

Course Package

Health Economics and Accounting – Q1

Name module	Health Economics and Accounting – Q1
Educational programme	BSc Health Sciences
Course Code	202400157
Period	First quartile of the first semester – Q1
Study load	15 EC
Coordinator	A. H. Prins

Health Economics and Accounting			
Quartile 1	Quartile 2	Quartile 3	Quartile 4
Project: Dragon’s Den for Mental Healthcare 202400158 (5 EC)			
Economic evaluation in health care 202400160(4 EC)			
Healthcare economics and Financing 202400159 (3 EC)			
Financial and management accounting 202400161 (3 EC)			

Required preliminary knowledge: Basic knowledge in Economics; Basic knowledge of healthcare; Basic knowledge of R-studio.

202400158 - Project: Dragon’s Den for Healthcare

During the project of this module, all knowledge discussed during the three courses will be applied in the project “Dragons’ Den for Healthcare”. As a project group you become a group of young healthcare entrepreneurs who want to bring their innovative idea for a health product or service to the market via Dragons’ Den (see <https://www.consultancy.uk/news/13570/the-dragons-den-enables-innovation-in-healthcare-and-nhs-market> for an example). In order to receive a starting grant for your business the group will pitch their idea to the Dragons at the end of the module. More details on the pitch-procedures and requirements, as well as the members of the jury will be announced during the module.

The product of your business should focus on addressing fatigue, impairments in daily activities, and / or planning activities in individuals affected by rheumatoid arthritis (RA). Approximately 90% of individuals with RA experiences fatigue. Fatigue dramatically affects daily life’s activities and quality of life because it is unpredictable. Consequently, individuals with RA cannot predict what they will be able to do on a specific day, and have to cancel scheduled social (or medical) appointments last minute. Additionally, RA can impair daily living activities and the practice of regular physical activities because of inflammations for instance. Finally, taking medication can be challenging because they require too much dexterity or require the use of a specific self-injection device. Currently, there is either no suitable solutions to manage these issues or the available solutions are not reaching the patients, due to lack of reimbursement by healthcare insurance companies, for instance. Are you willing to contribute to a suitable and scalable solution for these patients?

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The product can be either a technological solution, a new therapy, an addition to existing therapy or an existing therapy but offered differently. Project groups may combine various resources (from healthcare setting, manpower, new technologies, etc.) in an innovative way (i.e. in conjunction with new, improved processes, change in the intensity of care/service) to produce the best possible solution for the described problem. Students will calculate the potential (cost) effectiveness of their solution versus usual care and derive the costs of and revenues from these products to make an attractive plan. Concepts to consider when setting up your business are break-even analysis, quality-adjusted life years, return on investment, cost effectiveness and budgeting (non-exhaustive list).

The product should be of added value to the current healthcare market with a clear financial plan.

202400160 - Economic evaluation in health care

Technological innovations, the development of expensive medicines, and population ageing provoke an increase in health care consumption and costs. Increasing healthcare efficiency therefore became an important goal of governments to counteract this increase in health care expenditure. Consequently, assessing the cost effectiveness of healthcare interventions is becoming increasingly relevant, and evidence on cost effectiveness is gaining ground in healthcare policy making, but also in daily medical practice and medical guidelines.

This course provides an introduction to the basic principles of health economic evaluation (in particular cost-effectiveness analysis) in the context of welfare economics. It will help the student understand the various approaches to economic evaluation together with their strengths and weaknesses. An in-depth introduction to existing methods is provided (cost minimization, cost effectiveness, cost utility, cost benefit). Additionally, the development of skills such as designing an economic evaluation, performing a critical appraisal of published economic evaluations, and developing a simple health economic model are promoted through practical assignments.

202400159 - Healthcare economics and Financing

The section HealthCare Economics and Financing of module 5 introduces students to the principles and core concepts of economics applied to the healthcare sector. By recognizing the importance of scarcity and incentives, this course will focus on the critical economic issues in producing, financing and delivering healthcare. The course will start with an introduction on how markets work and how demand and supply reach an equilibrium when markets are perfectly competitive. It will then explain how the healthcare market is different from many other markets, and how this may result in market failure. Consequences of market failure will be discussed, with a focus on policy measures to improve social welfare.

In addition to the relevant economic theory, students will learn more about how healthcare markets are shaped, using the Dutch system as one of the examples. The role of health insurance is illustrated, including potential adverse effects and policies aimed at reducing these. In addition to efficiency considerations, the course will address matters related to the distribution of healthcare (equity considerations). After this course, students will understand how the healthcare market works and how healthcare policy aims to impact this. They will understand why economic evaluation is needed to guide resource allocation decisions in healthcare. Finally, students will be able to critically assess economic effects of alternative healthcare policies or interventions, based on a solid understanding of economic theory.

202400161 - Financial and management accounting

This section provides an introduction to accounting, and in particular to financial accounting and management accounting. It is aimed at providing a broad understanding of the theory and practice of financial accounting and management accounting. You will not focus on the technical aspects of book-keeping, but rather examine the basic principles and underlying concepts, theories and practices, and ways in which accounting statements and financial information can be used to improve the quality of decision making. To support this practical approach, there are, throughout the section, numerous illustrative extracts with commentary from company reports, survey data and other sources.

“Do I really need financial accounting and management accounting to be an effective healthcare professional or manager? I don’t intend to become an accountant!”

The answer actually is yes. Many health science students aim to become a professional or a manager within a health care or related organization. When you become a professional or manager, even on a junior-level, it is almost certain

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that you will have to use financial reports to help you carry out your tasks. If you become a decision-maker it is relatively certain that decisions are often largely based on financial information and reports that you need to understand and analyse.

Today's health care system, with its many types of health care organizations, is extremely complex, also the health care organizations become more and more complex. Additionally, the complexity of today's environments have resulted in an increased importance of financial and management accounting for health care organization. If you do not understand the content of financial statements or the extent to which the financial information is reliable, you will find yourself at a distinct disadvantage to others. To be successful, regardless of the specific area within a health care organization that you are working in or manage, it is essential that you have a firm understanding of financial and management accounting.

You will learn ways to analyse healthcare issues from financial and management perspectives, which could enable you to improve efficient patient-oriented health care for the future. The use of real-world case studies allows students to master the techniques rather than memorize them.