



HEALTH ECONOMICS

Title : Introduction to health economics

Lecture no : One

Done by: Ramzi Abujamous 

وَقُلْ رَبِّ زِدْنِي عِلْمًا





Introduction to



Dr. Omnia Elmahdy

Health Care Economics

اقتصاديات الرعاية الصحية

ونقول بسم الله 

Introduction and Purpose

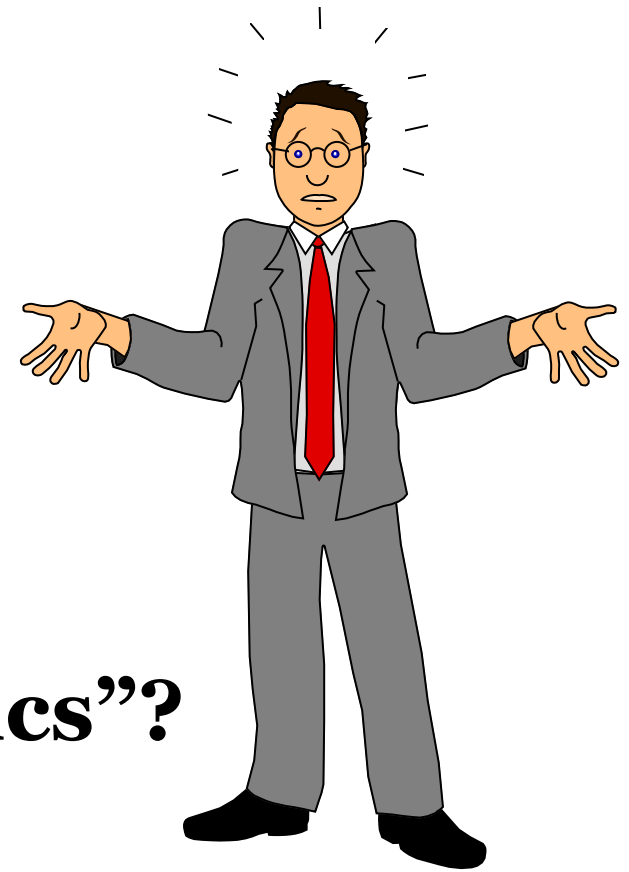
This course:

هذا دور بس للدراسة

- Describes the **scope of health economics** and its key information resources.
- Explain some **important terms** used in health and **health economics** .
- Highlights the **sources and characteristics of health, disease, factors affecting health and health care financing** .
- Highlights the **types and sources of health care**.
- Answer the question: why it is important to study health economics .
- Explain methods of **payments to health care and health care providers**.
- Outlines issues relating to the quality of **health economic evaluation** methods.

Outlines

- ❖ **What is economics?**
- ❖ **What is “Health”?**
- ❖ **What is “Health Economics”?**
- ❖ **Why Health Economics?????**



Economics is about

➤ Limited resources

موارد محدودة
مقابل متطلبات
محدودة

➤ Unlimited “wants”

