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Breaking news

- On June 9-10, section presidents of EUPHA met in Malta, to make plans for the next few months. In relation to our section, some important conclusions should be highlighted:
 - ✓ Better coordination between sections and pro-active work are needed.
 - ✓ Section members that are not IHEA members and have not been active visiting the section webpage during the last months will be removed from the section list. Therefore, we recommend you to visit the webpage of the section if you want to keep being part of the group.
 - ✓ We cordially invite you to give us ideas to dynamise the section. Please, feel free to send us your publications so that we can post some information about them in the section webpage.
 - ✓ We (public health economics people) should be more active participating in the journal of EUPHA, the European Journal of Public Health. Public health economics is a central area in public health research, training and practice, and we should contribute to make health economics more visible. This is a collective task for all of us.
- The 20th Arrow Award for the best paper in health economics is awarded to **Randall Cebul, James Rebitzer, Lowell Taylor, and Mark Votruba** for their paper “Unhealthy Insurance Markets: Search Frictions and the Cost and Quality of Health Insurance” AER 101(5): 1842-1871, 2011. This is the most prominent award in the field of health economics, it is given annually by the IHEA

The section's objectives in perspective

The latest directive 2011/24 of The European Parliament and of The Council of 9 March 2011 on the application of patients' rights in cross-border healthcare, was made considering the technical report "Cross-border Health Care in the European Union. Mapping and analyzing practices and policies".

As one of our objectives (as a section) is to increase the knowledge about the economics of cross-country policies and cross border mobility of patients/professionals in Europe. It would be recommended to read the above mentioned technical report.

In summary, the book presents a comprehensive cross-European analysis of different dimensions that determine the scope and policy of cross-border care: access to health care, benefits and tariffs, quality and safety, patients' rights, cross-border collaboration and cross border health care data.

Overall, there is still a great variation of the type of data collected across countries, making difficult the comparison and harmonization of common procedures. Therefore, if we are to contribute with either a cost-effective or cost-utility analysis of the implementation of the new policies, it would be important as a section with representatives from all the countries to create a space to discuss the following topics:

- Are prices correctly aligned to cost of the provision of health care services in each country?
- Which factors are included in the cost calculation in each country?
- Is it possible to harmonize costing methodologies to ensure meaningful comparability?

Calendar of events

What: 19th annual RAND Summer Institute (RSI)

When-Where: Santa Monica, California, USA. 9-12 July 2012.

Further information: Diana Malouf malouf@rand.org or

<http://www.rand.org/labor/aging/rsi/>

What: Master Program in Health Economics and Policy. Barcelona Graduate School of Economics.

When-Where: Barcelona. September 2012.

Further information: <http://www.barcelonagse.eu/health-economics.html>

What: Pricing, Reimbursement and Market Access for Targeted Cancer Therapies Conference.

When-Where: Philadelphia, Pennsylvania, USA. November 6-7 2012.

Further information: www.healthtech.com//pri

What: XVII Annual Conference of The Italian Association of Health Economics (AIES)

When-Where: Roma, Italy. 15-16 Novembre 2012.

Further information: <http://www.aiesweb.it>

What: The Global Healthcare Summit 2012

When-Where: Park Plaza Victoria, London, UK. 29-30 November 2012

Further information:

<http://www.economistconferences.co.uk/event/global-healthcare-summit-2012/6258>

What: Call for Abstracts: 11th Workshop on Costs and Assessment in Psychiatry, Mental Health Policy and Economics.

When-Where: Venice, Italy. Conference dates: 22-24 March 2013. Submission Deadline: 30 October 2012.

Further information:

Massimo Moscarelli moscarelli@icmpe.org or <http://www.icmpe.org/>

What: IHEA 9TH World congress "Celebrating Health Economics"

When-Where: Sydney, Australia. 7-10 July 2013. Pre-Congress: 6-7 July

Further information: info@healtheconomics.org

What: 10th European Conference on Health Economics: A Joint ECHE/iHEA Conference.

When-Where: Dublin, Ireland. July 13-16 2014.

Further information:

<http://www.healtheconomics.org/conferences/2014/07/13/10th-european-conferen.html>

What to read?

Title: Happiness Surveys and Public Policy: What's the Use?

Abstract: This Article provides a comprehensive, critical overview of proposals to use happiness surveys for steering public policy. Happiness or "subjective well-being" surveys ask individuals to rate their present happiness, life-satisfaction, affective state, etc. It is critical, therefore, to differentiate two potential policy roles for happiness surveys. First, the survey response may provide prima facie evidence of the respondent's preference-utility: the extent to which her preferences are realized. Second, it may indicate her experience-utility: the quality of her mental states. The Article clarifies these two, very different, ideas. It then criticizes, in turn, the preference-utility and the experience-utility defenses of the policy relevance of happiness surveys. Enthusiasm about happiness is premature.

