



MASENO UNIVERSITY
UNIVERSITY EXAMINATIONS 2016/2017

**SECOND YEAR SECOND SEMESTER EXAMINATIONS
FOR THE DEGREE OF MASTER OF PUBLIC HEALTH
IN EPIDEMIOLOGY AND POPULATION HEALTH**

CITY CAMPUS

PHM 822: HEALTH ECONOMICS & FINANCE

Date: 2nd July 2017

Time: 2.00 - 5.00pm

INSTRUCTIONS:

- Answer Question ONE and any other THREE.

QUESTION 1

a) Grossman human capital model characterizes the demand for health and health care.

- i) Characterize the basic model for the human capital [5 Marks]
 - ii) Show the equilibrium condition for the model and explain the relationship envisaged. [5 Marks]
- b) The Millenium Development Goals (MDGs) 2000-2015 recognized health goals to be achieved by 2015. As at September 2015 Sustainable Development Goals (SDGs) were enacted to eliminate some of the population health challenges experienced in Africa.
- i) Describe the 5 health related goals of the MDGs. [5 Marks]
 - ii) Discuss the achievements of the 5 goals and the challenges encountered by Kenya in attaining them. [5 Marks]
 - iii) In your opinion, how can the SDGs address and attain the shortfalls experienced from the MDGs. [5 Marks]

QUESTION 2

a) Maternal health care has remained a challenge for the Government of Kenya since independence. In 2013 through a Presidential decree, maternal health care was pronounced to be free in public health facilities.

- i) From health systems functions perspective, discuss the milestones and challenges of attaining safe motherhood in Kenya. [3 Marks]

- ii) Citing the World Health Organization health systems framework. Explain how the envisaged health system functions can be strengthened to improve the maternal population health outcomes. [6 Marks]

- b) Health and development tend to be related either way. Explain the relationship between health and economic growth as well as health and poverty. [6 Marks]

QUESTION 3

Malaria is one of the health challenges that the tropical countries in Africa are struggling to eliminate. To control the disease burden arising from this the Government of Kenya has embarked on two preventive interventions insecticide treated bed nets (ITNs) and residual spray (RS). The Taskforce on Malaria control has a divided opinion on which economic evaluation methods to use.

- a) As an economic evaluation expert differentiate between three possible economic evaluation methods they can use. [6 Marks]
- b) Suppose now they consider to cover a population of 5 million during the antimalarial campaign and that if a person sleep under the net they is probability of 60% less malaria cases amongst that population. On the other hand, the residual spray option is likely to reduce number of case of Malaria by about 70%. If suppose they plan to spend Ksh. 2 billion on ITNs and Ksh. 3 billion on residual spray for a period of 3 months. Compute the average cost-effectiveness ratio of the malaria cases averted by the interventions. [5 Marks]

- c) Suppose now they want to scale up the results by 90% of both intervention and their cost go up by Ksh. 4 billion and Ksh. 5 billion respectively. Calculate the incremental cost-effectiveness ratio.
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[4 Marks]

QUESTION 4

- a) Characterize the model for health insurance with fixed spending.
[5 Marks]
- b) The Government of Kenya is revising its health financing strategy in order to increase access to health by most of its population which do not enjoy the quality care. As health financing expert advice and discuss with the Cabinet Secretary for health on the following:
- i) The health financing functions the Committee of Experts need to consider during the deliberations.
[3 Marks]
- ii) Risk pooling methods that can be used to enhance universal health coverage in the country.
[7 Marks]

QUESTION 5

- a) Discuss the problem of moral hazard in prevention of illness.
[4 Marks]
- b) Explain the possible solutions that can be prescribed to the problem in a).
[6 Marks]
- c) Describe other market failures that can lead to less prevention.
[5 Marks]

QUESTION 6

Provide an argument for or against peculiarity of health care industry to other industries.
[15 Marks]