



**AMREF INTERNATIONAL UNIVERSITY**  
**SCHOOL OF PUBLIC HEALTH**  
**DEPARTMENT OF HEALTH SYSTEMS MANAGEMENT AND DEVELOPMENT**  
**MASTER OF SCIENCE IN HEALTH SYSTEMS MANAGEMENT**  
**END OF SEMESTER EXAMINATION MAY-AUGUST 2024**

**UNIT CODE:** HSM 720      **UNIT NAME:** HEALTH ECONOMICS  
**DATE:** August 2024  
**TIME:** Three Hours      **Start:** 4:00 PM      **Finish:** 7: 00 PM

**INSTRUCTIONS**

1. This exam is marked out of 100 marks
2. This Examination comprises TWO Sections  
**Section A:** Compulsory Question (25 marks)  
**Section B:** Long Answer Questions (75 marks)

**SECTION A: COMPULSORY (25 Marks)**

1. Describe any four (4) attributes of the health/medical care market that distinguish itself from a conventional goods basic market in health economics. (10 marks).
2. Distinguish Moral Hazard from Adverse Selection in health care demand. Give any one example of each objective. (5 marks).
3. Health is often described as Supply driven demand. Using any Five (5) examples from your country explain the term 'Supply Driven Demand' in health care. (10 marks).

**SECTION B: ANSWER ANY THREE (3) QUESTIONS (75 Marks)**

4. The objectives of a health system include **effectiveness, efficiency, equity and quality**. However, in most developing countries the attainment of this objectives has been minimal or non-existence.
  - a. Explain the four objectives mentioned above (8 marks).
  - b. Give two reasons for each objective as to why they fail (8 marks).

5. Suggest any two solutions per objective that national health accounts can apply to solve the problems of implementing the objectives in the health systems of developing countries (local examples of actual if any solutions or programs that exist in your country can be applied s examples). (9 marks).
6. By applying examples, you are familiar with in your country's health sector or your health working environment. Discuss any five (5) determinants of demand for health care. (25 marks).
7. The global health concern has been on mother child health (MCH) as the most vulnerable groups that tend to suffer the most in terms of socio-economic status.
  - c. In this regard, what are the possible five (5) ways in which that MCH outcomes can impact potential paths to poverty (15 marks)
  - d. What are any five (5) key elements of a pro-poor approach in handling health issues in developing countries? (10 marks)
8. Economic Evaluation is the comparative analysis/evaluation of two or more interventions in terms of their cost and consequences. In reference to this
  - e. Discuss the inherent importance of economic evaluation on health care (5 marks)
  - f. Describe any four (4) economic evaluation methods applied in health care analysis (4 marks)
  - g. Explain any four (4) limitations of the described economic evaluation methods in (B) above. For each provide an example that is in existence in your country (8 marks)
  - h. Suggest any four solutions to the limitations of the economic evaluation identified in (C) above. For each solution provide a relatable example from a developing country. (8 marks)
9. As a health economist from your country's ministry of health, you are carrying out a field visit on all levels of health centers. In this tour you have noticed that the facilities are paid differently. This makes you think there is a link between the patterns of how they are paid, and the health services delivered. The options are:
  - i. Patients pay consultation fees, and the health professionals are very attentive and detailed.
  - ii. Staff paid a salary by the government and are never in the facility
  - iii. Health insurance covers based on number of days one is in hospital and patients seem to stay longer than needed in the facility.

You are advising the government on a new insurance scheme payment system. Your interest is thus to find out which payment system will encourage the most efficient and effective patterns of care at the health facilities. What would your advice to the government be and considering a payment system that would be best for developing countries and low socio-economic standards. (25 marks)