

---

# Contents

---

<i>List of figures</i>	ix
<i>List of tables</i>	x
<i>List of contributors</i>	xii

Introduction	xvi
<i>Andrew M. Jones</i>	

## POPULATION HEALTH AND HEALTH CARE SYSTEMS

### Part I Population health

1	Understanding the relationship between macroeconomic conditions and health <i>Christopher J. Ruhm</i>	5
2	The dynamics of health <i>Andrew M. Jones, Nigel Rice and Paul Contoyannis</i>	15
3	Health and work of older workers <i>Maarten Lindeboom</i>	24
4	Using observational data to identify the causal effects of health-related behaviour <i>M. Christopher Auld</i>	36
5	Economics of public health interventions for children in developing countries <i>David Bishai, Divya Nair and Taghreed Adam</i>	46
6	Health behaviours among young people <i>Don Kenkel</i>	60
7	Economics of obesity <i>Peter J. Huckfeldt, Darius N. Lakdawalla and Tomas J. Philipson</i>	70
8	Illicit drugs and drug-related crime <i>Jody L. Sindelar and Todd Olmstead</i>	81

### Part II Health care finance and demand

9	The value of health insurance <i>John A. Nyman</i>	93
10	Incentive and selection effects in health insurance <i>Pierre-Yves Geoffard</i>	103
11	Prescription drug insurance and reimbursement <i>Paul Grootendorst</i>	114
12	The economics of social health insurance <i>Peter Zweifel and Friedrich Breyer</i>	123

13	Competition and health plan choice <i>Bryan Dowd and Roger Feldman</i>	134
14	Empirical models of health care use <i>Partha Deb and Pravin K. Trivedi</i>	144
15	Unofficial payments in low- and middle-income countries <i>Tim Ensor and Robin Thompson</i>	154
16	Trade in health services: current challenges and future prospects of globalization <i>Richard Smith</i>	164

### **Part III Equity in health and health care**

17	Decomposition of inequalities in health and health care <i>Owen O'Donnell, Eddy van Doorslaer and Adam Wagstaff</i>	179
18	Economic studies of equity in the consumption of health care <i>Hugh Gravelle, Stephen Morris and Matt Sutton</i>	192
19	Equity in health and health care systems in Asia <i>Ravindra Rannan-Eliya and Aparnaa Somanathan</i>	203

### **Part IV Organization of health care markets**

20	Hospital competition and patient choice in publicly funded health care <i>Richard Cookson and Diane Dawson</i>	219
21	Models of negotiation and bargaining in health care <i>Pedro Pita Barros and Xavier Martinez-Giralt</i>	231
22	Contracts, information and incentives in health care <i>Martin Chalkley</i>	240
23	Contracting-out health service provision in resource- and information-poor settings <i>Natasha Palmer and Anne Mills</i>	250
24	Waiting times and waiting lists <i>Luigi Siciliani and Tor Iversen</i>	259

### **Part V Provider reimbursement, incentives and behaviour**

25	The physician as the patient's agent <i>Thomas Rice</i>	271
26	Capitation and incentives in primary care <i>Tor Iversen and Hilde Lurås</i>	280
27	Optimal risk adjustment <i>Jacob Glazer and Thomas G. McGuire</i>	289
28	The role of economic incentives in improving the quality of mental health care <i>Susan L. Ettner, Michael Schoenbaum and Jessica A. Williams</i>	297
29	Nursing home quality of care <i>David C. Grabowski and Edward C. Norton</i>	307

- 30 Informal care 318  
*David C. Grabowski, Edward C. Norton and Courtney H. Van Houtven*
- 31 Direct to consumer advertising for pharmaceuticals: research amid the controversy 329  
*W. David Bradford and Andrew N. Kleit*

## Part VI Assessing the performance of health care organizations

- 32 Concepts and challenges in measuring the performance of health care organizations 341  
*Peter C. Smith and Andrew Street*
- 33 The use of performance measures in health care systems 350  
*Carol Proper and Deborah Wilson*
- 34 Productivity analysis in health care 359  
*James F. Burgess Jr*

## EVALUATION OF HEALTH CARE

### Part VII Measuring benefits

- 35 Conceptual foundations for health utility measurement 371  
*Han Bleichrodt and Jose Luis Pinto*
- 36 The multi-attribute utility approach to assessing health-related quality of life 383  
*David Feeny*
- 37 Methods for developing preference-based measures of health 395  
*John Brazier, Jennifer Roberts and Donna Rowen*
- 38 Distributional judgements in the context of economic evaluation 406  
*Aki Tsuchiya*
- 39 The capability approach: an alternative evaluation paradigm for health economics? 415  
*Richard Smith, Paula Lorgelly, Hareth Al-Janabi, Sridhar Venkatapuram and Joanna Coast*
- 40 Contingent valuation in health care 425  
*Cam Donaldson, Helen Mason and Phil Shackley*
- 41 Using discrete choice experiments in health economics 437  
*Mandy Ryan, Karen Gerard and Gillian Currie*
- 42 Design of choice experiments in health economics 447  
*Leonie Burgess, Deborah J. Street, Rosalie Viney and Jordan Louviere*

### Part VIII Measuring costs and statistical issues

- 43 Estimating costs for economic evaluation 463  
*Maria Raikou and Alistair McGuire*
- 44 Dealing with skewed data on costs and expenditures 473  
*Willard Manning*

45	Future costs in medical cost-effectiveness analysis <i>David Meltzer</i>	481
46	Selection bias in observational data <i>Daniel Polsky and Anirban Basu</i>	490
<b>Part IX Economic Evaluation and Decision Making</b>		
47	Decision rules for incremental cost-effectiveness analysis <i>Milton C. Weinstein</i>	505
48	Generalized cost-effectiveness analysis: principles and practice <i>David B. Evans, Dan Chisholm and Tessa Tan-Torres Edejer</i>	515
49	Decision rules in economic evaluation revisited <i>Stephen Birch and Amiram Gafni</i>	528
50	Statistical methods for cost-effectiveness analysis alongside clinical trials <i>Andrew Briggs</i>	539
51	Decision-making with uncertainty: the value of information <i>Karl Claxton, Elisabeth Fenwick and Mark J. Sculpher</i>	550
52	Moving beyond mean-based evaluation of health care <i>David J. Vanness and John Mullahy</i>	563
53	Priority setting methods in health services <i>Stuart J. Peacock and Craig Mitton</i>	576
54	Economic evaluation and decision-makers <i>Michael Drummond</i>	586
	<i>Index</i>	597