Available at: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2076539

Title: Benefit-Cost Analysis of Environmental Projects: A Plethora of Biases Understating Net Benefits

Abstract: There are many reasons to suspect that benefit-cost analysis applied to environmental policies will result in policy decisions that will reject those environmental policies. The important question, of course, is whether those rejections are based on proper science. The present paper explores sources of bias in the methods used to evaluate environmental policy in the United States, although most of the arguments translate immediately to decision-making in other countries. There are some “big picture” considerations that have gone unrecognized, and there are numerous more minor, yet cumulatively important, technical details that point to potentially large biases against acceptance on benefit-cost grounds of environmental policies that have true marginal benefits greater than true marginal costs, both in net present value terms. It is hoped that the issues raised here will improve future conduct of benefit-cost analyses of environmental policies.

Available at: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2078556

Title: NIH Peer Review: Challenges and Avenues for Reform

Abstract: The National Institute of Health (NIH), through its extramural grant program, is the primary public funder of health-related research in the United States. Peer review at NIH is organized around the twin principles of investigator initiation and rigorous peer review, and this combination has long been a model that science funding agencies throughout the world seek to emulate. However, lean budgets and the rapidly changing ecosystem within which scientific inquiry takes place have led many to ask whether the peer-review practices inherited from the immediate post-war era are still well-suited to twenty first century realities. In this essay, we examine two salient issues: (1) the aging of the scientist population supported by NIH and (2) the innovativeness of the research supported by the institutes. We identify potential avenues for reform as well as a means for implementing and evaluating them.

Available at: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2073156

Title:Health-Care Nonprofits: Enhancing Governance and Public Trust

Abstract: Nonprofits are a major part of the U.S. economy and they are not immune from corporate malfeasance controversies. Even Congress has expressed concern about the crisis in nonprofit governance. The nonprofit response to Congress has been a historic initiative recognizing critical challenges to nonprofit governance. In contrast to their for-profit counterparts, nonprofits are committed to missions serving the public benefit and not to shareholder profits. Accordingly, their missions and financial resources are intrinsic to their very existence, which is built upon the public trust. That trust is rooted in fiduciary responsibility and reflected in best practices. This article traces the history of the nonprofit public trust and fiduciary standards and examines principles of Sarbanes–Oxley and other best practices as they apply to nonprofits. The authors sampled 80 health-care nonprofit corporation web sites from eight asset classes to determine compliance with Sarbanes–Oxley and identification of fiduciary duty, ethical values, and other best practices. Among the very largest health-care nonprofits, many comply with Sarbanes–Oxley and identify fiduciary duty, ethical values, and other best practices. However, there are substantial deficiencies in such compliance and identification among all remaining seven asset classes ranging from 99.9 million to less than 100,000. The results appear to corroborate the urgent necessity for reform articulated by the Congress and the nonprofit sector. Nonprofit governance has entered a new era where best practices must be implemented to sustain the public trust.

Available at: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2073097

Title:The Impact of the 2009 Federal Tobacco Excise Tax Increase on Youth Tobacco Use

Abstract: This study examined the impact of the 2009 federal tobacco excise tax increase on the use of cigarettes and smokeless tobacco products among youth using the Monitoring the Future survey, a nationally representative survey of 8th, 10th, and 12th grade students. The results of this analysis showed that

this tax increase had a substantial short-term impact. The percentage of students who reported smoking in the past 30 days dropped between 9.7% and 13.3% immediately following the tax increase, depending on model specifications, and the percentage of students who reported using smokeless tobacco products dropped between 16% and 24%. It is estimated that there would have been approximately 220,000 – 287,000 more current smokers and 135,000 – 203,000 more smokeless tobacco users among middle school and high school students (age 14 – 18) in the United States in May 2009 had the federal tax not increased in April 2009. The long-term projected number of youth prevented from smoking or using smokeless tobacco that resulted from the 2009 federal tax increase could be much larger given the resulting higher tobacco prices would deter more and more children from initiating smoking and smokeless tobacco use over time.

Available at: <http://www.nber.org/papers/w18026>

Title: The Impact of Patient Cost-Sharing on the Poor: Evidence from Massachusetts

Abstract: Greater patient cost-sharing could help reduce the fiscal pressures associated with insurance expansion by reducing the scope for moral hazard. But it is possible that low-income recipients are unable to cut back on utilization wisely and that, as a result, higher cost-sharing will lead to worse health and higher downstream costs

through hospitalizations. We use exogenous variation in the copayments faced by low-income enrollees in the Massachusetts' Commonwealth Care program to study these effects. We estimate separate price elasticities of demand by type of service (hospital care, drugs, outpatient care). Overall, we find price elasticities of about -0.15 for this low-income population — fairly similar to elasticities calculated for higher-income populations in other settings. These elasticities are somewhat larger for the chronically sick and older enrollees. A substantial portion of the decline in utilization comes from some patients cutting back on use completely, but we find no (detectable) evidence of offsetting increases in hospitalizations or emergency department visits in

response to the higher copayments, either overall or for the chronically ill in particular.

Available at: <http://www.nber.org/papers/w18023>

Colophon

The network objective for the next newsletter is: *Economic justifications for health--related public interventions, and economic models of individual health--related behaviour*

We kindly remind you, you are very welcome to send information about research projects, books and jobs adds to be included in the next newsletter to the e-mail address gc.cc@live.dk. The deadline for receiving new input for the next newsletter is 5th September.

Best wishes

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