



## Transition Guide

### The Economics of Health Reconsidered, Fifth Edition

#### February 2023

The fifth edition of *The Economics of Health Reconsidered* continues to challenge the reliance on market forces to address health policy issues, and it argues instead for the value of government intervention. By critically examining economic theory as applied to the healthcare sector, the authors encourage readers to question the assumptions on which the perceived success of the competitive-healthcare-market model is based.

Like its previous editions, this thoroughly updated text focuses on how the unique characteristics of healthcare challenge the effectiveness of traditional economic remedies.

#### Changes in the Fifth Edition

Every chapter has been updated with the newest literature and data. There are dozens of new and updated tables and figures. Some highlights of the changes and new material, including details on two new chapters, are included below.

Chapter	Chapter Title	New Material and Updates/Changes
1	Why Should the Economics of Health Be Reconsidered?	No major modifications.
2	The Traditional Competitive Model	This chapter now also explores externalities.
3	Assumptions Underlying the Competitive Model and Implications for Markets and Government	No major modifications.
4	The Demand for Health and Its Social Determinants – <b>NEW!</b>	This new chapter explores the social determinants of the demand for health, including an examination of the role of education, race/ethnicity, income, gender, sexual and gender

		minority identities, early childhood experiences, and neighborhood effects.
5	The Demand for Health Insurance and Healthcare Services	The demand for health is now treated in the previous chapter, and a separate section on high-deductible health plans has been removed and incorporated into other parts of the chapter.
6	Competition in the Supply of Healthcare	Evidence for/against supplier-induced demand, market concentration and cost-shifting in healthcare are reviewed in tables with brief discussion. The success of supply-side mechanisms in containing costs is also presented in tables and discussed.
7	The Profit Motive in Healthcare	A set of tables present evidence on the differences between for-profit and non-profit healthcare organizations with regard to quality, trustworthiness, community commitment and service, efficiency, financial performance, and prices. Examples of market power are updated. Pharmaceuticals remain the example for commercial healthcare sectors, with updated information on marketing, safety, effectiveness, and spending.
8	The Healthcare Workforce	Healthcare workforce supply and demand numbers are updated. Latest estimates of future demand and supply of physicians and nurses are provided.
9	Equity and Justice	No major modifications.
10	Behavioral Economics – <b>NEW!</b>	This new chapter explores the burgeoning field of the behavioral economics of health, delving into cognitive biases and applying them to a number of health issues including vaccination, smoking, and obesity. It also shows how behavioral economic tools can be used to influence physicians' behavior. The chapter concludes with limitations of the field and how it fits into the overall study of health economics.
11	Healthcare Expenditures	In addition to updating all tables and figures, several tables are providing that summarize recent literature on key topics.
12	Economic Evaluation in Healthcare	Examples of types of economic evaluations in healthcare are updated.
13	Healthcare Systems in High-Income Countries: Organization, Outcomes, and Lessons	All tables and figures are updated.