



JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY
SCHOOL OF HEALTH SCIENCES
UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF SCIENCE
PUBLIC HEALTH/COMMUNITY HEALTH AND DEVELOPMENT
4TH YEAR 2ND SEMESTER 2018/2019 ACADEMIC YEAR
KISUMU CAMPUS

COURSE CODE: HCD 3422

COURSE TITLE: HEALTH ECONOMICS AND FINANCING

EXAM VENUE: STREAM: BSc Public/ Comm. Hlth & Dev

DATE: 17/4/19 EXAM SESSION: 9.00 – 11.00AM

TIME: 2.00 HOURS

Instructions:

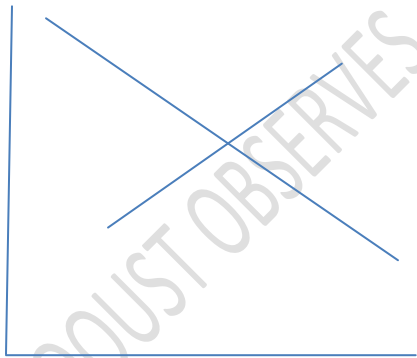
- 1. Answer all the questions in Section A and 2 questions in Section B.**
- 2. Candidates are advised not to write on the question paper.**
- 3. Candidates must hand in their answer booklets to the invigilator while in the examination room.**

INSTRUCTIONS TO CANDIDATES

Section A: Short questions 30 marks. Answer all the questions from this section. Each question carries equal marks.

Questions: 1

- a) Outline three benefits of social health financing approach to health sector over the national health approach as proposed and exist in Kenya (3Mks)
- b) Highlights three rationale addressed by community based health financing as practiced in Kenyan health sector (3Mks)
- c) Explain the differences between co-payment and re-insurance (2Mks)
- d) Name and give examples of three risks that normally experienced by insurers when financing health services (3Mks)
- e) Explain the differences between partial and full economic evaluation? (3Mks)
- f) Highlight the four conventional health economic evaluations (2Mks)
- g) State two limitations of cost benefit analysis in evaluating a health program(4Mks)
- h) Define the concept of externalities giving relevant examples in health sector (2Mks)
- i) Explain two importance of the concept of elasticity to health policy formulators (government) in addressing the demand and supply of health care services(2Mks)
- j) State four factors that influence the choice of a health service to be offered by health facility (2Mks)
- k) Explain the differences between a shift in demand curve and movement along the demand curve of the provision of family planning services in health facility you last attended (2Mks)
- l) The following graph gives the market demand and supply for drug Y with Q in millions of tons per year and P in Dollars. Label the supply curve (S) and the demand curve (D) and clearly illustrate the equilibrium price (P1) and quantity (Q1) on your diagram? (2marks)



Section B: long essay questions. This section has three questions answer any two questions. Each question carries equal marks

Question: 2

1.
 - a) Outline and discuss the major characteristics of the health service market and demonstrate the relevance of this concept to your national health sector.(5Mks)
 - b) What are the characteristics of supply of health care? (5Mks)
 - c) Describe how the costs of these supplies are determined? (5Mks)

d) How do the costs influence the behavior of the consumers? (5Mks)

Question: 3

2. Basing your experience from a district where you have worked for minimum of three years, you have been deployed as new Coordinator of health care financing and its delivery to the consumers in relevance to devolved government structures (counties) focusing on Community Based-Kenya Essential Package of Health (CB-KEPH); Discuss the steps you will take to improve the financing of reproductive health services in your county (20Mks)

Question: 4

3. Consider a competitive market for health care. First suppose there is no health insurance available. Suppose demand for health care is given by $QD = 10 - 2P$; (1) where QD is quantity demanded and PD is the price paid by consumers. Supply is given by $QS = P$; (2) where QS is quantity supplied and PS is the price received by firms.
 - (a) Show the supply and demand schedules on a diagram (4Mks).
 - (b) Find the equilibrium price and quantity mathematically (4Mks).
 - (c) Now suppose the government introduces an insurance program which pays 50% of all health care expenditures. Placing prices faced by firms on the y-axis, display supply and demand schedules under this insurance plan on a new diagram (4Mks).
 - (d) Find the new equilibrium price and quantity (2Mks).
 - (e) Indicate the deadweight loss caused by the insurance program on your diagram (4Mks).