

Country capacity development training series

# Economic principles for health policy and planning



November 3<sup>rd</sup> - 8<sup>th</sup> 2008



Centre for Health Economics  
(A WHO Collaborating Centre)

Faculty of Economics

Chulalongkorn University, Bangkok, Thailand



Country capacity development training series

# Economic principles for health policy and planning

*3 – 8 November 2008*

*Chulalongkorn University, Bangkok, Thailand*

Health Care Financing Unit  
Department of Health Systems Development  
WHO South East Asia Regional Office (SEARO)  
New Delhi, India

*and*

Centre for Health Economics  
(A WHO Collaborating Centre)  
Faculty of Economics  
Chulalongkorn University, Bangkok, Thailand



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# Background

## ***Purpose of the course***

To promote the use of economic principles for better health policy, planning and management in low income settings.

## ***Objective of the course***

Orientation in:

- (a) economic concepts in the context of health
- (b) experience with the application of economic principles in health policy, planning and management, especially in developing countries

## ***Audience***

Senior staff from Ministry of Health/policy-linked institutes who

- (a) might be familiar with economic issues in the area of health but who would benefit from a structured orientation to the subject
- (b) could advance the use of economic principles in health in their own countries, including initiate similar capacity building at national level

## ***Follow-up by WHO SEARO***

- (a) at country level, to support the application of economic principles in health policy, planning and management, including developing capacity to replicate the course for decision makers at all levels of government through strengthening/establishing country technical units
- (b) at regional level, to administer the course biannually; and, provide further in-depth training in specific sub-topics at regular intervals

- (c) leading a health economics and financing Observatory to support country and regional work, including as a platform for regular exchange of ideas and experiences

### ***Course design***

The course is designed keeping in mind country requests for an introduction to economic principles for health policy specially designed for policy makers and practitioners with an appropriate mix of technical/conceptual issues and practical applications. Also, it was noted that time is a constraint for decision makers, making it difficult for them to be away from their work more than a week at a time.

The six-day course is structured around five modules. The content is a balance of technical concepts and country experience, emphasizing the practical use of economic principles in health policy, particularly in low income settings. Attention has been given to illustrating concepts with examples from health systems and disease-specific/intervention programmes. Each module will include a lecture; participatory question and answer session; and, group/home work. The course includes a field visit to a health facility as well.

### ***Faculty***

The course is designed and lead by WHO SEARO in collaboration with Chulalongkorn University, Bangkok. Teaching faculty includes international health technical experts and practitioners in the area of health policy, planning and management.

## **Module I : Health and development**

***Guest Faculty:***

*Professor Indrani Das Gupta, Institute of Economic Growth,  
University of Delhi, India*

***Coordinating Faculty:***

*Assistant Professor Chanetwallop Khumthong, Chulalongkorn University  
Dr. Alaka Singh, WHO SEARO*

The first Module will set health in the context of the overall development in which policy decisions are made for each sector of a country, including health. It will track the change in thinking from health as an outcome of economic growth to health as a critical dimension of development and poverty reduction, giving considerable leverage to the sector in national and international development agendas today.

The module will introduce the following concepts and associated global/country experiences:

- the health-income nexus and concept of demographic transition
- the Human Development Index, encapsulating the first step away from the income space in developing thinking
- dimensions of poverty, including health-specific poverty concepts e.g. 'health poverty line'
- recent debates on the health-development nexus e.g. the work of the Commission of Macroeconomics and Health and the Commission on Social Determinants of Health

**Duration:** One session

## **Module II : Health and macroeconomics**

***Guest Faculty:***

*Professor Indrani Das Gupta, Institute of Economic Growth,  
University of Delhi, India*

***Coordinating Faculty:***

*Associate Professor Siripen Supakankunti, Ph.D., Chulalongkorn University  
Dr. William Aldis, WHO SEARO*

Module Two will introduce concepts and linkages between health and macroeconomics. It will substantiate the orientation of Module One vis-à-vis the central place of health in national development agendas by equipping Ministry of Health officials with technical grounding for interaction with Ministries of Finance/Planning as well as highlight the importance of multi-sector planning for health.

