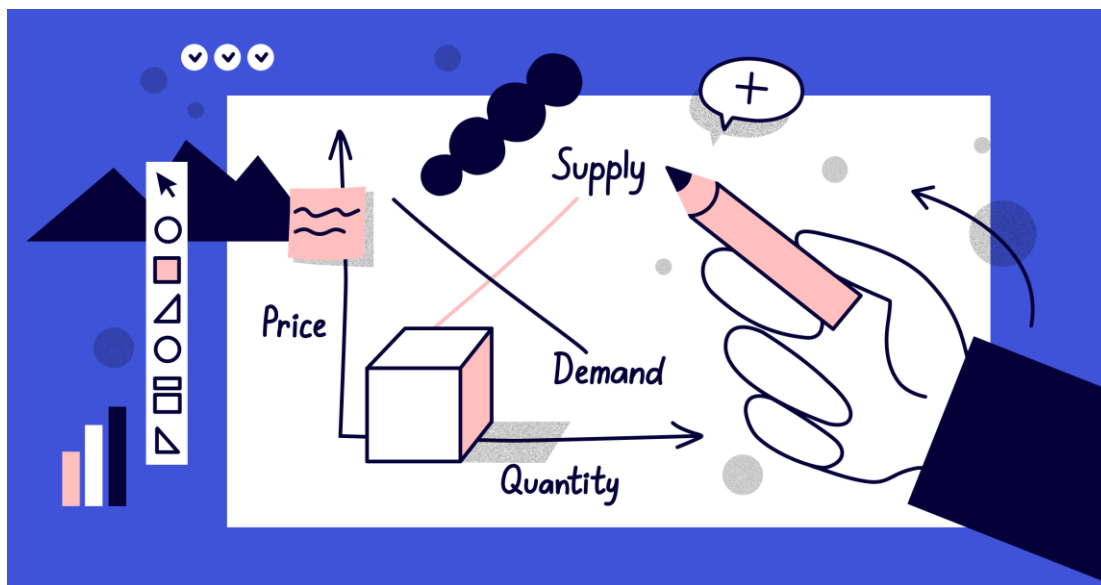




Healthcare Economic Terms:

3- Supply




Dr. Omnia
Elmahdy

SUPPLY


- *Quantity supplied* is the amount of a good that sellers are willing and able to sell.
- Law of Supply
 - The *law of supply* states that, the quantity supplied of a good rises when the price of the good rises.

- Supply Schedule

- The *supply schedule* is a table that shows the relationship between the price of the good and the quantity supplied