➤ *Choosing* between which ‘wants’ we

يمكن تحصيلها

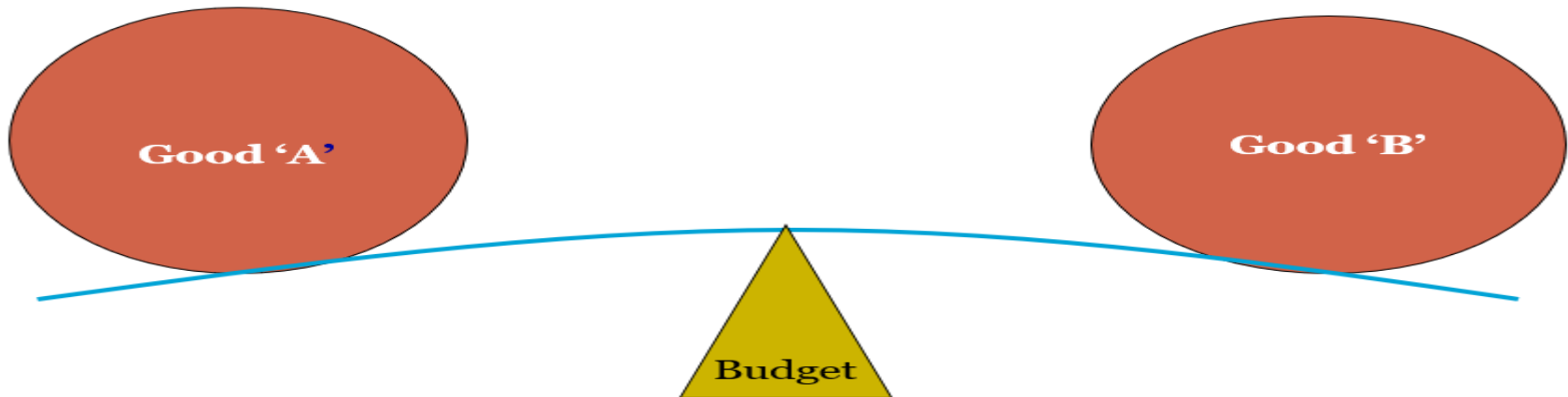
مبغباتنا

can ‘afford’ given our resource ‘budget’

في حين يمكننا اننا لا نملك مورد اختيارنا "budget" الذي منقدر نوفرها او نتحصلها مقابل الـ "budget" التي عن



Economics is about choice



Economics is about ...

Resources

المدخلات الأساسية للإنتاج:

The basic inputs to production –

- ① • **Time.** صافي الموارد في النظام الصحي؛
- ② • **Money** الموارد البشرية
- ③ • **Human resources** (health care providers).
- ④ • **Equipments:** معدات gloves, Syringes, masks, laboratory materials and instruments, x-ray, ECG, etc.... مواد وادوات المختبر
- ⑤ • **Infrastructure**, buildings البنية التحتية
- ⑥ • **Transport**

الآنضيبا حد

عزضية

The discipline of economics is founded on the premise that there will never be enough resources to completely satisfy human desires, referred to by economists as **scarcity**. ندرة.

في اس "economics" كل الذي يمتصى تحت فريضة:
انوما راج يتوفولنا "resources" كافية لتوصل لالزمناء رغبة الناس
بشكل كامل. وهذا هو ال (scarcity)



