

## **EDITORIAL**

### ***The Nordic Health Economists' Study group (NHESG) 35 years***

On the occasion of the 35th anniversary of the “Nordic Health Economists’ Study Group” (NHESG) this year, some reflections on the development of the group as well as the discipline of health economics in the Nordic countries are in place. NHESG was created in 1979 by the initiative of Professor Bengt Jönsson, who gathered few colleagues from the other Nordic countries for the founding meeting in Lund. NHESG was heavily inspired by the English HESG to become a study group with meetings, using similar procedural rules. Its stated purpose was to create a “critical mass” for seminars and discussions and to establish close contacts between researchers within this area in the Nordic countries. The term “study group” indicates that it was seen as a small group, and the meetings were seen as workshops with ample time for discussion of a few papers rather than conferences. It was seen as a forum where central theoretical and methodological issues as well as research results could be discussed, and younger researchers in particular were urged to present preliminary versions of their work.

The first meeting in Sweden in 1980 had about 40 participants representing all five Nordic countries and with Professor Alan Williams from the University of York as a guest. Both economists and researchers from social medicine attended as well as representatives from local government and the industry. Since then, NHESG has held annual meetings in one of the five Nordic countries in a fixed rotation, and the list of participants – both from Nordic countries and from outside - has increased substantially and thereby contributed to the stated purpose to further the continuous development of health economics as a sub-discipline of economics, and to set standards for excellent research.

#### *Early development of health economics*

Obviously, the research environments in health economics were small and scattered in the beginning. Apparently, health economics as an academic discipline began independently in each of the Nordic countries (except for Iceland). At the University of Lund in Sweden some researchers began to show an interest in the area in the early 1970s (Ingemar Ståhl, Bengt Jönsson, Björn Lindgren and Lars Söderström), in particular in the area of health economic evaluation. Thus, Bengt Jönsson earned his Ph.D. on Cost-benefit Analysis in Public Health and Medical Care in 1976, and Björn Lindgren earned his Ph.D. in 1981 with a dissertation on Cost-of-illness. In Denmark, Finn Kamper-Jørgensen published a study on the social costs of road traffic accidents from a health economics view in 1972, and in 1974 he published a comprehensive review of the existing international literature in health economics. Both publications were part of his Ph.D. In 1975 economists from the former Odense University – now University of Southern Denmark (SDU) - began health economics research and regularly teaching a course at the master’s level for economists (Kjeld Møller Pedersen and Terkel Christiansen). A focused initiative was made in Finland when the Yrjö Jahansson Foundation organized a start-up seminar in 1975, when a number of internationally known economists at that time gave lectures on the topic. The foundation also started a scholarship programme, which enabled two Finnish students per year to carry out post-graduate studies in health economics at the University of York. Harri Sintonen and Raimo Jämsen were the first two to visit York, and since then a number of Finnish students have attended courses at York. In Norway, the Norwegian

Research Council initiated a Group for Health Services Research in Oslo in 1976 with economics, medicine and sociology as integrated topics. Hans Thomas Waaler was in charge of the economic issues. At the same time, Aina Uhde from the Economics Department at the University of Bergen started her work on resource optimization in health care. From the late 1980s the group in Oslo became part of the Norwegian Institute for Public Health. Although Iceland was a participant in the NHESG annual meetings from the beginning, this participation was largely by non-economists and progression of the field was much slower in Iceland than in the other Nordic countries. There was no formal education in health economics specifically, and despite the rare but occasional publications from Icelandic academics on topics related to health, the publications were few and far between. Moreover, they were written by individual researchers who would not consider themselves health economists.

#### *Sponsorship from the industry*

Trade organizations of the pharmaceutical industry showed interest in supporting the development of health economics in some countries. Thus, the Institute of Health Economics (IHE) was created by the Swedish pharmaceutical industry in 1979, and in the early 1980s the association of pharmaceutical importers in Denmark provided scholarships to post-graduate students. In contrast, the industry did not play a role in Norway, but some role in Finland.

#### *Public research grants*

In general, health economists had to – and still must - compete with other economists for public (and private) grants. Normally, such grants are of a relatively short-term character (1-3 years). Significant parts of health economic research also compete with medical science (broadly interpreted) for research grants.