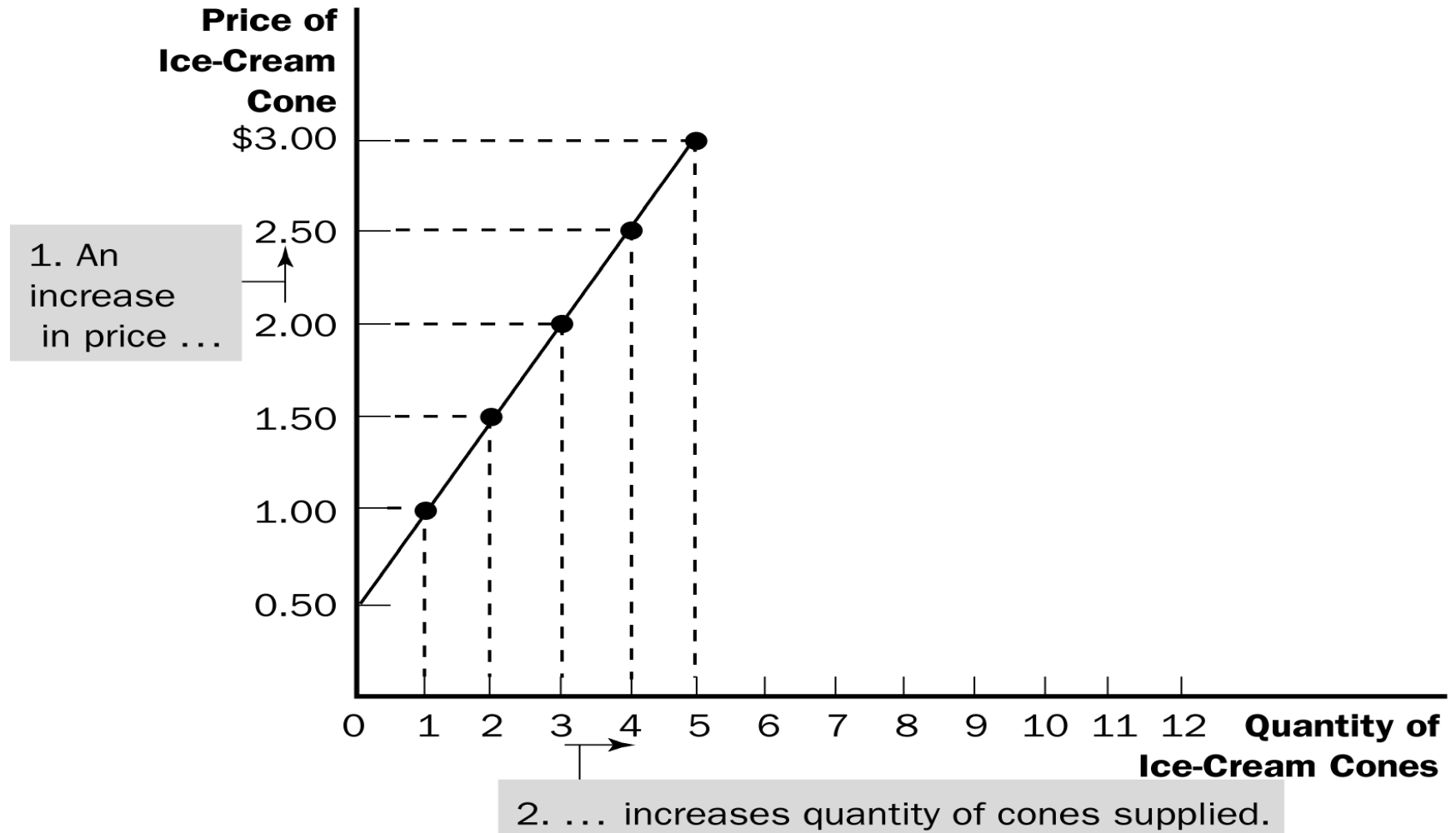


Price of Ice-Cream Cone	Quantity of Cones
\$0.00	0
0.50	0
1.00	1
1.50	2
2.00	3
2.50	4
3.00	5



- Supply Curve

- The *supply curve* is the graph of the relationship between the price of a good and the quantity supplied.