The module will introduce the following concepts and associated global/country experiences:

- Health as a productive sector of the economy
- Expenditure planning for health within overall national plans
  - Fiscal space
  - Macro fundamentals and inflationary pressure
  - Absorptive capacity
- Key issues in health and trade

**Duration:** Two sessions

## **Module III: The market for health**

***Guest Faculty:***

*Professor Soonman Kwon, School of Public Health,  
Seoul National University, Korea*

***Coordinating Faculty:***

*Chantal Herberholz, Ph.D., Chulalongkorn University  
Dr. Alaka Singh, WHO SEARO*

Module Three will introduce market related health concepts both from the demand as well as supply side. With an understanding of the workings of the market for health care, the crucial role of the state and public sector will become all the more clear for decision makers.

The module will introduce the following concepts and associated global/country experiences:

- Demand side: Microeconomics and household analysis
  - factors that influence demand for health care
- Supply side: Market failure in the provision of health care
- Public intervention in the provision and finance of health
- Government failure in health

**Duration:** Two sessions

## **Module IV: Options to address market failure in health**

***Guest Faculty:***

*From International Health Policy Program (IHPP), Thailand*

***Coordinating Faculty:***

*Associate Professor Manisri Pantularp, Chulalongkorn University*

*Dr. Alaka Singh, WHO SEARO*

Health financing is a critical constraint in scaling up services in developing countries. Module Four will be devoted to introducing the range of issues involved with health financing reform for universal access so that decision makers can assess the appropriateness of each in the context of their own specific health systems and national agenda.

The module will introduce the following concepts and associated global/country experiences:

- Collection and pooling
  - Tax based systems
  - Health insurance markets
  - Community based financing
  - Demand-side financing
  - Innovative financing
- Purchasing, particularly in the context of public-private partnerships
  - Supply side financing and provider payments
  - Strategic contracting

**Duration:** Six sessions, including field work

## **Module V: Application of economic techniques**

***Guest Faculty:***

*Dr. Yot Teerawattananon MD, PhD.*

*Health Intervention and Technology Assessment Program (HI TAP)*

*Ministry of Public Health, Thailand*

***Coordinating Faculty:***

*Assistant Professor Chanetwallop Khumthong, Chulalongkorn University*

*Dr. Dan Chisholm WHO Headquarters Geneva, Switzerland*

Economic evaluations are of increasing importance in health policy and programme formulation, implementation and review. Module Five will introduce evaluation concepts and techniques useful for decision makers, particularly with respect to issues of equity and efficiency discussed in previous modules.

The module will introduce the following concepts and associated global/country experiences:

- Setting priorities and identifying targets/indicators
- Economic evaluation of
  - outcomes
  - outputs
  - inputs
  - processes
- Economic tools and their application
  - NHA
  - costing
  - economic modeling and forecasting

**Duration:** Six sessions

## Suggested background reading material

- (1) Macroeconomics and Health: Investing in health for economic development, Report on the Commission on Macroeconomics and Health (2001), The World Health Organization, <http://whqlibdoc.who.int/publications/2001/924154550X.pdf>
- (2) C. Donaldson and K. Gerard, Economics of Health Care Financing: The Visible Hand, 2nd edition, Palgrave, 2005  
Chapter 2, Markets and Health Care: Introducing the Invisible Hand  
Chapter 3, Market Failure in Health care: Justifying the Visible Hand
- (3) Gottret, P. and Schieber, G. (2008). *Good Practices in Health Financing: Lessons from Reforms in Low- and Middle-income Countries*. Washington, DC: The World Bank.
- (4) Tangcharoensathien, V., Prakongsai, P., Limwattananon, S., Patcharanarumol, W., Jongudomsuk, P. (2007) 'Achieving universal coverage in Thailand: what lessons do we learn?', A case study commissioned by the Health Systems Knowledge Network, Nonthaburi: International Health Policy Program (IHPP). Online. Available at: [http://www.who.int/social\\_determinants/resources/csdh\\_media/universal\\_coverage\\_thailand\\_2007\\_en.pdf](http://www.who.int/social_determinants/resources/csdh_media/universal_coverage_thailand_2007_en.pdf).
- (5) Carrin, G. and James, C. (2004) *Reaching Universal Coverage via Social Health Insurance: key design features in the transition period*, Discussion paper no.2, Geneva, The World Health Organization. Available at: <http://www.who.int>
- (6) Hutubessy R, Chisholm D, Edejer TTT, WHO-CHOICE (2003). Generalized cost-effectiveness analysis for national-level priority-setting in the health sector. *Cost-effectiveness and Resource Allocation*, 1: 8.
- (7) Chisholm D, Evans D (2007). Economic evaluation in health: saving money or improving care? *Journal of Medical Economics*, 10: 325-337

