FINANCING THE CRISIS: PUBLIC EXPENDITURE ON THE A(H1N1) INFLUENZA PANDEMIC

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Statement of the Problem: When the World Health Organization (WHO) raised the alert for the pandemic influenza to phase 6 in June 2009, the countries had to provide a response and manage the risk through several activities. This unexpected event created additional public expenditure related to the strategies that the governments decided to put in place. In this study, we review the strategies and public expenditure related to H1N1 crisis management in Japan, Switzerland, and the United States.

Methodology & Theoretical Orientation: We gathered public budget and expenditure data through official documents and interviews at national and regional levels. Based on this data, we computed the total expenditure and spending per inhabitant for managing the influenza pandemic in order to propose metrics similar to total project cost and unit cost from the context of cost analysis in corporate finance. We then reviewed the pandemic management activities and related expenditures in each country that were classified under the following categories: Immunization; Regional Support and Hospital Preparedness; Antivirals; Equipment (Mask Antiseptic and Protective Clothing); and International Contribution.

Findings: We found that the countries spent between $11.3 and $26.7 per inhabitant to manage H1N1 and that the total expenditure represented less than 0.5% of the yearly national budget. The vaccination policy and intended coverage (from 29% to 83% of the general population) mostly explain the differences in spending per inhabitant. The second biggest spending were for regional activities, which included vaccination campaigns, the purchase of materials, and increases in staff.

Conclusion & Significance: Financial data are often lacking during a pandemic crisis, and reviewing past strategies and related financial data can potentially help public authorities to anticipate their budget for future influenza pandemics.

EXIT VERSUS VOICE: COMPETITION AND DISSATISFIED PATIENTS’ RESPONSES TO GENERAL PRACTITIONERS

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Hirschman's (1970; 1980) analytical conceptualization of the influence of competition on exit vs. voicing, the point of departure for this study, suggests that the presence of competitive providers fosters patients’ decisions to switch GPs (exit). In Norway, the list patient system introduced in 2001 gives patients the option of changing GPs up to twice within a year. Although patient exiting can signal dissatisfaction with a particular GP, this signal is less informative about which aspect of the service is the issue. A private web-based rating site, Legelisten, was launched in Norway in May of 2012 to give patients a platform for voicing their opinions about the health care they receive, thereby also providing feedback that doctors can use to improve their services. Higher exit opportunities in a competitive market can reduce a patient’s motivation to voice about his or her provider; however, online voicing creates available knowledge about GPs and becomes a public good of high interest, especially in large-market settings, leading to higher participation in voicing in these markets than in smaller ones. Hence, the paper aims to test the influence of GP market competition on dissatisfied patients’ choice to exit (switch physician) or to voice (participate in online rating) using a Norwegian GPs data from January 2010 to January 2015 by employing multilevel panel regression analyses accompanied by robustness checks. The result give strong support that higher GP market competition both with and without adjusting for municipality size increased the proportion of patients switching (exit). However, for voice, higher GP market competition not adjusted for municipality size led to more participation for both dissatisfied and overall voice, while adjusted for municipality size led to less participation. This opposite effect, reflects the municipality size effect and the associated difference in the public good motive for contributing to the online voice. This result is consistent at both the GP-level and market-level analyses, strongly supporting the hypothesis adopted by this study.