

Economics of Health and Health Care Issues in India

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Abstract

Health economics is devoted to the subject of how health care resources are allocated. These resources are viewed as scarce and health economics is interested in how a health care system can best function to get the most from these resources. Health is very important for human life. Wealth without health is of no use in life, life is miserable and painful for an individual with ill health. A sound mind is housed in a healthy body. Strong body, physiological safety, living without any serious disease, personal hygiene, physical condition of the body to function efficiently, happy and cheerful life are all present in healthy human life. Though modern man could enjoy all sorts of materialistic comforts in life, thanks to the advancement of science and technology yet he falls often sick due to highly polluted environment in which he lives and works. The country still has enough potential to be a super power in the world. However, a major road block in this regard is the health issue in India. The general health standard of India is extremely bad. Health economics is a branch of economics concerned with issues related to efficiency, effectiveness, value and behaviour in the production and consumption of health and health care.

This paper analyses health economics, health issues and health education, human resources made up of youths not only well educated and skilled but also well built and robust in health.

Keywords: Health Economics - Malnutrition - Health Habits - Health Education

Introduction

Health economics is a branch of economics concerned with issues related to efficiency, effectiveness, value and behaviour in the production and consumption of health

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and health care. Health economics is devoted to the subject of how health care resources are allocated. These resources are viewed as scarce and health economics is interested in how a health care system can best function to get the most from these resources. Health economics is not only the concern of economists but also those involved in hospital management or any of the health care professionals. In fact the allocation of health care resources affects everyone and so everyone has a motive for wanting to know more about it.

Health economics looks at things from a macro and micro level. This means that not only is it interested in how a whole health care system functions but also in how things work at the treatment level. What goes on in a small community health facility can be just as interesting to the economist as how things function on a global level.

Health economics examines those things that affect our health that are not related to the actual treatments. These other factors can in fact be just as influential in our ability to escape sickness. Such things as the distance people live from a health care facility and how they pay for treatment is just as important as treatment itself. If the nearest hospital is over a hundred miles away or you can't afford to pay for it then it does not really matter how good the medical treatment is going to be. Deciding on how much should people pay and how the health resources are spread within a society is what health economics is all about.

Importance of Health Economics

The central focus of economics is how society allocates limited resources to meet its needs and wants. Consumers may have unlimited wants, but the resources with which to meet those needs are not limitless. Most economists regard the free market as the best mechanism for allocating resources efficiently to meet people's needs. In the area of health care, people may want all the medical services they require, but means to pay for such services are limited, as are the number of physicians and other medical providers.

Health economics examines issues of scarcity and resource allocation in the areas of health care. This speciality has its roots in a 1963 article by economist Kenneth Arrow. It is sometimes claimed that health is primarily a medical issue, free of economic considerations, and thus beyond the scope of economics. However, such issues as universal health coverage

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and the rising costs of medical services are ideal for economic analysis. Health economics seeks to identify problem areas in a health care system and propose solutions for pressing issues by evaluating all possible causes and solutions.

Health Care Markets

The types of health markets that economists analyze include the market for health care coverage and the market for physician and other medical services. Under the basic model of a market system, health insurers compete for business by offering different types of coverage at different prices. Companies and individual consumers can select the level of coverage best suited to their employees or themselves, given their means to buy insurance. The basic model of medical services works the same way, with patients choosing the physician, clinic, or hospital they prefer from a range of options.

Economic models of competition assume that consumers act with full information about the range of alternatives available and that this information helps drive their purchasing decisions. Health care markets differ, however, in that consumers do not always have adequate information about the type of insurance coverage or medical services they need. This gives insurers and medical providers an advantage. In addition, patients with insurance coverage are less concerned about the actual costs of services than they would be if they had to pay for treatment themselves. The cost of health care services may even lead some people—especially those without insurance coverage to forgo routine physicals and other preventive services on the chance that they will not become seriously ill.

Health Care Supply

The supply of medical services is depend on appropriate incentives and motivations for physicians and hospitals (and for drug research and production). Manpower planning concerns include attracting enough doctors to rural areas. The National Health Policy was endorsed by the Parliament of India in 1983. The Constitution charges every state with “raising the level of nutrition and the standard of living of its people and the improvement of public health as among its primary duties”.