## Agenda at a glance

	3 November	4 November	5 November	6 November	7 November	8 November
<b>Session 1</b> 8:30 -10:00	Opening	Module 3 Market for health care	Module 4 Health Financing	Module 4 Health Financing	Module 5 Economic techniques	Module 5 Economic techniques
Coffee break						
<b>Session 2</b> 10:30-12:30	Module 1 Health and Development	Module 3 Market for health care	Module 4 Health Financing	Module 4 Health Financing	Module 5 Economic techniques	Module 5 Economic techniques
Lunch break						
<b>Session 3</b> 13:30-15:00	Module 2 Health and Macroeconomics	Group Work	Module 4 Health Financing	Module 4 Health Financing	Module 5 Economic techniques	Module 5 Economic techniques
Coffee break						
<b>Session 4</b> 15:30-17:00	Module 2 Health and Macroeconomics	Field visit	Group Work	Group Work	Group Work	Closing

## About guest faculty

***Professor Indrani Das Gupta***  
***Institute of Economic Growth, University of Delhi, India***

**Expertise:** Development Economics, Health Economics and Policy, with a special emphasis on the Economics of HIV/AIDS

**Qualification:**

1992: Ph.D. Economics, University of Maryland, College Park, Maryland, USA

**Employment History:**

1981-82: *Lecturer*, Janki Devi College, University of Delhi, New Delhi, India

1982-1983: *Research Associate*, National Council of Applied Economic Research, New Delhi, India

1983-1985: *Assistant Director*, Ministry of Finance, Government of India

1985-1986: *Assistant Director*, Ministry of Agriculture, Government of India

1987-1990: *Instructor*, Department of Economics, University of Maryland

1991: *Research Analyst*, Bureau of Business & Economic Research, U. of Maryland,

1991-1995: *Consultant*, Policy Research Dept., World Bank, Washington D.C.

1995-1998: *Consultant*, Institute of Economic Growth

1998-2004: *Associate Professor and Head*, Health Policy Research Unit, Institute of Economic Growth

2004-present, *Professor and Head*, Health Policy Research Unit, Institute of Economic Growth

**Publication record:**

Please see detailed list of publications on:

<http://www.iegindia.org/indranicv.pdf>

## About guest faculty

***Professor Soonman Kwon***  
***School of Public Health, Seoul National University***

**Expertise:** Health Economics and Financing; Comparative Health Systems and Policy; Aging and Long-term Care Policy; Health Systems and Financing in Low-income Countries; Pharmaceuticals and Industry; Political Economy of Health Care Reform

**Qualification:**

1987: B.A., School of Business Administration, Seoul National University

1989: M.P.H., School of Public Health, Seoul National University

1993: Ph.D., The Wharton School, University of Pennsylvania, U.S.A.

**Employment History:**

1993-1996: Assistant Professor, School of Public Policy, University of Southern California

1997-present: Assistant Professor, Associate Professor, and Professor of Health Policy and Management, Seoul National University, Korea

2004-2008: Chair, Department of Health Policy and Management, School of Public Health, Seoul National University

2005-present: Director, Center for Canadian Social Policy, Seoul National University

2005-present: Director, Training Program for Senior Managers of National Health Insurance, Seoul National University

2006-present, Director, BK (Brain Korea, Center of Excellence) Center for Elderly Health Policy Research, Seoul National University

**Publication record:**

Please see detailed list of publications on:

[http://plaza.snu.ac.kr/~kwons/cv\(Kwon,Soonman\).htm](http://plaza.snu.ac.kr/~kwons/cv(Kwon,Soonman).htm)

## About guest faculty

***Dr. Yot Teerawattananon***  
***Health Intervention and Technology Assessment Program (HITAP)***  
***Ministry of Public Health, Thailand***

**Expertise:** Health economic evaluation, Evidence synthesis, Ethics and resource allocation, Public health policy

**Qualification:**

1997: Doctor of Medicine, Chulalongkorn University

2003: Postgraduate Diploma in Health Science (Health Economics and Policy), University of East Anglia, U.K.

2006: Doctor of Philosophy in Health Economics (Economic Evaluation), University of East Anglia, U.K.

