



INTRODUCTION

Special Issue on “Health Economics”

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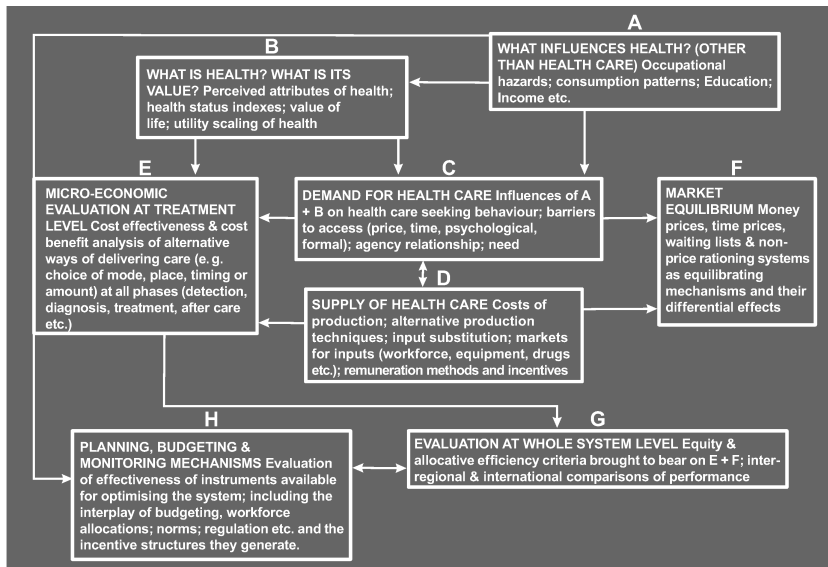
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Health economics is nowadays an extremely broad term. The discipline has been expanding since its origins in the time of Arrow (1963) and Fuchs (1966). Wagstaff and Culyer’s (2012) classification of the evolution of the discipline’s areas of interest is a long way off.

Figure 1



Source: Wagstaff and Culyer’s (2012).

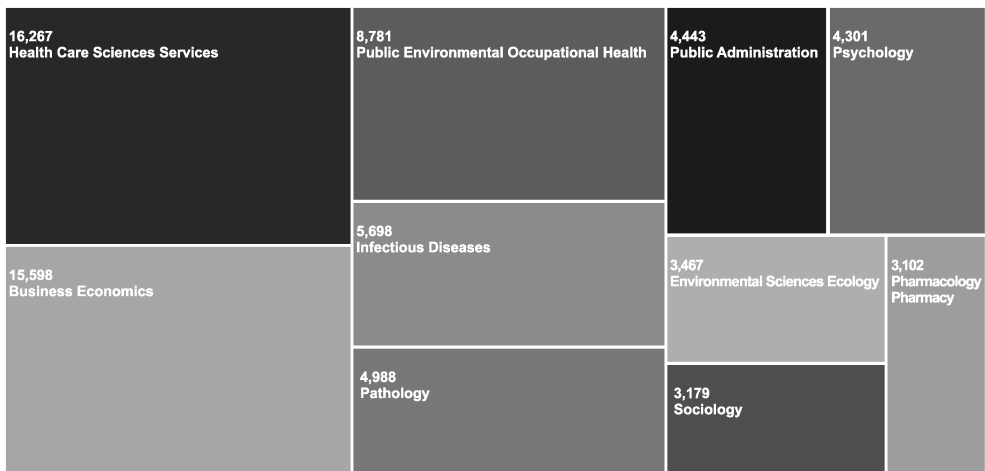
Web of Science lists 77,774 publications with the topic “health economics” (in title, abstract or indexing), of which 18,770 (24%) are from the last 5 years, between 2020 and

2024 (as of May). As a quick sketch of this literature, we note that 74% of the publications are open access, 83% are in the business/Economics category, but the “Healthcare Sciences and Services” category accounts for 87% (see Figure 2, they do not add up to 100 because an article can belong to several categories). The vast majority are published in medical journals. The first four journals, from the PlosOne, BMJ and BMC groups, account for 14% of the total. But Health Economics, Journal of Health Economics and The European Journal of Health Economics are the journals most considered in the academic profession.

