



JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY

EXAMINATION APRIL 2018

SCHOOL OF PUBLIC HEALTH

COURSE CODE: HCD 3422

COURSE TITLE HEALTH ECONOMICS AND FINANCING

STREAM BSc COMMUNITY HEALTH/ PUBLIC HEALTH

TIME : 2HOURS

KISUMU CAMPUS

INSTRUCTION

THIS PAPER CONSISTS OF TWO SECTIONS. SECTION ONE HAS 1 QUESTION WITH 30 MARKS. ALL CANDIDATES MUST ANSWER QUESTION 1. SECTION 2 HAS 3 QUESTIONS EACH HAS 20 MARKS AND ANSWER ONLY 2 QUESTIONS FROM THIS SECTION.

SECTION 1 QUESTION ONE

- a) What are the 2 advantages and 2 disadvantages of using QALYs as a measure of health outcomes in economic evaluation in the health sector? 4Marks
- b) Outline 2 characteristics are claimed to make supply for health care peculiar from other markets products? 2Marks
- c) Outline 4 different ways in which health care is financed in Kenya? 4Mars
- d) What is health equity? How is it relevant to devolved functions of health services at the county level? 4Marks
- e) Highlight how the forces of demand and supplies could have contributed to number of doctors leaving the County governments to other places. Give examples to justify your answer. 4Marks
- f) What is opportunity cost as used in economics How does it apply in health Economics(3Mks)
- g) Define the concept of elasticity of demand as used in economics and give examples of its application in the health sector (3Mks)
- h) Highlight 4 ways in which costs influence the behavior of the consumers for reproductive health services in Kisumu County (4Mks)
- i) What do you understand by the term health care financing (2Mks)

SECTION 2 QUESTION TWO

Consider a labor market characterized by the following equations:

$$L_s = -100 + 20W \quad \text{Labor Supply}$$

$$L_d = 700 - 5W \quad \text{Labor Demand}$$

With W = wage rate. At the outset, no fringe benefits are offered.

- Calculate the equilibrium wage rate, quantity supplied, and total wage bill. 6Marks
- Suppose the workers negotiate a benefit package that is worth \$1.50 to them, and costs the employer \$3.00 to provide. Calculate the new equilibrium wage rates, and quantity supplied. 4Marks
- How do your answers to part b. differ from your answers to part a. (if they do), and why? 2Marks
- Given the poverty levels in the country and the unstable financial support from development partners for the provision of health services in the country, explain at least four sources of funding that may be sustained in the long run to finance provision of health care 8Marks.

QUESTION THREE

- What is devolution? Explain why health services should not be developed from the national government to county governments. (6 Marks)
- Distinguish between adverse selection and moral hazard in health insurance. (4 marks)
- Describe, cost effectiveness analysis in evaluation of health care program. (2 marks)
You have been asked to cost the existing family planning services in one district in Kenya over the next five years. Your results will be compared with another district where family planning services are organized differently. Assuming the two approaches achieves similar results.
- Outline the categories of data which you would need to collect. 4Marks
- How would you collect the data? For what time period? From which sources 4Marks

QUESTION FOUR

- Outline any 4 contributions of Economics to health sector? 2Marks
- Describe the major characteristics of health care as a good in the health service market and show examples how this operates in Kenya. 4Marks
- Cost sharing in the health sector was introduced in Kenya over 20 years ago. What do you believe have been the major consequences of this policy to the indigent in Kenya? Illustrate your answer with appropriate examples. 4Marks
- Health sector strategy plan indicates various options for resourcing the national health resource envelop (SWAP/HSSF). What are the options in health service delivery for addressing the following?
 - Equity 1Marks
 - Utilization 1Marks

iii. Affordability 1Mark

iv. Efficiency 1Mark

- e) Explain the twin concept of demand and supply as applied in health services management giving examples from your facilities or any health program you have participated in management 6Marks