



**AFRICAN ECONOMIC RESEARCH CONSORTIUM**  
**Collaborative Masters Programme in Economics for Anglophone Africa**  
**(Except Nigeria)**

**JOINT FACILITY FOR ELECTIVES (JFE) 2015**

**JUNE – SEPTEMBER**

**HEALTH ECONOMICS II**

**Second Semester: Final Examination**

**Duration: 3 Hours**

**Date: Monday, September 14, 2015**

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**INSTRUCTIONS:**

1. This examination has **SIX QUESTIONS** grouped under **Sections A, B and C**.
  2. You are required to answer **FOUR QUESTIONS** in total, with **AT LEAST ONE QUESTION** from each **SECTION**.
  3. Each question carries **TWENTY FIVE** marks.
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**Section A:**

**Answer AT LEAST ONE QUESTION from this Section**

**Question 1**

- (a) What is health and how is it measured? **[12 marks]**
- (b) Both developed and under-developed countries of the world today display relatively high levels of communicable and non-communicable diseases against their health history. Justify this new trend, especially for Africa, and discuss the possible policy implications. **[13 marks]**

**Question 2**

The global health concern has focused attention on women and children as the most vulnerable groups who tend to suffer the most in terms of their socio-economic status.

- (a) In this regard, what are the possible ways in which reproductive health outcomes can impact potential paths to poverty? **[15 marks]**
- (b) What are the key elements of a pro-poor approach to handling health issues? **[10 marks]**



### **Section B:**

**Answer AT LEAST ONE QUESTION from this Section**

#### **Question 3**

- (a) Discuss the factors that determine the public and private roles (public-private mix) in health care delivery. [10 marks]
- (b) Given that the government cannot and (should not) deliver all health services, private sector involvement in health service delivery is almost inevitable. Briefly discuss the various approaches that governments can use to regulate the private health sector. [15 marks]

#### **Question 4**

Mr. Edgar, a health economist from the Ministry of Health, has been visiting Arusha in Tanzania. He has noticed that different health facilities are paid in different ways, and thinks that there may be a connection between how they are paid and the pattern of health care which they provide. Dr. Gong charges a fee for every consultation, and he is very attentive towards his patients. The Assistant Doctor in the local clinic is paid a salary, and she is scarcely ever to be found at the clinic. At the district hospital, meanwhile, some patients are covered by voluntary health insurance, which pays according to the number of days of stay. These patients seem to spend a long time in hospital.

Mr. Edgar is advising on the development of a national insurance scheme. The payment systems which the insurance scheme might use are not yet fixed. He is, therefore, interested in finding out which payment system will encourage the most effective patterns of care. What would you advise him? Your advice should include the payment system that you think is best for developing countries. [25 marks]

### **Section C:**

**Answer AT LEAST ONE QUESTION from this Section**

#### **Question 5**

The wave of health sector reforms has been blowing across the countries of the world. While the past administration of your country has vehemently resisted its adoption, the recently elected government appears to want to give a second thought to the idea. To this end, the newly appointed Minister of Health has been mandated to prepare ground for its adoption and implementation while promoting the necessary awareness in the country. As an expert, if the issues of focus are articulated to include the following, what will be your contributions?



- (i) What does the concept of “health sector reform” mean? **[4 marks]**
- (ii) What should be the rationale for health sector reforms for the country? **[5 marks]**
- (iii) What should constitute the coverage of health sector reforms? **[10 marks]**
- (iv) What are the six main stages that can be followed in the Advocacy process? **[6 marks]**

### Question 6

- (a) The government of your country seeks to prevent an outbreak of Chicken Pox among children of ages 0-9. One hundred thousand children will be vaccinated with an expectation that 2000 cases of Chicken Pox will be prevented this year. As a result of the inoculation, 100 children reacted adversely. The average cost of immunization of \$5 and the average cost of treatment of an episode of Chicken Pox is \$20, while the cost of treating adverse reaction is \$200. It is estimated that 10 people gain 8 additional years from the treatment, 800 will gain 0.04 healthy life years, but the 50 who suffered adverse effect will lose 0.09 health life years.
- (i) Calculate the net costs. **[3 marks]**
  - (ii) Calculate the net effects. **[4 marks]**
  - (iii) Calculate the Cost Effectiveness Ratio. **[2 marks]**
  - (iv) Interpret your results and advise your government on what to do. **[4 marks]**
  - (v) What are the limitations of Cost Effectiveness Analysis? **[6 marks]**
  - (vi) Mention two approaches used in pricing health interventions in Cost Benefit Analysis (CBA). **[2 marks]**
  - (vii) List four circumstances under which Cost Benefit Analysis (CBA) can be most useful. **[4 marks]**