

HEALTH ECONOMY ASPECTS – NEED, DEMAND AND SUPPLY OF HEALTH SERVICES

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Abstract: The article comprises general considerations and concepts regarding the health economy, and a brief study on the generation and allocation of goods and services under a limitation of resources, respectively and answers to three basic questions: What goods and services should be produced? Which way should be produced these goods and services? To whom should the produced goods and services be allotted?

Cuvinte cheie: nevoia de sănătate, obiective, cerere, ofertă, beneficiarii

Rezumat: Articolul cuprinde considerații generale și concepte privind economia sanitară, respectiv un scurt studiu asupra producerii și alocării bunurilor și serviciilor în condițiile unor resurse limitate, răspunzând la 3 întrebări fundamentale: Ce bunuri și servicii trebuie produse? În ce mod trebuie produse aceste bunuri și servicii? Către cine trebuie repartizate bunurile și serviciile produse?

INTRODUCTION

Economics studies the production and allocation of goods and services under a limitation of resources and answers to 3 basic questions:

- what goods and services should be produced?
- which way should be produced these goods and services?
- to whom should the produced goods and services be allotted?

The health economy is an application of economics which explores the way in which health care is produced and supplied and also the behavior of those involved in health care services (patients, physicians, politicians, etc).

Definition of human needs

The social insurance emerged in order to satisfy certain human needs, which have to be identified and evaluated for the purpose of identification the operational means of the social intervention.

The human needs, depending on the three dimensions of the human being, may be divided into:

1. Individual, physiological, somatic needs
2. Group needs, which are satisfied by the joint action of the members of those groups.

Spiritual and psychological needs which require rationality and elevated thought and that appear in the course of knowledge accumulation and education progress.

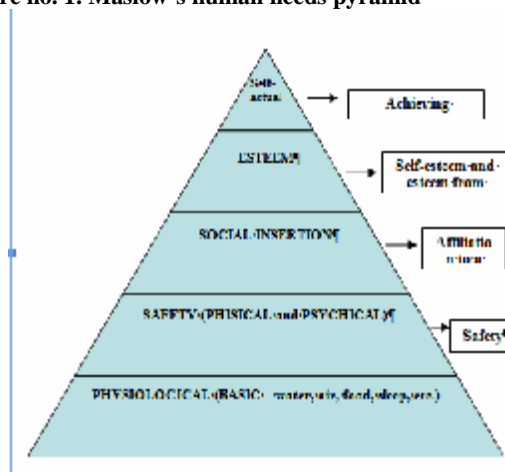
Based on the human behavior elements A. H. Maslow (1943) has classified the human needs into five groups, depending on their importance and priority, and has obtained the “human needs pyramid”:

The health need represents the difference between the normal or optimal state of health and the actual or existing state of health.

As a result the health need produces the need for health services.

In their turn the needs give raise to the objectives of the health projects

Figure no. 1. Maslow’s human needs pyramid



Types of needs

- a) **Normative need** – defined by the expert towards a particular regulation deemed as required or optimal.
- b) **Apprehended need** – the people apprehensions towards the health issues or health services.
- c) **Expressed need** – apprehended need which change into actions.
- d) **Comparative need** – the need of an individual or a population group should have, because they have the same characteristics which another individual or population group for which a need has already been identified.

Interrelations between needs, demand and supply on the health services market

The needs in the field of health may be defined as the ability of the population to receive health care.

The beneficiaries may be:

- the persons whose need of health care have been satisfied;
- the persons in charge for taking care of a patient;

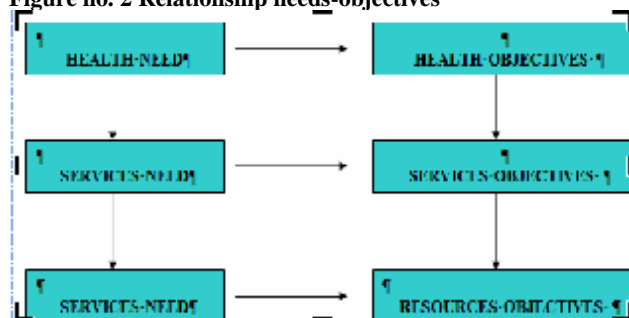
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- third parties, which have enjoyed a decrease of the sickness risk by the measures taken on other persons.