The discipline won its reputation in universities as York (UK) and Harvard (USA), and later in The London School of Economics (LSE Health) and Erasmus in Rotterdam among others. But contributions are today expanded in many countries (China, USA and Korea as the most prevalent funders), in most of the economic and social journals, including the top five of these areas, and lectured in some of the better-known universities.

Actually, health economics is more multidisciplinary than ever, highly interconnected with other disciplines and covers a wide range of topics, from theory to applications, with observational data, quasi-experimental methods and real experiments. Behavioral economics has emerged with great impetus, and it has impregnated the discipline with methodological advances in policy evaluation; we are concerned with the toxicity of medical treatments but also with *financial* toxicity looking at the consequences of the way society pays for them! We are concerned with mental health, long-term care, the objectives of sustainable development (with the paradigms of one health and global health), and so many other academic and social problems, without abandoning or failing to pay attention to our own more genuine fields such as the economic evaluation of health technologies and the economics of welfare.

Figure 2
PUBLICATIONS ON HEALTH ECONOMICS (title, abstract, indexing) 2020-2024 (May)
BY CATEGORIES



Source: Web of Science.

This monographic issue of *Hacienda Pública Española/Review of Public Economics* aims to contribute to the literature and knowledge of health economics with eight contributions on a wide variety of topics, as well as methodology and origin of the authors.

Sabela Siaba and colleagues empirically estimate the impact of financial difficulties and poor personal economic expectations for the future on the quality of life and mental health (probability of suffering from depression) of the elderly in Spain. They use the Spanish SHARE 2019-2020 sample (only over 65 years of age), which for the first time incorporates questions on financial expectations for the future. Methodologically, they address the plausible endogeneity of self-perceived health and loneliness using an Extended Probit model, which allows the inclusion of instrumental variable estimates with binary dependent variables, endogenous covariates and interactions. They also suggest policy actions. In the same way that health education is promoted to prevent future health problems, the authors propose financial education programs and advisory services to improve skills to plan personal finances for the elderly population.

The article by *Pablo Moya* and co-authors addresses the health problems of older adults with cross-sectional microdata from the SHARE survey (2015). They are 57,124 individuals from 17 European countries. The interest of the research is the relationship between the socioeconomic level of the individual (approximated by income and education) and the Risk for Mobility Limitation (RML), which had been defined in 2010 (Sallinen *et al.*, 2010) and incorporates, in addition to BMI, gender and muscle strength. By means of structural equation modeling (partial least squares), they estimate the direct and indirect effects in the relationship between SES and RML, considering the mediating role of a battery of lifestyle factors. They find that vigorous physical activity is the most important mediating variable, which provides a clue for policy. They also calculate concentration indices, finding that within countries there is pro-poor concentration of mobility risk and, contrary to expectations, that the Nordic countries have the highest concentration.

Associations between changes in income and changes in wealth (both real estate and financial wealth) and individuals' self-perceived health during and after the financial crisis that started in 2008 are analyzed for 13 European countries in the article by *Laia Maynou* and co-authors. They use longitudinal microdata from three waves of the Eurosystem Household Finance and Consumption Survey (HFCS) (2011, 2015, 2017), comparing two periods, the crisis period (2011-2015) ($n=120,865$) and the expansion period (2015-2017) ($n=46,285$). They employ generalized linear mixed models, with a binomial response and a logistic link, for adjusting for family and individual heterogeneity and for temporal trends. The paper is of interest both methodologically and for its results. Although the HFCS is very rich in economic information, it does not ask about health. The authors perform a statistical matching (in means) with the EU Statistics on Income and Living Conditions (EU-SILC) for the same years, matching by seven relevant variables (year, country, age, sex, education, employment and marital status). The results indicate that changes in individuals' income seem to be more important than in net wealth, and its portfolio composition (financial, real assets) was differently affected by the shocks in the economic crisis. Even if the financial crisis affected the European countries differently, in most of them income played an important role in protecting health. However, changes in income prove not to be relevant in the expansion period. Wealth

variation shows minor or no effects. The authors indicate that self-perceived health is very sensitive to short-term income variations, with flow variables dominating the stock variations.

