

Health economics

[Literature](#), [Russian Literature](#)



Health Economics Health is a fundamental aspect of humanity and every human must be in good health to survive in this competing world. As such, governments and individuals use considerable amounts of money to guarantee good health at all times. Hence, the demand for health is always higher than the supply which relates to the availability of resources. Therefore, health economics addresses the value, efficiency, availability, scarcity of healthcare, and the methods of bridging the scarcity (Guinness & Wiseman, 2011). This follows specific economic principles, disciplines, and economic concepts that relate to choices regarding health and health care. Economic principles demand that we apply rationality in situations of scarcity with an aim of minimizing costs and maximizing utility from the available resources (Menger, 2007). Personally, I make health and health care choices that significantly reflect economic principles. Indeed, my choices reflect rational decisions where health care is scarce. Indeed, my locality manifests a lot of scarcity as far as health care provision and delivery is concerned. Similarly, I have limited resources to access the necessary health care in full. Hence, to make sure that my choices are in line with the economic principles, I carry out economic evaluation cost effectiveness analysis, and cost utility analysis, cost minimization analysis, cost benefit analysis, and an analysis on measurable outcomes. My choices equally follow specific economic concepts that include scarcity, opportunity cost, the margin, priority, and incremental analysis (Rutherford, 2007; Shiell, 2002). On considering these economic concepts and carrying out relevant evaluations on health and health care, I am able to reflect the economic principles in my health care decisions. For example, on making decisions on how to regulate

and balance my body sugar levels, I apply rationality in making this health decision. Instead of going to the medical facilities for medication and other care aimed at regulating blood sugar levels, I carry out consistent physical exercises and regulate my sugar intake that is highly effective in this context. Hence, I prioritize allocation of resources to physical exercises and get significant results. The health decisions that I make are similar to other decisions that do not relate to health. Indeed, every decision that one makes in their lives generally refers to the economic principles and concepts. This is so because where choices are necessary, scarcity must have been in place hence the need to make specific decisions in allocating the available resources. Actually, in absence of scarcity choices are not required. Hence, in my daily life I encounter situations that manifest scarcity and hence the need to follow the economic principles in making decisions. These decisions are always difficult to make and hence priority or rationing plays a major role in reaching these decisions. Indeed, where unavoidable scarcity comes in, I end up leaving some needs unattended and give priority to the most urgent objectives. However, besides according priority to certain needs at the expense of others, I also consider the opportunity cost. As such, the most favored alternative use of the available resource comes first. In most cases, there are competing needs in my life. Nevertheless, apart from health needs, educational needs take most of the available resources in my life. At the same time, various circumstances force me to change, the resource allocation to a certain need upon considering the marginal cost and benefit of such a change. For example, if I realize that spending 10 hours in studies will derive the same results or less than studying for 8 hours, I significantly

allocate the extra 2 hours to meet another need like playing games to maximize resources. In addition, I also consider the additional cost of realizing a better outcome. Where rational I increase the allocation to such a need with a hope of realizing maximum utility. As seen here in, economics is relevant in making health decisions. Indeed, health economics addresses the effectiveness, value, efficiency, and scarcity of healthcare resources. As such, it is relevant to understand the discipline of health economics in our daily lives. The discipline of health economics entails scarcity, rationality, restrictions, and preferences. Firstly, the understanding of scarcity adds immense value in dealing with situations where needs or wants exceeds the available resources. Secondly, in dealing with such situations, one will require to make rational health choices to minimize costs and maximize utility. Indeed, rationality will help in prioritizing needs, give alternatives, and hence aid in allocation of resources. In addition, the understanding on the discipline of health economics helps one to accept constrains that they cannot change hence must live with. At the same time, the understanding on the discipline of health decisions allows one to choose the health option that draws maximum utility from the available options (Guinness & Wiseman, 2011). More so, health economics provides guidelines and analytical techniques in decision-making that fosters equity and efficiency in the provision of health care. In addition, the understanding on the discipline of health economics derives the knowledge on the need to maximize social benefits realized from the available resources. Most significantly, the understanding on the discipline of health economics draws the notion that one cannot spend all resources on one need and thus the need encounter

scarcity to allow the need to make choices. However, it is important to consider the complex nature of health and health care when examining the economic principles related to health care delivery. This is so because there are no specific traits to define the economic value of resources used in health care (Scott, 2001). As such, it is difficult to ascertain accurately the specific allocation or the value of the outcome of such an allocation. Hence, though health economics is very relevant in making health choices, it should not be the only factor of consideration in making health decisions.

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