EDITORIAL

When the Nordic Journal of Health Economics was founded, there was a discussion about whether it should be a general journal for health economics, or a narrower journal that focused on some topics. In the end, it was decided that the journal should have a general focus. One of the reasons was that health economists - both in the Nordic region and beyond - focus on a wide range of issues. The articles in this issue reflect this broad perspective. They include an investigation into the effect of biosimilars on the price of drugs.

The price of drugs is of great interest to health economists and policymakers. Pharmaceuticals make up about 10 per cent of health expenses, but in addition to its importance in the budget, mechanisms for price setting is a fertile and important area in theoretical and empirical research. Dalen, Locatelli and Strøm take an empirical approach and investigate the case of a special class of drugs (TNF-inhibitors) and how the introduction of biosimilars affected the price. From a theoretical point of view, it is an interesting case since, as they point out, there are reasons to believe that one cannot simply generalize from traditional drugs to biological pharmaceuticals. Due to the nature of the production, the cost of entry may be higher for biosimilars than traditional drugs. There may also be higher uncertainty about the similarity of the effect. Lastly, the variable costs may be higher. For these reasons, it is important to investigate the case of biosimilars on its own. The conclusion in the article is both strong and striking: They estimate a price reduction of 50 per cent if the biosimilars increase their market share from 10 to 60 per cent. The market share of biologics in their case study was 40 per cent two years after their introduction. A key explanation for this result is the centralized tender system in Norway, which automatically leads to competition and large changes in the choice of first line drugs when a new company wins the tender.

The second paper in this issue tackles a very different topic. Instead of examining the effect of a centralized policy, the article by Hyldgård, Johnsen, Støvring, Albertsen, and Søgård looks at how patients are treated differently depending on how patients are perceived to have some responsibility for their disease. For instance, smoking, BMI and alcohol may affect judgements of responsibility, and lead to treatment that is different from the established clinical guidelines. An unexpected discovery in their study concerned the observation that 'being underweight negatively affected patients' opportunities' while the opposite was the case for obese patients. Another perspective on the issue of responsibility and health treatment, might be from a more systemic level. For instance, drugs used to quit smoking are in many countries not reimbursed in the same way as drugs.

Although the Nordic Journal of Health Economics decided to be a general journal, one of the areas suggested as a special focus in the original discussion, was care for the elderly. This suggestion was partly related to the fact that long term nursing makes up a significant expense for many Nordic countries. Moreover, given the expected increase in the number of elderly in the population over time, there is a great interest in efforts to enable people to live longer in their own homes. The paper by Bersvendsen, Jungeilges, and Abildsnes performs a literature review of 12 studies that look at efforts to increase abilities to live at home. While the studies often identified a reduction in costs, the authors also conclude that the articles did not provide sufficient data or information to draw strong conclusions. Given the lack of research in this field, and the importance of the topic, the Nordic Journal of Health Economics continues to welcome both literature reviews and original studies in this area.

Another area of health economics with a strong tradition in the Nordic countries, is the measurement of quality of life. The COVID-19 pandemic has led to several interventions that are likely to affect health-related quality of life. The extent to which these effects impact quality of life is important in itself, but also from a cost-benefit perspective when one evaluates the costs and benefits of different types of interventions. The article by Olofsson, Persson, Gu, Gong, Jiao, and Hay examines this question based on a large study in Sweden with information about quality of life before and after the interventions. The main conclusion is that relative to pre-pandemic quality of life in February 2020, there was a reduction in the quality of life, as measured by the Visual Analogue Scale, by 0.059 points after one month and 0.074 after ten months. A pandemic would, of course, influence quality of life regardless of regulations, and the main message is that all health interventions should be evaluated using a wide public health perspective.

Taken together, the articles show some of the diversity that was intended both in terms of topics, authors and methods: From literature reviews of efforts to enable the elderly to function better in their own homes to empirical and theoretical studies of price setting in the pharmaceutical market. If there is one issue that unites these, it is that they are all applied and touch key policy issues in the Nordic region. This continues to be our policy: We welcome articles from all authors on all topics and if there is a unifying theme it is, perhaps, a tendency to focus on applied articles that are policy relevant.

Hans Olav Melberg