don Bethelmie, Roger McLean, Stanley Lalta, and Laurel Hatt. October 2013. St. Kitts and Nevis 2011 National Health Accounts and HIV Subaccounts. Bethesda, MD: Health Systems 20/20 Caribbean project, Abt Associates Inc.
	Bhuwanee, Karishmah, Don Bethelmie, Heather Cogswell, Darwin Young, Karl Theodore, Althea LaFoucade, Christine Laptiste, Roger McLean, Roxanne Brizan-St. Martin, Stanley Lalta and Laurel Hatt. November 2013. Dominica 2010-11 National Health Accounts and HIV Subaccounts. Bethesda, MD: Health Systems 20/20 Caribbean project, Abt Associates Inc.
	Ministry of Health, December 2014, Barbados 2012-13 Health Accounts
Special Issue - HIV/AIDS and Non-	Cohen, Desmond. 1991. <i>The Economic Impact of the HIV Epidemic</i> . UNDP Issues paper No.2. <a href="http://www.undp.org/publications">http://www.undp.org/publications</a>
Communicabl e Diseases:	Kremer, Michael. AIDS: The economic rationale for public intervention In: Confronting AIDS: Evidence From the Developing World. (eds.) Martha
Economic	Ainsworth et. al., pp. 65-78.
Consideration s	Theodore, Karl. HIV-AIDS in the Caribbean Economic Issues - Impact and Investment Response. CMH Working Paper Series Paper No. WG1: 1 April,
	2001. Health Economics Unit, The University of the West Indies, St. Augustine Trinidad. <a href="http://www.whoindia.org/LinkFiles/Commision">http://www.whoindia.org/LinkFiles/Commision</a> on Macroeconomic and health 01 01.pdf
	UNAIDS. 2010. The Status of HIV in the Caribbean. Port of Spain, Trinidad: UNAIDS Caribbean <a href="http://www.unaids.org/en/media/unaids/contentassets/documents/co">http://www.unaids.org/en/media/unaids/contentassets/documents/co</a> ort/2010/2010 HIVInCaribbean en.pdf

#### **UNIVERSITY POLICIES AND EXPECTATIONS**

#### POLICIES: University Policy on Cheating/Plagiarism

All projects must include an accountability statement

Students are reminded of the University's Examination Regulations for First Degrees, Associate Degrees, Diplomas and Certificates including GPA Regulations which states:

- 78. ". (i) Cheating shall constitute a major offence under these regulations.
  - (ii) Cheating is any attempt to benefit one's self or another by deceit or fraud.
    - (iii) Plagiarism is a form of cheating.
  - (iv) Plagiarism is the unauthorized and/or unacknowledged use of another person's intellectual effort and creations howsoever recorded, including whether formally published or in manuscript or in typescript or other printed or electronically presented form and includes taking passages, ideas or structures from another work or author without proper and unequivocal attribution of such source(s), using the conventions for attributions or citing used in this University. 103. (i) If any candidate is suspected of cheating, or attempting to cheat, the circumstances shall be reported in writing to the Campus Registrar. The Campus Registrar shall refer the matter to the Chairman of the Campus Committee on Examinations. If the Chairman so decides, the Committee shall invite the candidate for an interview and shall conduct an investigation. **If the candidate is found** guilty of cheating or attempting to cheat, the Committee shall disqualify the candidate from the examination in the course concerned, and may also disqualify him/her from all examinations taken in that examination session; and may also disqualify him/her from all further examinations of the University....

#### Accommodations for students with disabilities

Students should refer to the University of the West Indies St Augustine Campus, Student Disability policy <a href="https://sta.uwi.edu/resources/policies/Student\_Disability.pdf">https://sta.uwi.edu/resources/policies/Student\_Disability.pdf</a>

#### **How to Study for this Course**

Students should keep up to date with the course material via the suggested readings as well as the lecture notes and tutorial assignments. The Department is committed to supporting students in their quest to understand and indeed to excel. Please feel free to consult with your course lecturer and tutor as problems/issues arise. Students are strongly encouraged to visit the lecturer during stipulated office hours to discuss various issues and concerns. Alternatively, special appointments can be made (using the Instructor Information provided above) if necessary.

### **COURSE ACTIVITIES PLANNED**

- 1. Attendance at the Post-National Budget Forum 2019. Please contact the Department of Economics for the date and time of this event.
- 2. Attendance at the COTE Youth Day Activities, September 26th, 2019.
- 3. Attendance at the Conference on the Economy (COTE), October  $9^{th}$  and  $10^{th}$  2019.