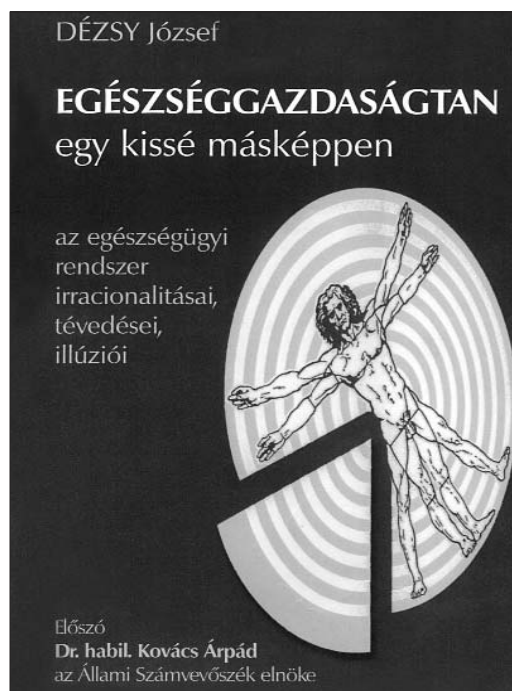


József Dézsy

Health economics with a small difference

*the irrationalities, mistakes
and illusions of the health system*

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To our present knowledge the competitiveness of a country greatly depends on the state of its human resources, the ratio, and the health status of the active population. That correlation also works the other way around: the economic performance, and level of welfare of the given country affects the health of the individuals inhabiting it. An applied science within economics, health economics seeks an answer to how the distribution of resources available to the health sector, scarce at all times and in every country, could be improved in order to help that improvement ripple on to the general health status of the people. We are witnessing the rapid growth of a sub-discipline that has an increasing number of adequate methods, and is capable of making an increasingly successful contribution to better economic decisions in the health sector that also have an influence on the health of people.

THE LITERATURE OF HEALTH ECONOMICS

The attention of traditional economics began to turn gradually to the health sector in the 60s. The turning point was *Kenneth Arrow's* trend-setting article written in 1963 with the title 'Uncertainty and the welfare economics of medical care'. Since then the development of health economics – simultaneously to the strengthening of the economic and social pressures on developed countries – has been ever more dynamic. The two-volume manual on the same discipline was published in 2000 by Elsevier publishing house, and edited by *Anthony Culyer* and *Joseph Newhouse*. From the 90s onward even in Hungary we have seen the appearance of more and more high standard investigations on the issue. The foundations were laid by the works of *Éva Orosz*, *Péter Mihályi*, *László Gulácsi*, *Gyula Kincses* and *János Kornai*. (see under Literature)

The book by *József Dézsi*, professor of eco-

nomics of Hungarian descent working in Austria is a new item in our collection, representing a new approach in a certain sense. Dézsy investigates the 'behaviour' of people's health, and the functioning of their healthcare systems from an aspect new both in structural and linguistic terms. He does not relate new information, rather, he explains it in a novel way, and thereby tries to satisfy the common need of his multi-faceted readership: let us find the common language, let us try to understand each other!

LANGUAGE Domestic authors on the subject suffer from a confusion of identity in the good sense of the word up to the present day. Who should technical treatises on health economics be written for? The target group is quite diverse. There are too many and too few Eskimos at the same time. Everyone thinks they know how to reform the health sector, but there are few people whose vision extends behind the scenes. In an environment like that the writer would have difficulty narrowing down the target audience too much, and would probably make a mistake doing so. It would not be worthwhile scaring away self-appointed health economists and enthusiastic amateurs with rudely technical language. An added complication is that everyone has a little different angle looking at the issue: the doctor and the patient view things from underneath, from the 'working floor' of the system, the health politician from above, the economist sometimes from outside, sometimes from inside, while the man in the street through their own attitude depending on their age, sex, and health status. Moreover, one had better address such a heterogeneous readership of such varied professional provenance extremely tactfully. Every word of criticism counts multiple in writing as health sector staff often feel that they are under the permanent pressure of deciding on life or death, and those concerned always regard the problems

of health economics as their personal difficulty that is hard for them to understand.

It may be partly due to that fact that any author writing on health economics is inclined to even swap roles temporarily. Economists write to doctors using the latter's language, and medical people try to familiarise with economic terminology. Everyone tries to give effect to their concepts from their own point of view. For the time being, all that tends to work a beneficial effect on this rapidly growing technical area, and promotes the development of a common language.

József Dézsy's book also seeks that common path, that common language with a little difference. Gulácsi and Orosz use exclusively the language of health economics, understood by relatively few people up to the present day. Mihályi tries to convey his messages through examples (often away from the realm of health economics). Kincses applies health policy discourse, Kornai is the economist integrating this sub-discipline into economics as a whole. Dézsy chooses a new way: he tells a tale, illustrates phenomena, comments on himself, and even uses the odd gag. That is indeed a rather direct way of winning over new subscribers to this young discipline.

