Chapter 1

Introduction and Overview
1.1 Suppose the government in a middle-income country announced its policy goal was to implement a universal health insurance program within five years. Would implementation of this policy increase the demand for health economics research in this country? List at least three factors to justify your answer no matter whether your answer is “yes,” “no,” or “maybe.”

The implementation of universal health insurance (UHI) program is expected to increase the demand for health care and hence to expand the size of health care sector within a country. As more resources being allocated to health sector, it would increase the demand for research to understand many important questions such as whether the resources devoted to health care are used efficiently. In addition, the implementation of UHI program increases the demand for understanding the potential effects of various health policies such as payment system and cost-sharing. This provides incentive to public agencies to grant research in this area in order to learn the “know-how” of designing an efficient public health insurance program. Furthermore, the implementation of public health insurance program may generate sufficient public data, which in turn provides fuel to conduct research in this area.