Figure no. 2 Relationship needs-objectives



The satisfaction of health care needs depends on the potential of preventive and curative services to retrieve the health issues of the population.

The need is influenced by cultural and ethic determinants and also by the result of present medical research.

The demand for health care is a derived demand based on the wish to be healthy, but the link between health and health care services is not well understood.

The demand expressed by the patients is influenced by social, cultural, education and informational (mass-media) factors, but also by physicians which change the need into demand.

The demand for health care is influenced by three types of factors:

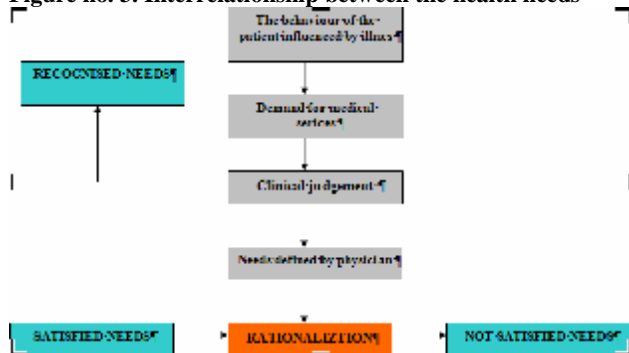
- 1. Patient related factors:** perceived needs; personal characteristics (age, sex, race, etc); education/knowledge level; the approach of the health care itself; income; demand for health
- 2. Factors related to health services:** cost of services; accessibility; professional behavior; preventive care; health education
- 3. Society related factors:** level of socio-economic development; demographic characteristics (size, age structure, etc); perception of the importance of health state

The health services provision may be influenced by the pressure of the physicians who serve as referees of needs, demand and supply of medical services. The public may deem that there is a need for much more health services.

The offer may be influenced by political and public factors, by inertia and historical patterns.

The interrelationship links between medical needs are shown in the figure below

Figure no. 3. Interrelationship between the health needs



On the **health services market** the needs are different depending upon the person who defines them:

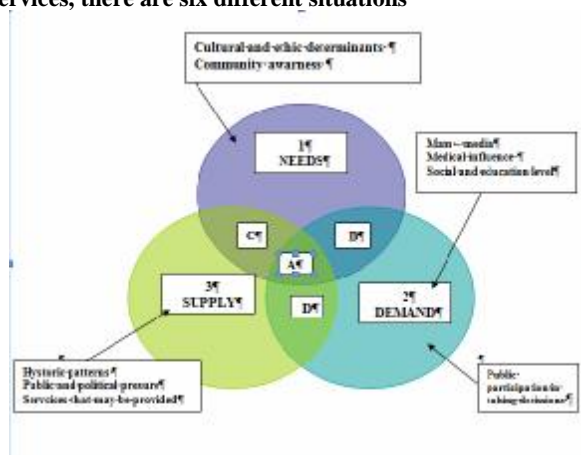
- the producers (physician)

- the consumer (patient) who has no specific information and medical knowledge.

The demand of health services is actually completed by achieving a compromise between the needs perceived and/or expressed by the public, the needs expressed by the service providers and the satisfaction possibilities.

By the graphical representation of need, demand and supply of services, there are six different situations:

Figure no.4 Representation of need, demand and supply of services, there are six different situations



The overlapping of needs, demand and supply of health services (modified after Stevens and Rattery)

- **Zone 1:** there are needs, but no demand and supply
- **Zone 2:** there is demand, but no need or supply
- **Zone 3:** there is supply, but no needs and demand
- **Zone A:** the concentration of needs, demand and supply of services (ideal situation). The concentration is influenced by: the existing situation, region, participation.
- **Zone B:** existing needs, expressed requirements, lack of services which produces public dissatisfaction.
- **Zone C:** existing needs, available services, lack of expressed demands. Examples: immunoprophylaxy services, screening examinations, etc.
- **Zone D:** expresses requirements, existing services, lack of real need. In this case it comes to inefficiency and waste of resources.

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