#### *Later development - general*

Since these early initiatives, health economics has grown to a mature discipline in all Nordic countries, heavily related to the international research community in the area and covering all strands of the discipline. To a great extent, the Nordic research communities take part in exchange of researchers from outside the Nordic countries and participate in international research programmes, among others the EU-funded programmes. Lund and Stockholm hosted the 3rd European Conference on Health Economics in 1995, SDU and Lund hosted the International Health Economic Association's Sixth Congress in 2007, and the NHESG and the HESG have held joint meetings two times (Vadstena, Sweden 1985, and Aberdeen, Scotland in 2008). The Vadstena meeting resulted in the book "Public and private health services: Complementarities and conflicts", co-edited by Culyer and Jönsson (Blackwell 1986). On one occasion, the annual meeting was moved to Estonia (Tartu 2007). To improve the knowledge of the Nordic health care systems, a seminar was held in association with a NHESG meeting which resulted in the book "The Nordic Lights. New Initiatives in health Care Systems", co-edited by Anita Alban and Terkel Christiansen (Odense University Press 1995).

Specific public research grants have been used to promote the discipline in some countries. In Sweden a national competition for six-year funding from the Swedish Council for Working Life and Social Research resulted in two such grants for 2007-2013 (Ulf-G Gerdtham at Lund University and Magnus Johannesson at Stockholm School of Economics). In Denmark, the government allocated specific funding to health economics in 1999. In Finland, the Yrjö Jahansson Foundation has a specific allocation of funding for research in health economics, mainly grants for Ph.D. students. Health economics grew

slowly in Norway until 1998 when the minister of health took an initiative to strengthen health economics as a research field. Research groups were invited to compete for quite generous funding, and two groups, Health Economics Bergen (HEB) and University of Oslo and the Frisch Centre (HERO), were chosen. When evaluated in 2004 both groups received a favourable evaluation, and funding was extended until 2011. In Iceland, the economic importance of health was always acknowledged and was the main motivation for the onset of a MS programme in health economics at the University of Iceland. This programme got its impetus from Ágúst Einarsson, then chairman of the former Department of Economics and Business, and was launched in 2003 under the direction of Gylfi Zoega. Instructors for some of the specialty courses had to be sought from other countries, partly the Nordic ones.

The creation of the Nordic Journal of Health Economics (2012), linked to NHESG, is also a sign of the vivid research environment for health economics in the Nordic countries.

#### *Later development - specific*

Being scattered among many universities, most research groups are relatively small; exceptions are the units in Lund and Odense. Lund has remained an important centre for health economics research and teaching. In 2007, the Health Economics Program (HEP), was established as a result of the six-year program funded by the Swedish Council for Working Life and Social Research (FAS). As a further extension of support, a university-supported prioritized area of Health Economics & Management (HEM) research and education collaboration was initiated in 2009. The aim of this extension was to support and facilitate health economics research across faculties and departments within Lund University. Currently, a group of about 35 researchers from the Department of Economics and Business Administration at Lund University School of Economics and Management and from the Department of Clinical Sciences at the Medical Faculty, are currently tied to this program.

A group in Linköping has for many years focussed on evaluation and prioritisation, now under Per Carlsson. Bengt Jönsson moved from Lund to Linköping where he was appointed professor in 1982, and then to the Stockholm School of Economics (1991). Health economics also has a relatively long history at Umeå University (Lars Lindholm). Currently, focused initiatives are being taken to promote health economics at Uppsala University and Gothenburg University.

In Denmark, Kjeld Møller Pedersen was appointed the first professor of health economics at the former Odense University in 1985, and a forerunner of the present Centre of Health Economics Research (COHERE) at SDU was created in 1991 as a collaboration between the Faculty of Social Science and the Faculty of Health Science. COHERE now includes a considerable number of full-time active researchers in health economics. Health economics has also become a research and teaching theme at the universities Aarhus and Aalborg, although with different focus areas. In 2013, a Centre for Health Economics and Policy (CHEP) was created at the University of Copenhagen with economists and political scientists.

