

# Editorial Note on Health Economics

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## Editorial

Health economics is an economics subject that focuses on the topic of health care. Economics, in its broadest sense, is concerned with how society distributes its resources among various uses. The scarcity of these resources serves as the foundation for economic theory, and it is from this point that economic theory develops. Investing in research and development for novel remedies and medical equipment, for example. Governments frequently subsidize insurance for people who cannot afford it or, in some cases, low-cost activities and amenities that non-poor individuals can afford on their own.

For equal health-care requirements, equal usage of health-care services is required. For equitable usage of health care, there must be equal willingness to pay. For the same amount of effort, equal health outcomes are achieved. People pay the same amount for health care because they have the same ability to pay. Health economics looks at these issues primarily from the standpoint of efficiency—getting the most out of limited resources (or ensuring benefits gained exceed benefits forgone). Concerns about equity—what constitutes a fair distribution of resources—are also acknowledged. Equity considerations frequently clash with efficiency guidelines. This feature has not been a major focus of health economists' work due to the contentious nature of this subject and the challenges in defining equitable dimensions.

Thirty years ago, doctors had few options when it came to treatment options, and patients just followed orders. Any implicit values that influenced the decision-making process were determined by the physician. However, given a backdrop of constrained health-care resources, a savvy customer, and a growing number of therapeutic possibilities, there is a demand for more open and equitable decision-making.

Health Economics is a topic of study that provides for a systematic and comprehensive assessment of the issues that arise in promoting universal health. Health economics tries to understand the decision-making behaviour of individuals, health care providers, public and private organisations, and governments by applying economic theories of consumer, producer, and social choice. Through the study of health care providers, hospitals and clinics, managed care, and public health promotion initiatives, health economics is utilised to promote healthy lifestyles and positive health outcomes. The MHS in Global Health Economics degree programme at the Johns Hopkins Bloomberg School of Public Health's Department of International Health applies health

economic principles to global concerns such as migration, displaced persons, climate change, vaccine access, and injuries.

Production, efficiency, disparities, competition, and regulatory theories are used by health economics to better inform the public and private sectors on the most efficient, cost-effective, and equitable course of action. The economic appraisal of new technology, as well as the study of suitable prices, antitrust legislation, optimal public and private investment, and strategic conduct, are all examples of this type of research. The relationship between the amount of money spent on an intervention and the amount of money saved is rarely linear. Because most health-care decisions include deciding whether to expand or reduce existing services, it's crucial to think about how increments in benefit alter as resource allocation increases, rather than the average benefits experienced by average costs. A marginal analysis is what this is called [1-5].

## Objectives of health economics

- Its main goal is to investigate how finite resources are distributed among various uses for the treatment of illness. Health and health-care services should be promoted, maintained, and enhanced.
- Many factors influence one's health, which can be grouped into five categories called determinants of health: heredity, behaviour, environmental and physical influences, medical care, and social factors.

## References

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