***Economics* is the study of how society manages its scarce resources**

الموارد النادرة

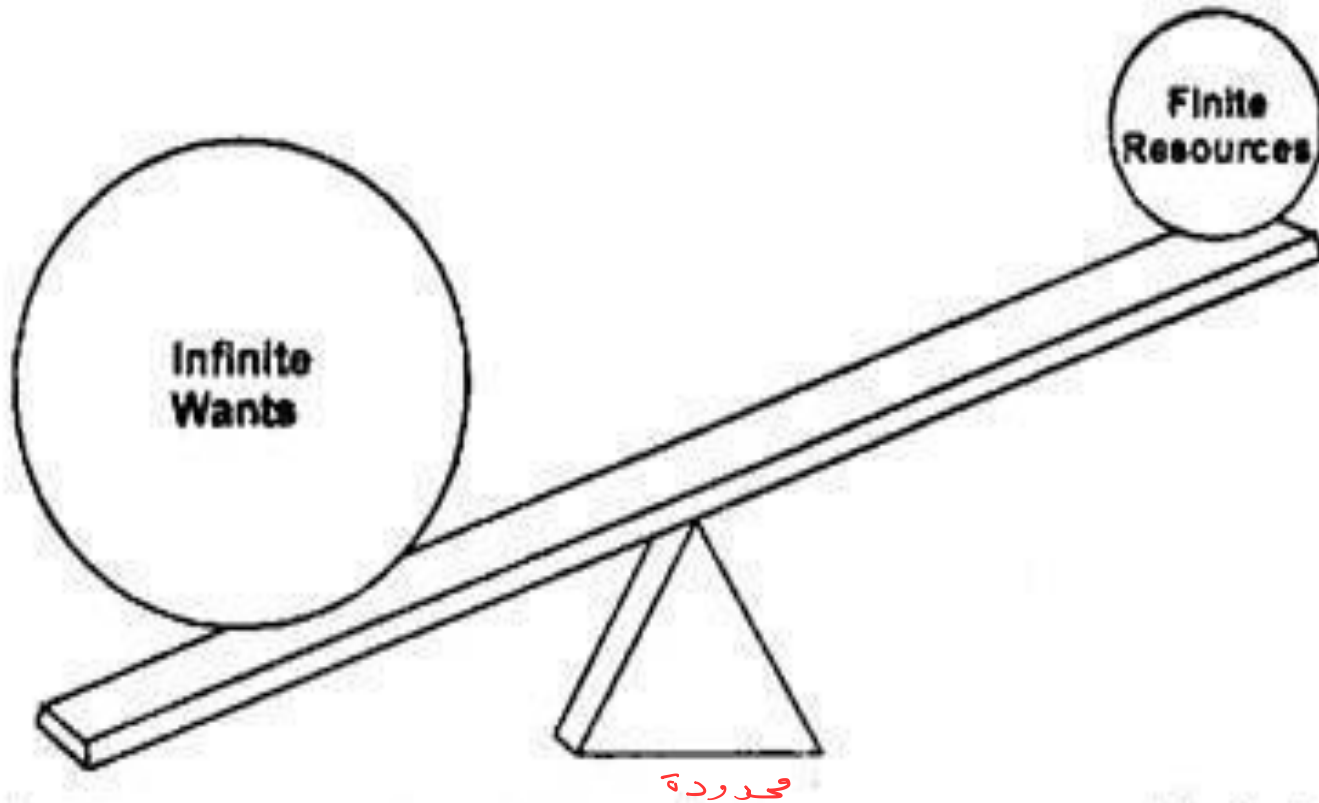



Fig. 1.1: The economic problem: finite resources and infinite wants

As individuals we are constantly making choices as to how we allocate our time, into which activities we channel our energies and on what we spend our available funds. In other words, we are **making choices** 

تلكميين الحكي فان اناكل واحد مسؤولك عن انا اناق ودين هو بحسب يرضيع وقتو او على شو .

Which one will you choose ?!!!!!!!!!!!!!!



< لازم نقدم تضحيات مقابل ال budget المتاح عندي

مثال اضحي بمشكلة او قرارات ممكن تتأجل مقابل مشكلة كبيرة او قرار مهم رئيسي لا يمكن تأجيله

These sacrifices التضحيات are referred to as opportunity cost. تكلفة الفرصة.

Their very existence provides a rationale for economists to take an interest in all resources that are used, whether by individuals, governments, the health service or society, regardless of whether or not money is paid for them, in order to achieve the maximum benefit for society.

هاد الهدف (aim) من طاي التضحيات

الاشي طبيعي لأنو مستحيل
unlimited resources تكون

الندرة Scarcity

- Scarcity means that all resources are limited
- Our world is finite, so everything is scarce by criterion
محدد
- There is NO known resource that is not limited
ما في resource مشا محدودة
- Land, labour, water, capital, hospital beds,
all are limited

- If the goods that go into the production process (raw material, labour, land) are called **inputs**, and the goods that come out of the production process are called **outputs**

The economy's
resources are all

**INPUTS and
OUTPUTS**

- Scarcity of goods in an economy can be traced back to a scarcity of means for producing them
- E.g; scarcity of health services would be no problem if building hospitals, health personnel, were all free goods

لأنهمه اللي بقدمولنا الخدمات

- **Scarcity** is not the same as a **shortage** **النقص**
(human fault) **التقصير**

يدنا نكون عارفين انو. Scarcity هي اشي طبيعي بأي مورد وما دخلها بتقصير البشر
اما shortage هي نقص او التقصير اللي بصير عن طريق البشر

**Shortage means that the amount
supplied is less than the amount
demanded**

الكمية الموجودة او المتوفرة : the amount supplied
الكمية المطلوبة : the amoun demanded

