EDITORIAL

Health care sectors in developed countries face a range of challenges in these years due to, among other things, physician shortage, ageing patient populations, higher prevalence of chronic diseases, and new and more expensive medications and health care technologies (Chojnicki and Moullan, 2018, Lehnert et al. 2011). Operating in resource constrained health care sectors necessitates the use of transparent and explicit prioritization principles to avoid opaque and implicit day-to-day prioritizations performed by health care professionals and managers at different organizational levels. Arbitrary on-the-floor prioritization introduces risks of inequity in the utilization of health care services. This is an issue that needs specific attention in health care systems aiming to obtain equity in access and distribution of health care resources.

In this 2019 issue of *Nordic Journal of Health Economics*, five papers contribute with different insights into the question of how we can improve our health care systems and mitigate some of the current prevalent issues. The papers also nicely demonstrate the different methods available in the health economist's toolbox. This includes use of theoretical models to predict behaviour, cost-utility analyses to inform prioritization decisions, questionnaire surveys to elicit public preferences for resource allocation and register data to establish associations and causal relations to reveal the presence of inequality and understand how inequity can be reduced.

The paper by Linda Ryen et al. is an example of how a questionnaire survey can contribute to improve our understanding of the public's preferences as guidance for political priority making. The authors studied public preferences for allocation of the health care budget in Sweden and found that 13-25% of the respondents believed that age, disease severity and treatment cost were valid criteria for priority setting. Preference heterogeneity was, however, detected. Based on the study findings, the authors concluded that there is a need for more transparency to increase the understanding of priority setting and for the use of economic reasoning, as prioritization of health care resources is inevitable.

One way to increase transparency and guide prioritization and policy making is through the use of economic evaluations, where costs and benefits of certain treatments are compared. In this issue of *Nordic Journal of Health Economics*, Caitlin Smare et al. (2019) use a cost-utility analysis to compare two different drugs (nivolumab versus docetaxel) used to treat patients with previously treated non-small cell lung cancer. The authors hereby demonstrate the application of a frequently used method for prioritization available in the health economist's tool box.

There are different ways policy makers' prioritization decisions can channel down the health care system. On the supply side, health care professionals and organisations can be controlled and incentivized through monetary and non-monetary initiatives, while the demand side can be subsidized, regulated or nudged to achieve specific health related behaviours. At the same time, the principle of equity in access to health care services and other prioritization criteria should be met.

In this journal issue, Sverre Grepperud contributes to the literature on economic incentives on the supply side in a theoretical paper focusing on pay-for-performance schemes for two different types of quality indicators: system indicators (e.g. waiting time) and clinical indicators (e.g. blood pressure). The author, among other things, finds that the optimal price with respect to treatment quality should differ for system and clinical indicators and that rewarding organizations using clinical quality indicators can be optimal even in cases where the incentive is not passed on to decentralized units of an organization.

The ubiquitous and important issue of inequality in health is explored in the paper by Christine Halling and Jacob Ladenburg. The authors focused on the chronic condition of diabetes and investigated whether socio-economic factors influenced the probability of having yearly foot inspections by a chiropodist as recommended by international guidelines. Social and geographical inequalities related to the diabetic foot care appeared with the most vulnerable groups being ethnic minorities, low income individuals and residents in rural and remote areas.

Focus was also on socio-economic inequalities in the paper published by Jane Greve and Cecilie Weatherall. The authors exploited a reform in Denmark to study the causal relationship between higher education and body weight and found that the probability of being overweight was significantly reduced among men completing a higher education. This was especially pronounced among men coming from low-income families. This established effect of higher education on body weight could justify subsidization of higher education if long run consequences of obesity and lifestyle related diseases are mitigated. A take-home message from this study is that no health care systems are islands, but rather sectors that depend on other sectors to perform well on their targets.

As demonstrated above, the papers in the 2019 issue of *Nordic Journal of Health Economics* cover many of the central challenges and attention points in our health care sectors, such as the prioritization of resources, the optimal design of incentive schemes, and the tracing of inequalities in health care. Improving the public's understanding of the underlying principles for prioritization and the rationale behind its execution is an important avenue for the achievement of optimal resource allocation. This is a crucial step in securing a fair and equal distribution of the scarce resources available in our health care systems.

Enjoy your reading!

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References

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