NOT A TEXTBOOK The book speaks to all those who are in any way concerned by the health sector: managers, doctors, nurses, health politicians or just interested laymen. Everyone will find sentences of their liking, thought provoking similes, and real-life references. It is not a textbook, however. Please nobody expect a manual with a section of definitions. Dézsy touches upon numerous issues of health economics, but never pushes his own views, while he certainly suggests some solutions he would find viable. For instance we find out about the author that he is a committed believer in case management, that he finds the system of closed health funds a primitive but reasonable solution, and supports the opening of health funds,

and considers the “gatekeeper” role of the family doctor an indispensable element, and regards the base package of health insurance not much good. We do not have to agree with him by all means, but he places a number of hackneyed concepts in a new perspective through his observations.

In health care, too, there are three 'controls' to adjust its operation: price, quality, and quantity says Dézsy, and re-tells the frequently quoted stories of health economists with a small difference. 'The re-setting of one control changes the setting of the others, too, to some extent' (p 92) The author concentrates in each chapter on the tight-rope dance that the health sector dances together with its own players. He illustrates the irrational behaviour of the homo economicus through the fact that people 'buy' the improvement of their health rather than cars, bread or travels.

STRUCTURING OF SUBJECTS, AND CLARITY

The book has a logical line of thought, is easily readable, but does not follow the traditional build-up of technical books. The 19 chapters do not constitute a firm structure and are not characterised by all-inclusive cohesion. The chapters discuss issues interesting in themselves, and follow a set of loosely intertwined lines of argumentation. Dézsy rarely or never brings his own judgement, instead he argues for and against, and lets the reader ruminate over the problems. He seeks justice, and occasionally marvels at the small number of easily resolvable issues in the health sector. The author clearly has a weighty professional background against which he quietly sits back in his easy chair making his sometimes stinging remarks. The title of his book was initially going to be 'The comics of health economics' (Gesundheits-ökonomik) adequately indicative of the author's self-reflecting intention. Dézsy often squints at the reader as if saying: Yes, I am an economist, and of course in theory I know

the answer to the problem, but that does not seem to be true in each case.

His remarks, and words directly addressed to his readers frequently hit the target, but not always. The reason is that the translation is not completely flawless as it is indeed quite difficult to find the Hungarian phrase for some German concept that hardly exists in Hungary. English technical terms also rarely have an established equivalent. That is a challenge for many authors and translators. On the other hand, examples mostly come from the Austrian health system based on compulsory but strict insurance principles competitive in many respects. Thus the Hungarian reader may enjoy several snapshots of the Austrian healthcare system at the cost of not always getting the exact message. Problems in this federally structured health insurance market based on sickness insurance contribution understands it, and partly the policy holder's own risk are different from a system such as the Hungarian resembling a quasi-social insurance arrangement but being essentially a national health service. There is little explanation in the text, which could grow double if the author had to all explain all of his witty examples. That would mean that the most important attraction of the book, i.e. readability would be lost.

Dézsy's language is fortunately very readable. The author avoids technical jargon as much as possible, and does not force the use of technical terms easily understood by health economists but causing difficulty for laymen, and prefers to paraphrase them, analyse them, and 'recite' them. That has two benefits. On the one hand everybody understands it, and, on the other, many times the economist knowing his area well by professional standards awakens to the importance of the human factor in every behavioural pattern related to healthcare. He discusses one by one the well known phenomena such as moral risk, information asymmetry, harmful selection, agent theory, co-payment,

supply-induced demand. He does it in a way that the reader gradually realises how much these concepts interrelate. The reader is made to marvel at the notions proposed, which is really useful.

Dézsy consciously rejects using accurate literary quotations in this book. We may well agree with him, this is not the genre where that counts. The emphasis is on the 'story' and less on meticulously documented facts. But that, at the same time, gives rise to inaccuracies. At some points simplification costs quality. E.g. saying that 'managed care means that we do everything that a patient needs, but possibly in a cost-saving manner.' (p. 53) is a rude oversimplification of a method of patient care and insurance-arrangement, even if there are so many such methods that they are difficult to define with a single sentence. Clearly, the author himself did not mean it himself.

The effect of the Austrian and the German school is reflected all along the book. Dézsy taps into his experience of several decades, and brings numerous examples from German speaking geography. At the same time he indulges in quoting the founding fathers of economics including *Adam Smith*, *Jean Baptiste*

Say, *David Ricardo*, together with the great figures of health economics such as Uwe Richard, Kenneth Arrow, Peter Zweifel thereby lending authority to his message.

CLOSING NOTE The greatest virtue of the book is the highlighting of the human factor. 'It is not the Minister of Health or the insurance company, not even the health fund or the doctor who are at the top of health policy, but the patient.' says Dézsy (p. 144). That is one of the most important messages of the book, and that message comes from a health economist. That is what we think makes this book a little different from its predecessors. It is a piece of 'European' writing that puts man at its centre, one that not only teaches us but also talks to us personally. One of the last chapters discusses specifically the human factor, summarising the relationship of health economics and ethics, which is a really novel hue in Hungarian technical literature. Dézsy's work is an ideal first reading for students and health workers, useful extra reading for students of health economics, and a valuable reference volume for professional health economists, and lecturers.

Balázs Nagy

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