



Global Health Supply, Organization and Financing ECON 184/284

Countries irrespective of their income level face many important choices about how their health care delivery systems are organized and financed. These decisions importantly affect the types of services available, their quality, and ultimately the health status of the country's residents.

In particular, what is the appropriate mix of financing mechanisms, i.e., the relative importance of patient self-financing of services, private insurance, public insurance, and direct public budgeting/provision? How should health services be delivered and organized? Should there be reliance on provision of services by private providers, the public sector, or some combination of the two, and if so, in which combination? If there is to be a private sector, to what extent should government be involved in pricing of services and in direct government oversight of service provision? In the public sector, what are the pluses and minuses of imposing cost sharing on patients? What financing mechanisms exist for financing research and development on therapies for diseases highly prevalent in low- and middle-income countries, e.g., prescription drugs and vaccines, and which mechanisms offer the most promise? These financing mechanisms are particularly important since aggregate demand for these products may be insufficient to elicit sufficient R&D effort. How good are the methodologies of cost-effectiveness and cost-benefit analysis for helping countries make decisions about technology adoption and its pricing? If these analytic techniques are sound, why are they not more widely used for health resource allocation decisions around the world currently?

The course will begin with an overview of global health supply, financing, and organization. We then will focus on particular sectors in low- and middle-income countries---hospitals, physicians and ambulatory care, prescription drugs, and vaccines. After you have gained some familiarity with the parts of the health system, we will examine the attractiveness of various models of financing and provision, ranging from private sector financing and provision, mixed private sector and public financing and provision, and a fully public program of financing and provision. Finally we will discuss the methods of cost-effectiveness analysis and cost-benefit analysis with specific examples to illustrate how these methodologies have been used to assess specific technologies as well as barriers to their use.

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MW: 2:50 pm – 4:05 pm