

Economics of Health Care

Dr.Amean A.Yasir ,PhD

nurses concerned with the delivery of needed community health services also must understand how those services are financed. In an era when health care resources are limited and provider organizations are competing for scarce dollars, it is essential for nurses to be knowledgeable about the issues related to health care financing and about ways to obtain funding to address identified health needs in the community. Behind the financing of health care lies the science of **health care economics**. The field of economics, as a whole, is a science that describes and analyzes the production, distribution, and consumption of goods and services. It also is concerned with a variety of related problems, such as finance, labor, and taxation. It studies and seeks to promote the best use of scarce resources for the greatest good of society.

The science of health care economics describes and analyzes the production, distribution, and consumption of health care goods and services to maximize the administration of scarce resources to benefit the most people. The goal of health economics— similar in some ways to that of public health—is to promote the greatest good for the greatest number using available resources and knowledge. This chapter summarizes the changing picture of health care economics and its financial incentives and disincentives for enhancing the public's health. More extensive treatment of these subjects is found in the Selected Readings section.