لا زعم نعرف الفرق ←

SCARCITY

of a resource

عاطسني

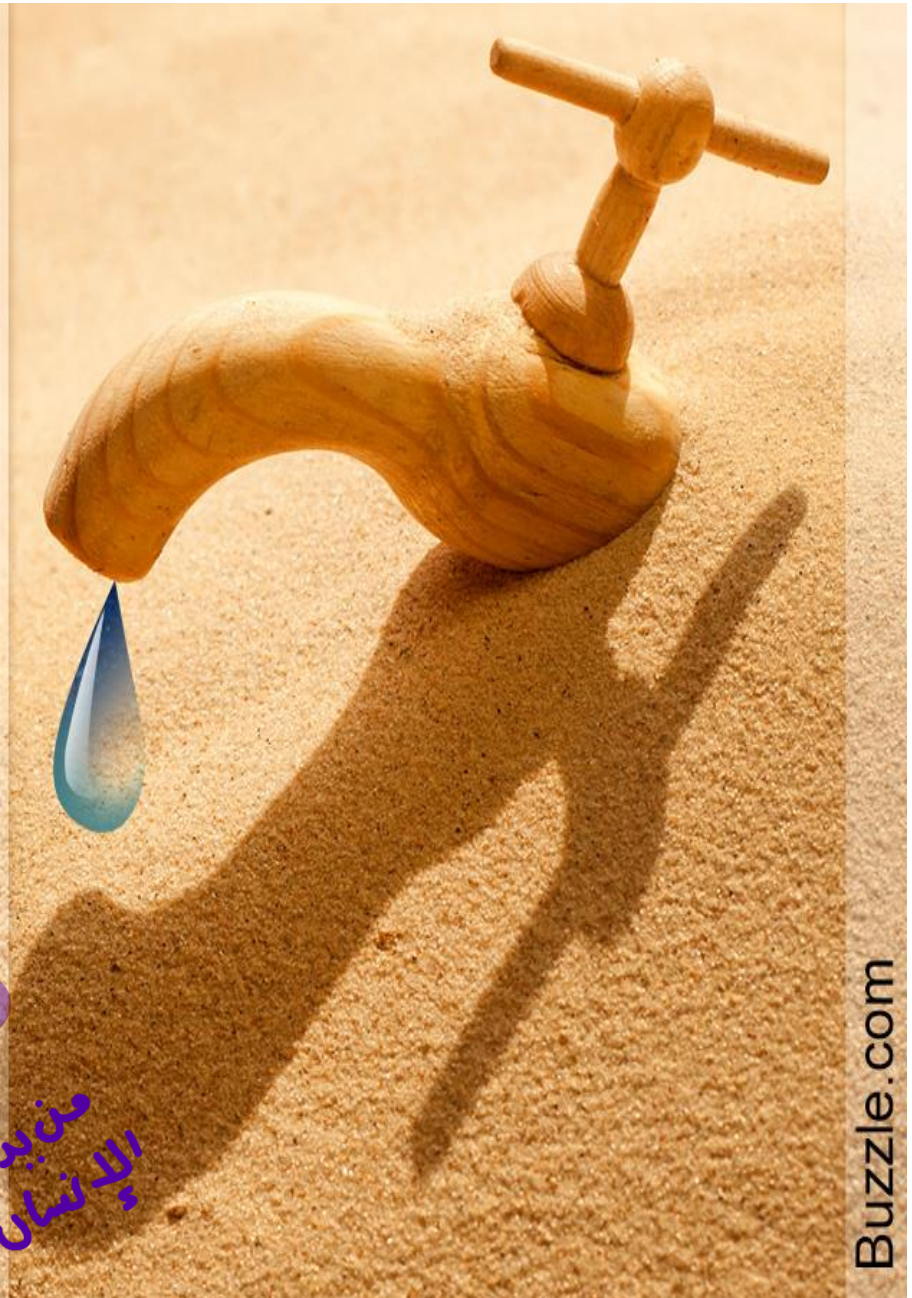
implies natural limitation in the availability of a resource, whereas

SHORTAGE

means temporary and man-made unavailability.

المورد محدود

من بين
اللا تسان



Economics is concerned with...

- Costs (resource use)

- Choice

- Effectiveness.

- Benefits

- Efficiency.

↳ The best use of available resources

اصم اشئى بالحافنة

(مهم)

لح الفرق بينهم بيحي
على شكل مثال

Efficiency

Effectiveness

Means optimal use & application of available resources.

افضل الاستخدام للمواد المتوفرة

Means to what extent the defined objectives are achieved.

المحددة

الاهداف

لاي مدى تحقق الاهداف المحددة

(بانهاية)

The simplest idea about efficiency is often referred to as efficiency savings, where **output is expected** to be maintained, while at the same time **making cost reductions**, or where **additional output** is generated with the same level of inputs. *بدي أحافظ على output حتى لو قل ال fund أو بدي أحسن الخدمة المصحية بنفس ال resources المتوفرة لدي*

This type of efficiency has been referred to as technical efficiency or operational efficiency, but also as **cost-effectiveness**

لأن أنواع efficiency

In order to determine whether and how certain services should be provided, and in order to **establish priorities**, ^② **allocative efficiency** **كفاءة التوزيع** must be used.