The article by *Juan Francisco Albert* and *Nerea Gómez* also addresses the connections between social status (subjective definition of social class, 57% of respondents are in the middle-middle class) and health, specifically during the disease caused by the coronavirus. They study for Spain its socioeconomic and health consequences. The authors look for the association between social status and probability of infection, as well as on suffering negative emotions (fear of getting sick, sadness or anxiety) and worries about the economic future (loss of job, drop in income). They analyze microdata from six CIS surveys conducted during the pandemic, between October 2020 and December 2021. They use binomial logit and ordered multilevel models. Contrary to expectations, the probability of contagion seems not to be associated with social status, but belonging to a wealthy social class protects against economic pessimism towards the future and in this sense better preserves mental health.

Cristina Hernández Izquierdo and her co-authors present an empirical analysis of the distributional consequences of possible scenarios of drug co-payment changes in Spain. Using a longitudinal sample of 41,962 individuals recording monthly pharmaceutical consumption from one year before to one year after the 2012 co-payment change, combined with a municipal income database from the Spanish tax agency, they calculate concentration indices of private drug spending before and after the actual reform and for ten possible alternative simulated reforms. These alternatives divide income into five income brackets, instead of the current three. The scenarios are compared according to their distributional consequences, and according to the change in burden sharing between public and private. All but one of the simulated alternative scenarios improve vertical equity relative to the current situation. These results illustrate some proposals for action.

There is clear evidence that the first three years of life (1,000 days, as in the famous Arab fairy tale) are fundamental to a healthy and productive adult life, and that investment in early childhood development (ECD) is socially efficient and equitable (see, for instance, Doyle *et al.*, 2009). *Vladimír Hlasný's* article evaluates the prevalence and severity of children's undernourishment across all 16 low- and middle-income Arab countries using 30 standardized health surveys. The author makes an enormous effort to standardize and homogenize ECD indicators among different sources. He analyzes the adequacy of children's nourishment with anthropometric indicators of children's height and weight, and the prevalence, and severity of stunting, wasting and underweight. He compares the distributions of the anthropometric outcomes between economic groups and estimates the evolution across the years of children's lives. The study associates these anthropometric indicators with the opportunities that children have had: mothers' and children's access to prenatal health, young children's access to health and vaccination, and access to nutrition. Using multivariate regression models, controlling for household characteristics, he estimates the weight of different factors on ECD opportunities. And it turns out that households' wealth, unlike in rich European countries, is decisive. According to the study results, there are huge inequalities between countries, but also within countries between the poorest and the wealthiest households. And the article suggests ways of improvement through policies.

Kayode Taiwo also presents an international study of public health economics. It examines the effect of decentralization, as measured by access to improved sanitation and drinking water facilities. Panel data covering the years 1991 to 2014 are analyzed. This covers a long period over which the United Nations vigorously pursued to reduce the problems of poor sanitation and lack of water among others. The article departs from the idea that decentralization promises efficiency gains and improved access to public goods and services. Decentralization is measured by revenue share and expenditure share. Given the longitudinal dimension of the data, three approaches are employed: pooled ordinary least squares, random effects estimator and Hausman-Taylor estimator. The latter suggests a positive impact of decentralization on the access to sanitation and drinkable water.

Finally, the article by *Jose María Abellán* and colleagues deals with a very different topic from the previous ones: the information content of the medicine leaflets. The contribution is an experiment with a sample of the general population (217 adults) that applies contingent valuation methodology to estimate the monetary value of the information contained in medicine leaflets. They estimate willingness-to-pay for additional quantitative information on potential benefits and side effects of a hypothetical anticoagulant medicine indicated for preventing cardiovascular diseases. To do so, they compare a “traditional” leaflet, which contains only qualitative information, with a “new” leaflet that also conveys, with good communication techniques and visual aids, quantitative information on potential benefits and harms of the same hypothetical medicine. They use parametric and non-parametric tests and regression analysis. They estimate the value between €0.60 and €1 per month, although they detect the possibility of elicitation effects.

By now, a reader will have noticed the enormous richness of the discipline of health economics, the variety of the topics and the fact that their analysis combines very diverse methods and approaches. Overall, we really hope that the contributions published in this monographic issue of *Hacienda Pública Española/Review of Public Economics* are motivating enough for those curious or interested in the field of health economics.

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