**Employment History:**

1998 – 2000: Hospital Director, Pong Hospital, Phayao Province, Thailand

2000 - 2001: Research Fellow, Senior Research Scholar Program in Health Financing and Health Economics, Health Systems Research Institute

2001 – present: Senior Researcher, International Health Policy Program

2004 - present: Guest Lecturer, Asian Institute for Health Development, Mahidol University

2004 - present: Guest Lecturer, Faculty of Pharmacy, Khon Kaen University

2006 - present: Guest Lecturer, Faculty of Medicine, Naresuan University

2007- present: Founder and Leader of Health Intervention and Technology Assessment Program (HITAP)

**Publication record:**

Please see detailed list of publications on:

[http://gdnet.org/knowledge\\_base/researchers/cvs/1174573089\\_Curriculum\\_Vitae-Yot-March2007.doc](http://gdnet.org/knowledge_base/researchers/cvs/1174573089_Curriculum_Vitae-Yot-March2007.doc)

## About the guest institute

***IHPP - International Health Policy Program  
Thailand***



**IHPP** is a semi-autonomous program conducting research on the national health priorities related to health systems and policy in Thailand. The program, which is now part of the Bureau of Policy and Strategy - MOPH, aims to improve the national health care systems through generating knowledge and reliable evidence on improving health systems and policy to the public and Thai policy makers.

During the last nine years, IHPP has identified and addressed key emerging issues in health systems with the application of tools such as health economics, health financing, and health policy analysis. IHPP has focused not only on research, but on policy processes and policy utility of research findings; this demanded researchers to work closely with related stakeholders in each particular field.

**Mission:** To develop in two major areas

- (1) Research Capacity
- (2) International Health

**Objective:** The objectives of IHPP are to build up capacity in health systems and policy research through five strategies:

- (1) Conducting policy relevant research
- (2) Participating in policy interface
- (3) Building up partnerships and networks
- (4) Providing opportunity for researchers
- (5) Publication articles in domestic and international journals

**For more information visit:** [www.ihpp.thaigov.net](http://www.ihpp.thaigov.net)

## **About the WHO Collaborating Centre**

***Centre for Health Economics  
Faculty of Economics, Chulalongkorn University  
Bangkok, Thailand***



Chulalongkorn University started in 1899 as the Civil Service Training School and officially came into being in March 1917 as Thailand's first institution of higher learning. The University is named after King Chulalongkorn the Great (Rama V) who was the fifth king of the Chakri dynasty of Thailand (1853-1910). He is regarded as one of the greatest kings of Siam and is also referred to as "The Great Beloved King" by Thais.

The Centre for Health Economics was designated a WHO Collaborating Centre in 1993 and has been providing active support to WHO Technical Units as well as Member States.

### ***Objectives and functions of the centre***

- To develop expertise in the application of health economics in the formulation of health care policies, in planning and resource allocation, and in the health care delivery process in Thailand and other countries of the region
- To strengthen health economics research capability both in Thailand and in South-East Asia, with respect to health policy, health care reform and related issues to improve effectiveness, efficiency, and equity;
- To encourage research in economic analysis and evaluation of disease control, with special attention to tropical diseases;
- To provide advisory and information services in South-East Asia on health economics research.

**For more information visit: [www.econ.chula.ac.th](http://www.econ.chula.ac.th)**

## **About Chulalongkorn University faculty**

***Associate Professor & Director Siripen Supakankunti,  
Centre for Health Economics, Faculty of Economics,  
Chulalongkorn University***

Director Siripen Supakankunti has a background in Statistics from Chulalongkorn University and a Ph.D. in Economics from the University of the Philippines. In 1983 she joined the Faculty of Economics at Chulalongkorn University and became the Director of the Centre for Health Economics in 1998. She has also undergone training in Advanced Research and Training in International Health at Harvard School of Public Health. She is highly specialized and interested in economic analysis and evaluation, economic modeling, pharmaceutical industry, health care financing, health insurance, health policy and planning especially for Asian health care systems.

**Please see detailed list of publications on:**

<http://www.econ.chula.ac.th/research/chealth/index.htm>

***Assistant Professor Chanetwallop Khumthong  
Centre for Health Economics, Faculty of Economics,  
Chulalongkorn University, Bangkok, Thailand***

Assistant Professor Chanetwallop Khumthong studied Economics at Thammasat University, Bangkok, Thailand before continuing with his doctoral studies at London School of Economics and Political Science in the UK. Today he is the Board Director, Centre for Health Economics, Chulalongkorn University, Executive Director, Chulalongkorn Economic Research Centre (CERC), Faculty of Economics, Executive Board Director, Faculty of Economics and Deputy Director for Research, Institute of Asian Studies, Chulalongkorn University. Some of his areas of interests are politics and social ethos of health sector reform, such as health care financing, social and ethical values of the health system, health policy and planning and impacts of structural change on health sector, especially for Asian health care systems.