It represents a situation where no input and no output can be transferred so as to make someone better off without at the same time making someone else worse off.

انك تحسن وضع مجموعة بدون ما تجعل وضع مجموعة ثانية اسوأ.

This situation is called **Pareto-efficient**

لما عندما يتم تخصيص مواد الاقتصاد و سلعها الى اقصى مستوى من الكفاءة دون جعل شخص ما في وضع اسوأ

نفس الاسم → allocative efficiency

Pareto efficiency is **important** because it provides a weak but **widely** accepted standard for **comparing** economic outcomes.

A policy or action that makes at least one person better off without hurting anyone is called a

Pareto improvement **ما هو تحسين باريتو؟**
لكم حدث عندما يتخذ قرار لا يؤدي إلا لضرر بأي شخص أو جهة معينة و يساعد شخص واحد على الأخر أو جهة واحدة على الأقل

WHAT IS ECONOMICS?

مازهي

- ❖ Economics is the science of scarcity.
- ❖ It analyses how choices are structured and prioritized to maximize welfare within constrained (limited) resources. محدودة
- ❖ Economics is the study of distribution of scarce (inadequate) resources commonly known as goods and services across a population.
- ❖ The discipline of economics deals with use of scarce resources to satisfy human wants and needs how best to use the resources available.

What is health economics??

Health economics is a branch of **economics** concerned with issues related to ^①**efficiency**, ^②**effectiveness**, ^③**value** and ^④**behavior** in the **production** and **consumption** of **health*** and **health care***.

بشرى وفه وامله

In broad terms, health economists **study the functioning** of the **health care systems** as well as **health-affecting behaviors** such as **smoking**.

صغير

كبير

Microeconomics and Macroeconomics

مستوى واحد
(قطاعات معين / مستشفي معين)

- **Microeconomics** focuses on the individual parts of the economy.

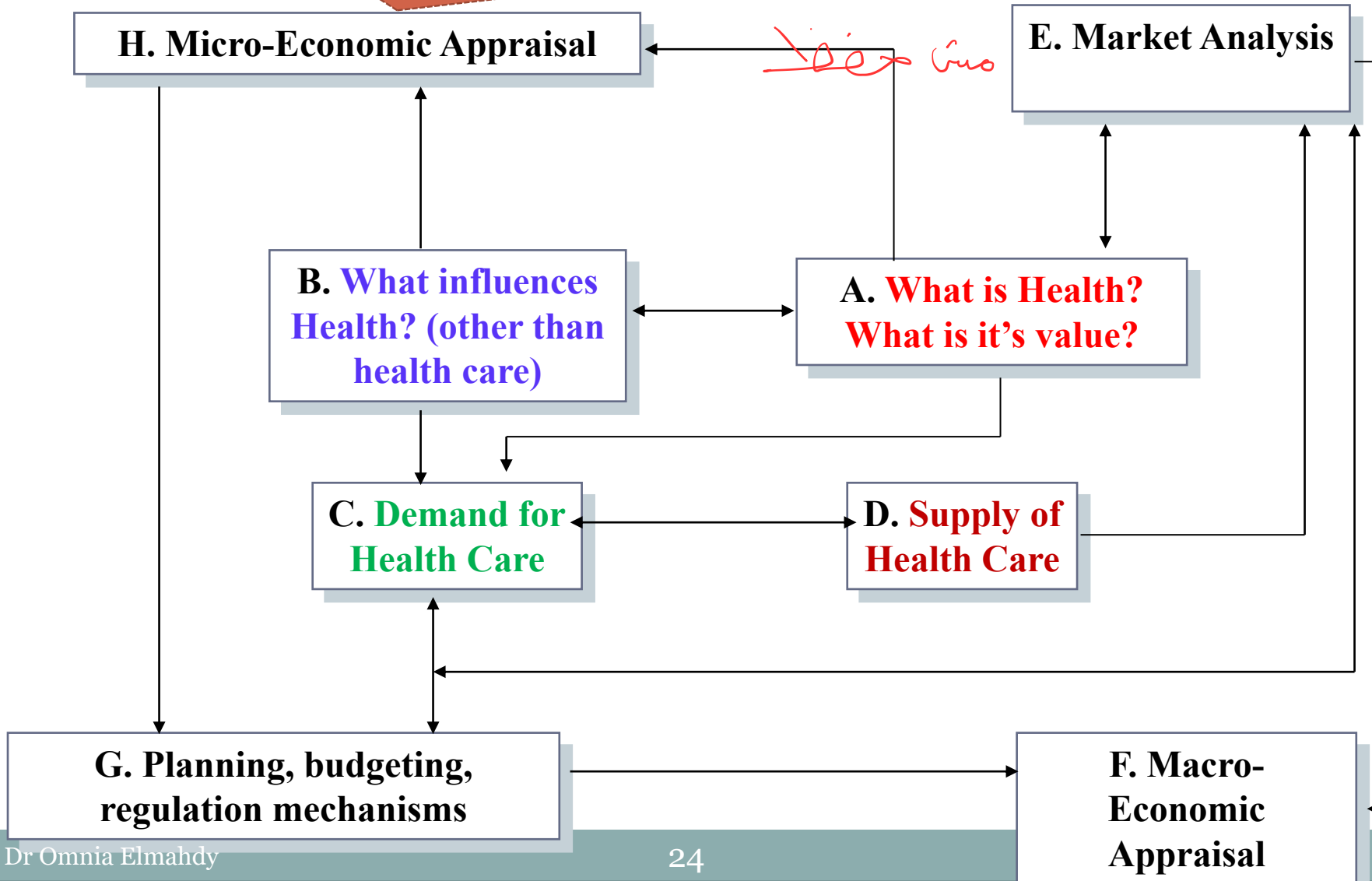
على كافة المستويات
(مستشفيات / قطاعات كالأهل)

