

Convenient policy for Health care expenditure in a multisectoral extended model

Topic: Health IO

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As well as a policy variable that has the potential to affect economic development, a reform of health care expenditure involves the change of GDP because of its role played inside the processes of generation and distribution of income. In this paper an effort is made to verify, through the Macro Multipliers approach, the possibility to design a convenient policy for the health care expenses. Such a policy permits to rule the incidence of health's expenses with respect to total output and without neglecting the effects that it originates on the main macroeconomics variables like as GDP. The empirical analysis is built on an SAM framework developed for the United States economic system. The convenient policy differs from selective policy for health sector. The first one implies a complex redistribution of the resources in order to achieve the best result in terms of reduction of the ratio between health expenditure and GDP but without depressing total industrial output and income generation.