

Health, welfare and health behavior

**ECTS : 3**

**Description du contenu de l'enseignement :**

This course will provide an overview of economic approaches to health investment decision-making. At the societal level, policy makers have to decide which health interventions (incl. preventive measures, drugs and medical procedures) to fund to maximize population health outcomes with limited economic resources. In the first part of the course, we will examine health economic evaluation as one potential framework to make such decisions. The course will cover the principles of economic evaluation and discuss the advantages and downsides of this approach. We will work through an example of how a cost-effectiveness analysis is conducted in practice, and we will discuss how evidence from such analyses is used in healthcare systems around the world by looking at several countries as case studies.

In the second part of the course we will consider individual decision-making for health and health behavior. We will discuss economic models of the demand for health and their implications for individual health behaviour and the demand for healthcare. We will also consider economic models for risky health behaviour (e.g., smoking) and discuss the empirical evidence for these models.

**Schedule:**

- 1 Principles of health economic evaluation
- 2 Conducting cost-effectiveness analyses
- 3 Using economic evaluation to support decision-making in healthcare
- 4 The demand for health: The health capital model and the health deficit model
- 5 Economics of risky health behavior: Theory
- 6 Economics of risky health behavior: Evidence
- 7 Economics of health prevention

**Compétence à acquérir :**

After participating in this course, students will:

- Understand how economic evaluation can be used to assess health interventions.
- Be able to critically discuss decision-analytic models for cost-effectiveness analyses.
- Have an overview of how evidence from economic evaluations is used in healthcare decision-making in different institutional contexts
- Understand how economic principles can be applied to model the demand for health and health behaviour.
- Have an overview of the empirical literature on risky health behaviour.
- Be able to critically assess empirical studies on health behaviour.

**Mode de contrôle des connaissances :**

- Presentation of an academic paper on risky health behaviour in session 6 of the course (30% of the final grade)
- Written final exam (70% of the final grade)

**Bibliographie, lectures recommandées :**

*Textbooks:*

Some of the material we will cover is discussed in the two textbooks below. Zweifel et al. (2009) is available online through the library, and especially in the first part of the course we will follow the exposition there closely. There is no need to buy these

books if you do not have access to them.

Zweifel, P., Breyer, F., and Kifmann, M, 2009. Health Economics, 2nd Edition, Springer Berlin Heidelberg.

Sloan, F. and Hsieh, C.-H., 2017. Health Economics, 2nd Edition, MIT Press Cambridge Massachusetts.

*Papers:*

The papers listed below provide some additional background to the material discussed in class.

Cropper, M.L., 1977. Health, Investment in Health, and Occupational Choice. *Journal of Political Economy* 85, 1273–1294.

Dalgaard, C.-J., Strulik, H., 2014. OPTIMAL AGING AND DEATH: UNDERSTANDING THE PRESTON CURVE. *Journal of the European Economic Association* 12, 672–701. <https://doi.org/10.1111/jeea.12071>

Grossman, M., 2000. The Human Capital Model, in: Culyer, A.J., Newhouse, J.P. (Eds.), *Handbook of Health Economics*. Elsevier, pp. 347–408. [https://doi.org/10.1016/S1574-0064\(00\)80166-3](https://doi.org/10.1016/S1574-0064(00)80166-3)

Grossman, M., 1972. On the Concept of Health Capital and the Demand for Health. *Journal of Political Economy* 80, 223–255.

Walker, S., Sculpher, M., Drummond, M., 2011. 733 The Methods of Cost-Effectiveness Analysis to Inform Decisions about the Use of Health Care Interventions and Programs, in: Glied, S., Smith, P.C. (Eds.), *The Oxford Handbook of Health Economics*. Oxford University Press, p. 0. <https://doi.org/10.1093/oxfordhb/9780199238828.013.0031>

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