- **Macroeconomics** looks at the economy as a whole.

ظواهر على مستوى الاقتصاد

- **Economy-wide** phenomena, including inflation, unemployment, and economic growth التضخم والبطالة والنمو الاقتصادي

Health economics 'map'



HEALTH

• **Health means a state of complete physical, mental & social wellbeing and not merely absence of disease or infirmity.**

سجرت

عدم وجود

اعاقة



4 aspects of health :-

Physical health

- All the body systems are properly functioning in harmony

انسجام

Mental health

- Related to psychological & emotional health

الها دخل بالحة النفسية و الهامطنية

Social health

- The ability of the person to live and react in harmony & to adjust within a social network

Spiritual health

- Refers to personal integrity, principles and ethics.

الصحة الروحية

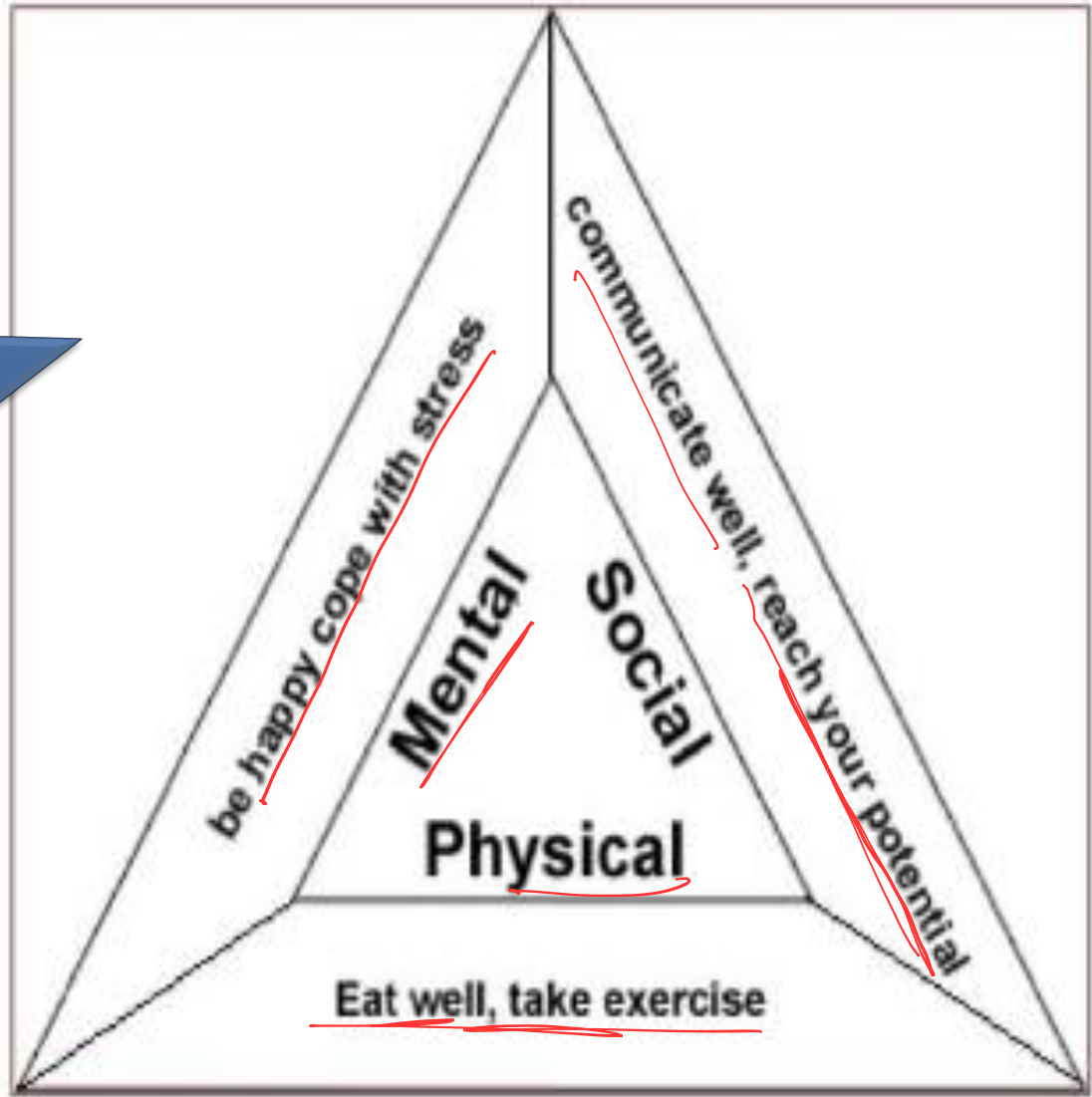
النزاهة الشخصية

العبادى

So, Health is a sound mind, in a sound body, in a sound family, in a sound environment.