**Please see detailed list of publications on:**

<http://www.econ.chula.ac.th/research/chealth/index.htm>

## **About Chulalongkorn University faculty**

***Associate Professor Manisri Pantularp  
Centre for Health Economics, Faculty of Economics,  
Chulalongkorn University, Bangkok, Thailand***

Associate Professor Manisri Pantularp has been part of the Faculty of Economics at Chulalongkorn since 1969. In 1993 she was a Ph.D. Candidate in Health Economics and Financing at the London School of Hygiene and Tropical Medicine, UK in the WHO Special Program for Research and Training in Tropical Disease. She is also a visiting professor for Health Economics at Mahidol University, Bangkok. Associate Prof. Manisri has been part of many projects, one of many being the UNDP founded project on improvement of community costing in Myanmar. She teaches and has expertise in macroeconomic theory, public finance, health care planning and financing, health care reform, economic evaluation for health sector, pharmaceutical economics, and public policy for health promotion.

***Dr. Chantal Herberholz  
Centre for Health Economics, Faculty of Economics,  
Chulalongkorn University, Bangkok, Thailand***

Dr. Chantal Herberholz has done both her Master and Ph.D. studies at the Faculty of Economics at Chulalongkorn. At present she is the Assistant Director of the faculty's International Affairs Office, Associate Director of the Interdisciplinary Department of European Studies, Graduate School and member of the Executive Committee, MSc in Health Economics Programme. She is very interested in the role of foreign financial services providers in Thailand's financial sector and has written several papers on this subject. She teaches and has expertise in monetary economics, international finance, health markets, liberalisation of trade in services (financial and health services) and happiness economics.

## **About the Health Care Financing Unit, WHO SEARO**

*Health Care Financing Unit  
Department of Health Systems Development  
WHO SEARO, New Delhi, India*



**WHO South East Asia Regional Office** services 11 Member States: Bangladesh, Bhutan, DPR Korea, India, Indonesia, Maldives, Myanmar, Nepal, Sri Lanka, Thailand and Timor-Leste

### **Department of Health Systems Development**

The department focuses to support member states on policy and managerial practices for appropriate infrastructure and logistics, use of technology, information collection and dissemination, organization of health workforce development at national and institutional levels, universal coverage and sustainable financing, and assured quality and safety in medical products as well as in health-care services.

### **Health Care Financing Unit**

The focus of the Unit's work is to support countries in extending social protection through fair, adequate and sustainable health financing. Health financing and broader economic issues being cross-cutting, assistance is also provided to other areas of work and programmes. In all of this, the Unit's core responsibility is capacity development at country level.

**For more information visit:** [www.searo.who.int](http://www.searo.who.int)

## **About WHO faculty**

***Dr. William Aldis,  
Coordinator, Health Policy and Research, WHO SEARO, New Delhi***

Dr. William Aldis has had a distinguished career in international public health and academics for over 35 years. He has worked in over 25 countries across the global and has been the WHO representative in Sierra Leone, Malawi and Thailand. Besides other academic affiliations, Dr. Aldis holds the position of Clinical Assistant Professor, Department of Family Medicine, University of North Carolina School of Medicine (Chapel Hill), USA and has a notable publication record in leading international medical and health policy journals.

***Dr. Dan Chisholm  
Department of Health System Financing, WHO HQ, Geneva***

A health economist trained at the Institute of Psychiatry, King's College, London, Dr. Dan Chisholm is currently with Costs, Effectiveness, Expenditure and Priority Setting Unit, Department of Health System Financing, WHO, Geneva. He has been with WHO since 2000, before which taught at the Centre for the Economics of Mental Health, Institute of Psychiatry, London for six years and was Higher Executive Officer, Medical Research Council, London for three years. Dr. Chisholm is leading the development of a WHO guide to assess the economic impact of ill-health and injuries. He also has publications on the subject, including in the Lancet and Bulletin of WHO.

***Dr. Alaka Singh  
Health Care Financing Unit, WHO SEARO, New Delhi***

Dr. Alaka Singh studied at Cambridge University, UK and has worked in the area of health for over 10 years. She is currently responsible for health systems financing in WHO SEARO. Prior to this she worked in WHO HQ with the Director General's Office and the Pro-Poor Health Policies. Dr. Singh has also worked with the Health Nutrition and Population Units at the World Bank Offices in New Delhi and Washington. Dr. Singh has international publications on health financing and health systems in Health Policy and Planning and Health Policy.

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