



## Syllabus of Module

# 7. Health Economics

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### Module Annotation

The Health Care Economics module is divided into three blocks/sections.

- The first part aims to introduce the basics of Health Care Economics, or introduces them to the theoretical specifics of the economic functioning of health systems.
- The second part is devoted to the issue of health systems financing as well as health care reimbursement systems in both national and international context.
- The third part is summarising, or application, and represents the centre of gravity of the module. The Czech health system is characterised and the legal, financial, managerial and institutional aspects of the Czech health system are analysed on the basis of the acquired knowledge.

In the introduction of the first (general) part of the module, the students are equipped with the basic conceptual apparatus that will enable them to orient themselves in the essential problems of the economic functioning of health systems.

The health sector is introduced as a specific sector of the economy providing services, its position in the national economy is defined and the history of the formation of health systems is presented. The emphasis is on explaining the role of government in health systems, i.e. the reasons for government intervention are studied and the (un)necessity of such intervention is examined.

The economic nature of health services is also studied. In this part, the audience is introduced to the nature of goods produced by the health care sector and the structure

and characteristics of the health care market (specifics of health care markets according to Arrow).

The demand for health care is examined and presented as a basis for health policy making and health planning. Factors influencing patient demand, elasticity of demand, the role of health care providers in shaping demand, and tools for reducing demand for health care are studied. Concepts such as participation and regulation are also part of this issue. Subsequently, the supply of health care is examined, the factors influencing its level are presented, the issue of competition on health care markets (appropriate/desirable?), forms of competition in individual segments of health care and methods of regulating supply. A discussion of the relationship between supply and demand is carried out.

The types of health systems are then introduced and compared. The audience is introduced to the basic typology of health systems (continental, NHS, liberal), the objectives of the systems depending on the type and the strengths and weaknesses of each system are analysed. The convergence of systems is addressed. Capacities of individual health systems are studied (statistical indicators, basic comparisons). This section includes an evaluation of the functioning of health systems (efficiency versus equity, values and standards in economic analysis).

The next section studies the resources of health systems and specifies the financial flows in each health system. Listeners are introduced to forms of payment (direct, indirect, "third party" payer typologies). The influence of the chosen financing method on the economic behaviour of individual entities in the health care markets is analysed.

The model concludes with a study of the public health insurance system as the centre of gravity of the Czech health system. The system is characterised, its participants and institutional arrangements are presented. Emphasis is placed on the study of the position of health insurance companies in the system (purpose, management, control, development, options for further development). This section presents, for example, how health insurers obtain their resources (redistribution issues), how health insurers influence the level of reimbursement (conciliation) or what types of contracts are concluded with health care institutions.

The status and types of health care providers are also studied in this section. Current reimbursement methods are presented and discussed.

Last but not least, this module outlines the development of the Czech health system and analyses the position of individual interest groups in health care. The role of the state and its position in the system and the development of health policy orientation are specified. The Ministry of Health as a health policy maker is introduced. Participants are introduced to the objectives and instruments of health care reforms, as well as the practical challenges of health policy implementation. The genesis of health reform is mapped and interest groups are identified, as well as their influence, economic and non-economic interests or impact on the promotion of reform policy.

After completing the module, students should know the difficulties associated with the economic functioning of the health sector, understand the role of government in the provision of health care and understand the behaviour of actors entering (quasi) markets for health services. This should help them to better understand the background, status and trends of the current changes in the health sector.

### **Module Objective**

The aim of the module is: (1) to become familiar with the theoretical specifics of the economic functioning of health care systems; (2) to understand the issues of health care financing and to gain an overview of the development of health care financing and reimbursement methods in the national and international context; and (3) to subsequently apply this knowledge to the Czech health care system and thus gain an overview of the institutional and legal anchoring of the health care system in the Czech Republic, to have a basic understanding of the financial flows in the system and the development and current concept of a health care organisation.

## Literature

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