Health Care Demand

The demand for health care is a derived demand from the demand for health. Health care is demanded as a means for consumers to achieve a larger stock of "health capital." The demand for health is unlike most other goods because individuals allocate resources in order to both consume and produce health. The description gives three roles of persons in health economics. The World Health Report states that people take four roles in the health care:

- i) Contributors
- ii) Citizens (stewardship)
- iii) Providers and
- iv) Consumers

Michael Grossman's 1972 model of health production has been extremely influential in this field of study and has several unique elements that make it notable. Grossman's model views each individual as both a producer and a consumer of health. Health is treated as a stock which degrades over time in the absence of "investments" in health, so that health is viewed as a sort of capital. The model acknowledges that health is both a consumption good that yields direct satisfaction and utility, and an investment good, which yields satisfaction to consumers indirectly through increased productivity, fewer sick days, and higher wages. Investment in health is costly as consumers must trade off time and resources devoted to health, such as exercising at a local gym, against other goals. These factors are used to determine the optimal level of health that an individual will demand. The model makes predictions over the effects of changes in prices of health care and other goods, labour market outcomes such as employment and wages, and technological changes.

Health Issues in India

India still has potential to be a super power in the world. However, a major road block in this regard is the health issue in India. The general health standard of India is extremely poor. It is a shame that, even in this modern world, there are kids who die out of malnutrition. Several surveys have proved that the major section of the new born suffer from malnutrition.

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Major section of the children does not get the required vaccinations done. A very big percentage of the children die before crossing the age of five. This is a very shameful fact. The Government of India has revived the health system in several ways. The Health for All Program saw several free hospitals being setup. The international organizations like the WHO and UNICEF have extended their hands to help India in this context. These movements have helped the cause in some way. However there is still a lot of work to do in this regard. The first thing that needs to be done is to make the common mass aware of certain things. The country still witnesses shameful acts of killing the girl child. We Indians should come forward to save the girl child.

The exact picture of the health condition of India is not a pretty one by any means. The government would need to take the issue very seriously and must come with proper plans to solve this problem. The health problems of India have affected India in other sectors as well. Thus, it is extremely important for us to get rid of this problem. The government had been trying, but it is tough to solve a problem of this magnitude in a country like India, which has such a huge population pressure. India is the emerging leader in medical advancements with many skilled health professionals. However the quality of health care still remains a back. There are many issues in the health sector of India that need a firm uplift and thorough review. With the increasing population and following western culture, India is raising concerns over these issues.

Health Habits

Parents and teachers must emphasize personal hygiene and healthy habits among the students. Of these, three are the most important ones – Cleanliness, Diet habits and Physical exercises.

i) Cleanliness

Students should be urged to keep their body, hair, eyes, ears, teeth, mouth, limbs and nails clean and trim.

ii) **Diet Habits**

Students should be advised to follow proper food habits and hygienic conditions like eating three times in a day at scheduled in a times, eat only, when one feels hungry, avoiding the habit of eating at odd hours, keeping all the eatables and foodstuffs well covered, drinking always protected water (preferably well boiled water), washing hands every time before eating.

iii) **Physical Exercises**

Students should be encouraged to do some simple exercises daily for half an hour in the morning and evening, they should also be advised to develop the habit of availing proper rest and sleep.

Nutrition and Health

Food substances which offer us high calories of energy and stimulate the body growth are called 'nutrition'. It is categorized into five essential types,

- i) Carbohydrates
- ii) Protein
- iii) Fat
- iv) Minerals and
- v) Vitamins

The deficiency of any one causes malnutrition which ultimately affects our health. Nutrition is a vital aspect of health that regulates the well-being of the individual. It is important for the maintenance of health and efficiency of the individual. Nutrition and balanced diet form the basis of health. Nutritious food supports good health and high spirits and provides the requisite energy to carry out the activities of daily life as well as constructive developmental work. Healthy people can work for longer duration and contribute to the generation of increased output which in turn results in the prosperity of the nation.

Health Education

World Health Organization (W.H.O 1974) had pointed out three important objectives for providing health education. They are

- i) To make an individual learn the habits and practices which promote health and follow them throughout his life faithfully.
- ii) To enable everyone to make use of all available community facilities and resources to preserve and improve health.
- iii) An individual /community refrain from doing anything that may be injurious to the health of any other individual or community.

The ultimate goal of health education is the ‘adoption of healthy life – style’ by every individual. Education is needed to replace ignorance by knowledge, remove prejudices and bring about changes in beliefs and attitudes. Immunization protects children from infection. It is the responsibility of parents and teachers to protect the child from infection and communicable disease.

Conclusion

“When wealth is lost, nothing is lost

When health is lost, something is lost”

What we need today for the progress of our country is enriched human resources made up of youths not only well educated and skilled but also well built and robust in health. The health of a family, community or a nation is ultimately determined by the health of individual members. That is why, health and hygiene of every individual citizen is emphasized and is given due consideration. A prosperous country can arrange for better medical facilities for its citizens which enhance the health of people. Therefore providing health education in schools and colleges could be considered in a way as an investment for the economic development and progress of the country.

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