



Health Economics: Importance For Public Health In India

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The area of health policy and practice is large and rather complex. For ensuring equitable, efficient and effective health care services, it is essential for a public health professional to have a sound knowledge of all the topics pertaining to the area of health economics. One of the learning objectives of Community Medicine is that a public health professional should acquire the ability to perform as an effective leader of health team at primary level (1). The landscape of health problems in India have undergone a rapid transition bringing in its wake a set of challenges brought about by epidemics of non communicable diseases along with the age old problems wrought in by communicable diseases, nutritional deficiencies and poor maternal health. This calls for a concerted public health response which would include cost effective strategies for health promotion, disease control and provision of health care (2). It is a well known fact that investment in the field of health contributes to the economic growth of a country and prevents economic loss caused by diseases and premature death. In a developing country like India where the resources are scarce, health economics could serve as an important tool to bring about an optimum use of resources to achieve health gains. The present article aims to analyse: (i) Significance of health economics in the delivery of health services (ii) Teaching methodologies for health economics.

(i) Health economics in delivery of health services

The availability and utilization of health services in India is rather poor with the government sector meeting the demands of only 18 % of the out-patient and 40 % of in-patient care (3). Though the spending on healthcare is 6% of gross domestic product (GDP), the state expenditure is only 0.9% of the total spending (4). Moreover, the available resources are not used efficiently resulting in inequalities in access to health care (5). Thus, the principles of health economics in public health care delivery may be applied as follows:

Efficiency: measures of how well resources (money, men, material and time) are utilized to achieve a given

effectiveness which refers to the extent to which the underlying problem is alleviated or reduced. An efficient health service could mean a service which benefits not only the patient as a whole but the entire community by means of using the available resources in a judicious manner. An analysis of the performance of public health sub-sectors has revealed that those health sectors catering to the needs of the advantaged receive sufficient resources. The efficiency of health services can be further enhanced by: (i) Mapping of health care services and utilization. (ii) Preparation of Citizen's Charter. (iii) Public-private partnership (iv) Decentralization of health services- local government control of resources. (v) Promotion of Community based health insurance. (vi) Imposing user fees

Equity: The concept of equity is needed to make a fair distribution of the various resources. To ensure the best health outcome or benefit, a re-allocation of resources within the health sector or in related sectors. This would overcome the big skew in the distribution of health care services — between the rural and urban areas.

Cost Effectiveness: It has been put forth that "Health economics provides an objective basis for the allocation of health care resources driven by a clear set of objectives" (6). Cost effectiveness is a technique of health economics which can be used to compare the relative value of varying clinical strategies. It may also act as an evaluation tool to measure the extent to which health care generates changes which people value, be they patients, planners, doctors or politicians, and to compare these changes with the resources needed to achieve them (7). Therefore this serves as an aid to decision making. This technique has already produced fruitful results in the area of public health, for example: the discovery of cost effectiveness of domiciliary care in tuberculosis resulted in the emergence of DOTS strategy which was found to produce direct tangible economic benefits by reducing the prevalence of deaths and averting hospitalization of tuberculosis patients (8). It would hence

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be useful to find practical and feasible solutions for the challenges posed by emerging public health problems.

Cost Containment: The principle of cost containment aims at reducing the cost of health services without compromising the results by adopting containment measures such as (i) Minimizing purchase of stock. (ii) Prevent wastage by internal auditing and effective supervision. (iii) Reduction of cost of medicine: purchase of generic drugs. A physician could play an important role in cost containment by : (i) Reducing number of investigations. (ii) Prescribing equally effective cheaper alternatives. (iii) Reduce the number of drugs prescribed. (iv) Reduce the average length of stay in hospital. (v) Avoid overstaffing. (vi) Develop cheaper and innovative technology

(ii) Teaching and training in health economics.

1. Undergraduate (MBBS) level: The concept of health economics forms a part of the syllabus as prescribed by the Medical Council of India (1). Teaching a subject such as health economics calls for innovative teaching methods. This is essential in order to stimulate interest and an eagerness to learn in the students mind. Below are discussed some of the experiences of certain institutions in designing and implementing novel methods of teaching health economics : Use of hand-outs in teaching health public health administration (JIPMER, Pondicherry): (9) In order to ease the students comprehension of all the topics such as health economics included under public health administration, handouts were given to the students wherein 90 % of the contents were from the “must know” category and 10 % was “desirable to know”. The students were made to use the handouts during the session and encouraged to discuss the main points as outlined in these hand outs. Majority of the students felt that the handouts made teaching more practical and interesting. Using the drug inventory control method for teaching health economics : (10) In order to clarify the concepts of cost analysis and cost effectiveness, an attempt was made to use ABC-VED analysis of drug inventory control to explain these concepts. Data from an actual study of drug inventory control in the health centres of JIPMER, using the ABC-VED analysis was used in the lecture discussion. The students could comprehend the nature of drugs required at a health centre.

2. Post Graduate level: The Post graduate training (M.D/ D.P.H) in Community Medicine is directed at attaining implementation and management of the National health programs at different levels as one of its goals (11). Thus

the concept of health economics should be given due stress during the period of training. A post graduate student can be encouraged to think and devise cost-effective health services and projects for their field practice areas.

3. Other degrees in public health (M.P.H, PhD): The introduction on other courses such as M.P.H and PhD aim to to enrich a diverse group of health professionals with the needed resources for managing health care services. These courses are also meant for non-medical health personnel. These courses would be focusing on equity issues and human rights perspectives which are important considerations in making decisions for health care (12).

Conclusion: In a country with scarce resources and an ever growing population with diverse health care needs, health economics plays a pivotal role in determining the delivery of equitable and cost-effective health services. Concerted efforts from Policy makers, program managers, education experts, curriculum planners and Medical faculty is needed to promote and utilize this concept in improving public health practices.

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