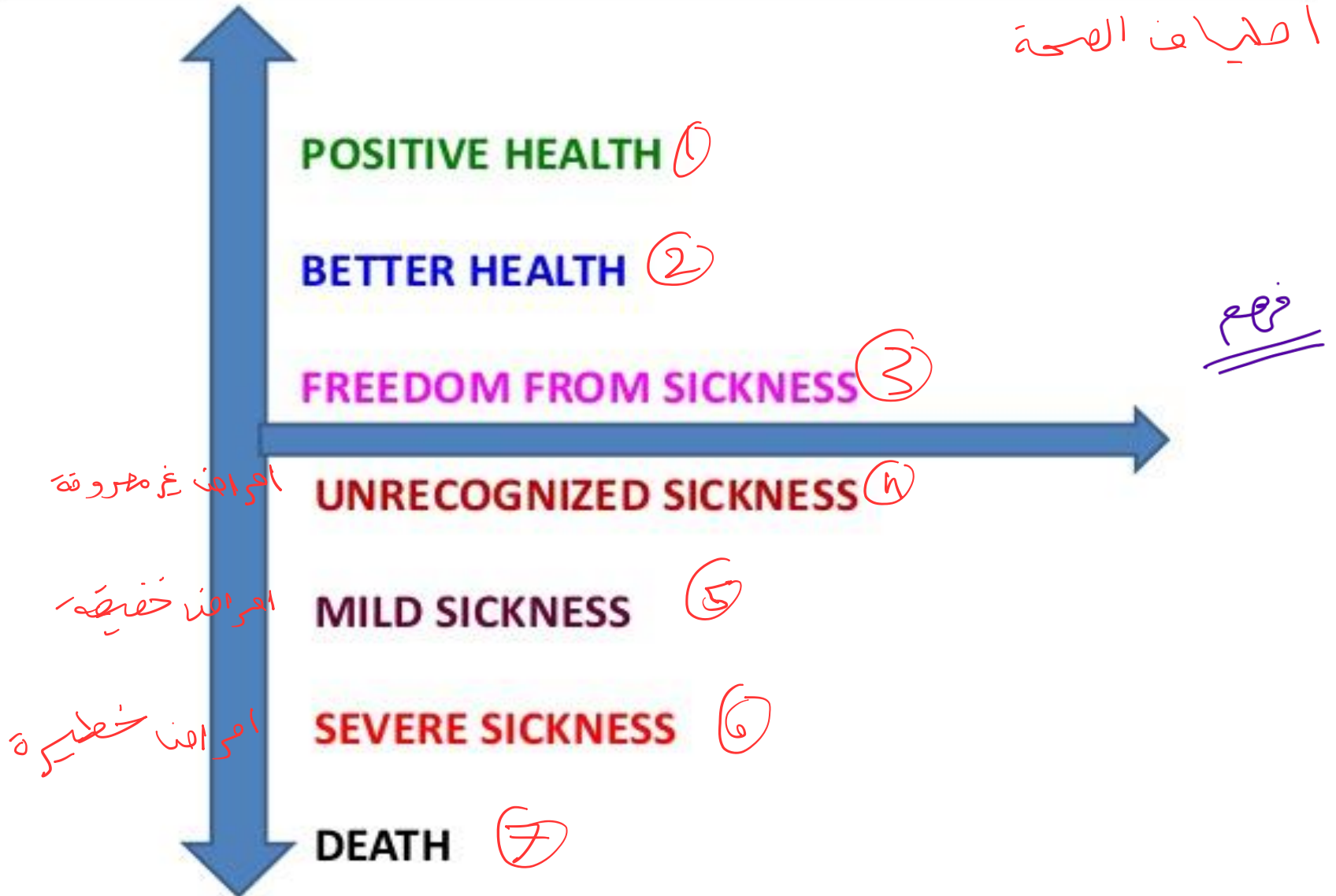
**The
Heath
Triangle**

2006



SPECTRUM OF HEALTH

اطياف الصحة



Signs of Good Health

کمزورات

what are signs of good

فہم

- Physical health — no disease
- Social health
- Mental health



Signs of Good Health

B. Social health

A person with good social health –

- gets along well with people around *يتمتع بأخلاق جيدة*
- has pleasant manners
- helps others
- fulfills responsibility towards others *سيفي*

C. Mental health

Mental health implies - *تعني*

- control on emotions
- sensitive to the needs of others
- confidence in one's own abilities *الثقة بقدرتك الخاصة*
- freedom from unnecessary tensions, anxieties and worries *التوترات*

التكيف

Disease: Failure of the adaptive mechanism of an organ in human body to counteract (react or work against) the stimuli and stresses to which it is exposed, resulting in abnormal structure and function of one or more parts of the body.

تحقيق مستوع من الصحة التي تمكن جميع الأفراد للآنتاج من الناحية الاجتماعية والاقتصادية

من بعداً

Health for all:

تحقيق

Attainment (achievement) of a level of health that will enable every individual lead a socially and economically productive.



ALMA ATA DECLARATION (1978)

تم اعتماده

❑ The **Declaration of Alma-Ata** was adopted at the **International Conference on Primary Health Care (PHC)**, Kazakhstan 1978.

المؤتمر

عبر

اجراءات عاجلة

❑ It expressed the need for **urgent action** by all governments, all health and development workers, and the world community to **protect and promote the health of all people.**

كل عمال الصحة والتنمية والجميع العالمي
يتملوا على حماية وتمنيز ار (Health For All)

مؤتمر

❑ It was the first international declaration underlining the importance of **primary health care.**

□ The primary health care ^{النهج} approach has since then been accepted by member countries of the World Health Organization (WHO) as the key to achieving the goal of "Health For All" but only in developing countries at first. This applied to all other countries five years later.

□ It consider health as a human right.





There are 2 types of nations or countries

لذا من نصيحتي الفرق بينهما

الدول النامية

Developing countries:

- High crude birth rate (20-40 /1000)
- High infant mortality rate
- high percentage of children <15 yrs
- low percentage of elderly people >65 yrs
- Short life expectancy

فترة وسط متوقع العمر

الدول المتقدمة

Developed countries

- Low crude birth rate (<10/1000)
- Low infant mortality rate
- low percentage of children <15 yrs
- high percentage of elderly people >65 yrs
- Long life expectancy

تحم بحمد الله 

Done by :Ramzi Abujamous 