Change in Quantity Supplied

Price of Ice-Cream Cone

\$3.00

1.00

0

1

5

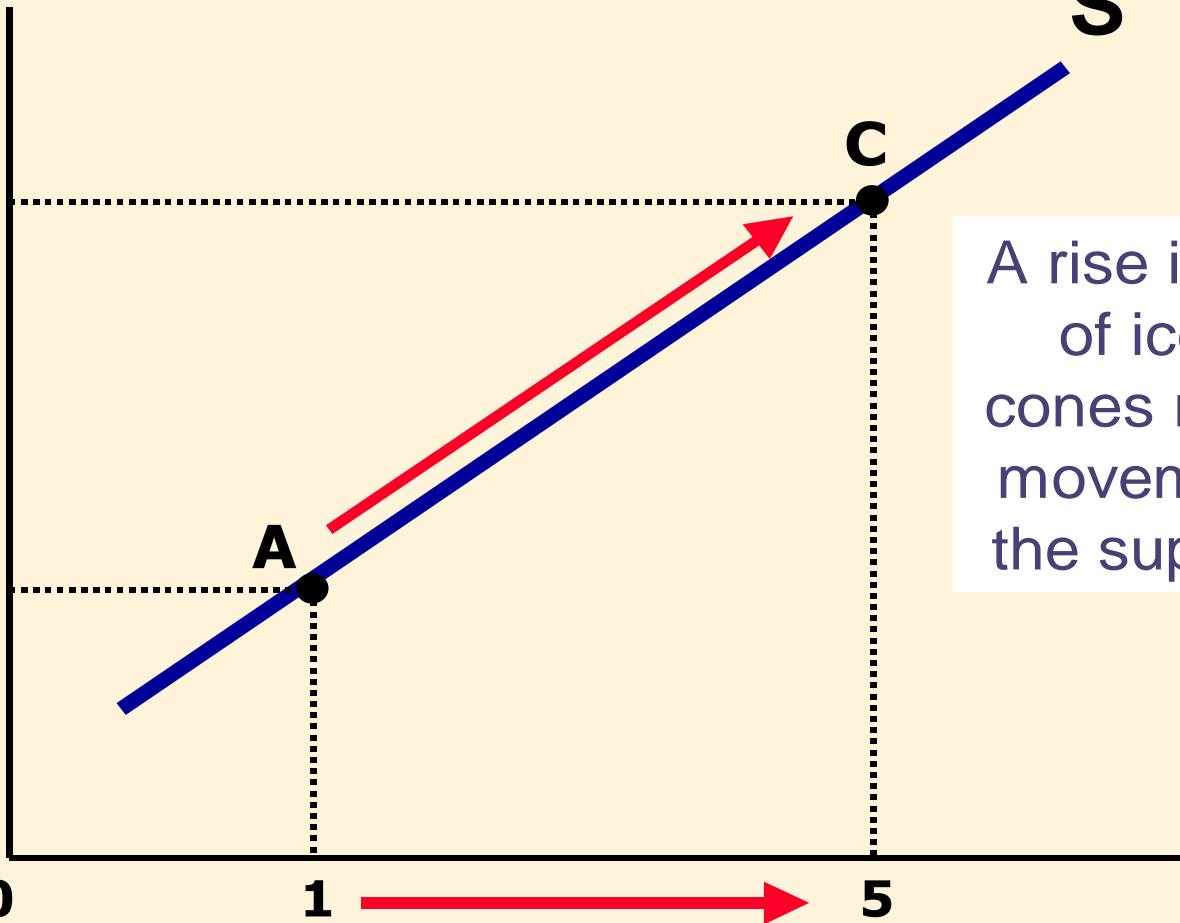
Quantity of Ice-Cream Cones

S

C

A

A rise in the price of ice cream cones results in a movement along the supply curve.



What are the supplies in healthcare?

- 1- **Labor time** of various trained professionals, such as GPs, specialists, nurses, medical technicians, pharmacists, and many others
- 2- **Procedures and testing**, such as magnetic resonance imaging (MRI) scans and laboratory analyses of blood samples
- 3- Hospital and nursing care **services**
- 4- **Emergency services** such as ambulances
- 5- **Pharmaceutical products** (which itself covers a huge range, from bandages to chemotherapy drugs)

Equilibrium

Equilibrium refers to a situation in which the price has reached the level where quantity supplied equals quantity demanded.

Demand Schedule

Price of Ice-Cream Cone	Market
\$0.00	19
0.50	16
1.00	13
1.50	10
2.00	7
2.50	4
3.00	1

Supply Schedule

Price of Ice-Cream Cone	Market
\$0.00	0
0.50	0
1.00	1
1.50	4
2.00	7
2.50	10
3.00	13

At \$2.00, the quantity demanded is equal to the quantity supplied!

SUPPLY AND DEMAND TOGETHER

Demand Schedule

Price of Ice-Cream Cone	Market
\$0.00	19
0.50	16
1.00	13
1.50	10
2.00	7
2.50	4
3.00	1

Supply Schedule

Price of Ice-Cream Cone	Market
\$0.00	0
0.50	0
1.00	1
1.50	4
2.00	7
2.50	10
3.00	13

At \$2.00, the quantity demanded is equal to the quantity supplied!

Figure 8 The Equilibrium of Supply and Demand