In Finland, the first university position in health economics was established in 1978 at the University of Kuopio – nowadays, after a university merger, the University of Eastern Finland. This position developed into a full professorship in 1995 (Harri Sintonen). Since then, health economics has also been anchored at the universities of Helsinki, Tampere and Turku.

In Norway, the first professorship was appointed in 2000 (Tor Iversen). Today, the main research units of health economics can be found at the University of Oslo and the Frisch

Centre (HERO), and at the University of Bergen (HEB) and the Norwegian School of Economics (NHH). Besides, smaller units can be found at the Norwegian University of Science and Technology (NTNU) in Trondheim and at the University of Tromsø. In Iceland, the health economist Tinna Laufey Ásgeirsdóttir became the director of the MS programme in 2006, and publications in health economics from the Department of Economics are now frequent.

The anchoring of health economics varies between Social Science faculties and Health Science faculties, or even a combination of both to stimulate interaction between researchers from the two branches of science.

#### *Sector-specific research institutes*

Besides at public universities, health economics research and development has also been anchored at various governmental research institutes. In Sweden, SBU (the Swedish Council of Health Technology Assessment), the Dental and Pharmaceutical Benefits Agency, formerly LFN, now TLV, Stockholm, and the Swedish Agency for Health and Care Services Analysis, Stockholm were established. In Denmark, the Danish Hospital Institute (DSI), now embedded in KORA (the Danish Institute for Local and Regional Government Research), developed research in health economics. The Danish governmental Institute for Health Technology Assessment was established in 1997 embedded in the National Board of Health, and in 2001 changed to the Centre for Evaluation and Health Technology Assessment (CEMTV). Local units for health technology assessment were established in Aarhus and Copenhagen along with CAST (Centre for Applied Health Services Research at SDU). The Finnish Centre for Health and Social Economics (CHESS) produces and disseminates research in health and social economics. The National Institute for Health (THL) includes a Finnish Office for Health Technology Assessment (FINOHTA). In Norway SINTEF Research (Oslo and Trondheim) does health economics research as part of the health services research. A centre for Health Technology Assessment (SSM) was established at SINTEF in 1998. Uni Rokkan Centre in Bergen is an inter-disciplinary social science research centre with health economics research in the research programme.

#### *Research*

Assuming that the programmes for the NHESG meetings mirror the focus of research, it appears that the scope of research has been rather broad, covering any theme from economic evaluation to the functioning of the health care system. Moreover, the diversity seems unchanged over time. Still, for historical reasons the core themes vary between the countries with varying emphasis on economic evaluation and system analysis. The previous predominant focus on health economic evaluation in Sweden may be related to the support from the industry. Unsurprisingly, the use of modelling and advanced econometric techniques has increased along with continuous specialization into sub-specialized research areas.

The content of the papers presented at the Nordic meetings are characterized by being oriented towards the international health economics literature with analyses, which reach beyond the borders of the Nordic countries and thereby contributing to the international literature. Some studies benefit from the comprehensive registers, which are available in the Nordic countries.

The societal benefits can be seen in the demand for and use of applied health economics research in policy making. Equally important is probably the participation of researchers in the public debate and the use of researchers in governmental working

groups. A long-term benefit is the education of civil servants with insight in health economics.

### *Teaching*

Today, courses in health economics at the Master's level are taught at many universities in all Nordic countries, and SDU as well as the University of Kuopio, Finland, have a specific Ph.D. programme in health economics. Lund University offers a Master's programme in Health Economics, and University of Southern Denmark offers has a Master's programme in Health Care Management and Economics. The University of Oslo has one bachelor programme and three Master's programmes with health economics as one of the central components. One of their Master's programs is a joint European Master in Health Economics and Management with three other European universities.

While primarily textbooks in English have been used for teaching at the Master's level, some textbooks in local languages appeared during the 1980s (for example, Denmark 1983 by Anita Alban, Bent Danneskiold-Samsøe and Gavin Mooney, and Finland 1987 by Harri Sintonen, Markku Pekurinen, Eero Linnakko and Kari Vinni). These books, and ad hoc courses by health economists for administrators, added to the more general knowledge about the application of economic theory and methods to the health sector. Later, more comprehensive books in local languages appeared (Denmark 2013 by Kjeld Møller Pedersen).

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