

Health care economics is a service in which the public sector plays a leading role and has been developed for a long time in industrialized countries and come into being in developing ones. The role of the government, or the public sector, in the health care service is to work out a policy on the public health care and make the best use of resources from this service to en-

by using available instruments, thereby enhancing the quality of life.

1. National economy and health care

Although the health care economy is considered as part of the national economy, and economic laws could be used for evaluating the performance of this service in various aspects, the health care economy has

- Determining strategic problems, and working out a strategy to develop the public health, overall and specific targets for short, medium and long terms.

- Selecting priorities based on social, economic and geographic conditions of each period.

- Analyzing and estimating results of decisions in order to understand achievements, anticipate possible negative effects and prepare necessary measures to deal with them.

- Studying managerial methods use for the health care service and models of health service, and controlling health care services supplied by both the public and private sectors.

The health care, as a service, is based on the cooperation between the supplier and customer in satisfying a need of the customer. A service could only exist when it wins trust from the customer. The service sector in general has developed faster and faster, and played an important role in the national economy and it is called the soft economics. This sector accounts for an increasing share in the GNP of both developed and developing countries.

In the 20th century, the value of the health care industry was based more on tangible goods, such as medical equipment and machines or medicines, than on intangible benefits. In this century, however, the value is based on not only professional expertise and modern technologies used for medical care, but also equal opportunities to enjoy better health care services. Because the quality of services depends on various factors, such as time, space, mindset and living conditions of both sides, so it is hardly distributed evenly and reflects social ideals. In short, health care economics is an important part of the economics and the national economy as well. It is still a new field to many countries and its quality and scope could be enhanced. That is why we must study

Health Care Economics and Improvement in Quality of Life

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sure the good public health, and social equality and development. Up to now, the health care economy has become part of the national economy. And, analyzing the health care economy means searching for answers to the question about the role of the government in setting budget for the public health care service and directing operations of the private sector towards caring the public health. In other words, it aims at finding the best way for the government to ensure equal health care for the public

its own characteristics and methods that aim at explaining human behavior in relation to the care of the public health. Regarding its functions, the health care economy has certain features, such as:

- Developing both human and material resources needed for solving problems relating to the public health, analyzing how to use these resources to care the public health effectively and help achieve socioeconomic targets.

Table 1: Soft economics in GNP by groups of countries

Groups of countries	Soft economics/ GNP (%)
Developed countries	70-80
Developing countries	60-70
Others (including Viet-nam)	20-30

Source: Vietnam- Sweden Health Cooperation Program

the government intervention in this service as well as its responsibility for everything happens in this sector.

2. Role and responsibility of the government in the health care service

Increases in the government expenditure on the public health over years are not enough to conclude that the government has played well its role in regulating and allocating sources of wealth. Increased expenditure on the public health could enhance the ability and quality of the health care service but the government should pay full attention to the task of supplying equal opportunities to enjoy the service for all classes, especially the lower one, thereby asserting the performance of the service and good results of the public expenditure.

In other words, the role of the government is to enhance the quality of life for the public using its regulatory instruments. For example, the public health authorities should deal effectively with epidemics when they broke out and prevent them from spreading, and at the same time, make use of results of scientific researches to repair damage caused by the epidemic. This task is a public service that the free market couldn't supply opportunely and effectively. No company could provide the public with such a service better than the government regarding the equality and efficiency of the service, especially when the service is of benefit to everybody but brings in no profit. The termination of the small-pox is of benefit to billions of people but no company gains a dollar from it. The public determination to fight against smoking, Aids, cancer, etc. usually originates from efforts made by the government, or civic organizations, to disseminate useful knowledge, rather than coming from the invisible hand of the market. The problem we want to discuss here is to what extent the government intervention should be, and what service should be left to the invisible hand; and how to ensure the equality and efficiency of the service when it is supplied by the free market.

- If the private sector plays the leading role in the health service, the government will find it hard to orient it towards planned targets and ensure the equality and deal with problems relating to the medical ethics even if it has a strong and industrious army of civil servants. In this model, the role of the private sector

will be stronger and stronger according to the relation between the supply and demand, and lead to widening gap between the rich and the poor because of differences in their ability to pay for the health service. That is why the government should intervene actively to ensure the equality between classes in enjoying the health care service.

- In the other case, the government has total control over the health service, thereby supplying the same service to everybody. This practice is called 'one-pays-for-all' system that can solve shortcomings of the market economy and ensure equal opportunities. Under this mechanism, the government could supply this service like other utility services. It becomes a government monopoly but this practice certainly produces good effects. However, not everybody appreciates this system and common criticisms are:

(1) The public expenditure on the health service comes from tax payment, so it can lead to increases in tax which produces bad effects on production cost, saving and working motive.

(2) The free services supplied under this system encourage the public to use them excessively, which make the public expenditure on the health service escalate.

(3) Because market forces have no effects on the health service that is supplied free, the demand will rise limitlessly, which leads to bureaucracy, bribery and corruption when health officials assume they have the right to supply the services at their will. This situation has happened in England and Canada and many health centers for the poor in the U.S.

Differences in efficiency and performance between those two systems lead to a mixed model in which the public and private sectors compete, and cooperate, with each other to supply and make profits from health care services. Generally, this model aims at supplying better services to the public with the leading role played by the public sector.

3. Conflict between the need for health service and ability to pay

Some people are of the opinion that it's hard for the government to allocate necessary resources for the health service because of budgetary difficulties; but others argue that the poor can't afford health care services they are badly in need of. Both arguments, like two sides of a coin, must be taken into consideration when working out a health care system that aims at social equality. If the second argument is ignored, the poor will never see their quality of life improved because they sometimes, under current conditions, have no ability to receive free health care services. In HCMC for example, some patients suffering from tuberculosis couldn't go to hospital or health station where they can get free treatment and medicine because they couldn't pay for travel expenses.

Thus, the equal opportunity to enjoy health care services is still a target for the whole health sector. It must try its best to achieve it and it will take a long time before the poor can cover the health care expenses by their own or by the government. Both approaches could be considered as the greatest achievement for a health economy and equal health care service. ■

