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EDITORIAL

Need to Make Health Economics A Core Component of Postgraduate Medical Education (PGME)

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Health economics is the study of resource allocation in healthcare. There is a need to make it a core component of postgraduate medical education (PGME) to ensure sustainable and effective healthcare delivery

Modern healthcare systems face increasing challenges: including rising costs, limited resources, and growing demand for high-quality care. While postgraduate medical education (PGME) has traditionally emphasized clinical excellence, there is a pressing need to equip future physicians with the knowledge to navigate these economic challenges. **Integrating health economics into postgraduate medical education aims to equip future physicians with the knowledge and skills to make informed decisions about healthcare resource allocation, cost-effectiveness, and policy implications.**

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- **Economic Decision-Making in Clinical Practice**

Health professionals frequently face decisions where costs and outcomes must be balanced—e.g., choosing between treatment modalities or designing care pathways. Familiarity with **cost-effectiveness**, **opportunity cost**, and **value-based care** enables them to make informed decisions that optimize both patient outcomes and resource utilization.

- **Sustainability of Health Systems**

In low- and middle-income countries, limited resources demand maximum efficiency. Health economics knowledge allows doctors to contribute to **rational resource allocation**, design **cost-conscious treatment plans**, and engage with **policy frameworks** that influence healthcare funding and delivery.

- **Enhanced Policy Engagement**

Physicians trained in health economics can serve as informed contributors to policy debates, hospital administration, and public health planning, ensuring that clinical insights inform financial decisions and vice versa.

Postgraduate physicians are increasingly working in resource-constrained, complex health systems. Equipping them with health economics skills enables them to interpret system constraints and prioritize care effectively. This deeper system insight, in turn, improves their resource utilization and patient care. One study observes that "physicians and nurses with knowledge of health economics can enhance healthcare effectiveness through improved resource allocation and cost-effectiveness," as reported on ResearchGate. Health economics training also empowers doctors to contribute to policy and planning: lack of such training "hampers doctors' ability to contribute more effectively to healthcare policy and planning" pmc.ncbi.nlm.nih.gov, whereas applying economic methods helps clinicians translate clinical priorities into policy proposals (pmc.ncbi.nlm.nih.gov, researchgate.net).

Several advantages of teaching health economics to postgraduates are

- **Improved system understanding**

Physicians trained in economics better grasp how healthcare funding and insurance models work. For example, internal medicine residents in a health systems course (covering insurance, policy, and economics) reported that learning about the NHS and NICE decision-making helped them explain treatment availability to patients and appreciate the system's limitations. This means clinicians can manage patient expectations and navigate care pathways more effectively.

- **Enhanced resource use and patient care**

Economic reasoning guides clinicians toward more cost-effective interventions. By assessing costs versus benefits (opportunity costs) of treatments, doctors can choose therapies that yield the most significant health gain for a limited budget. One Saudi study concluded that health economics knowledge "ensures optimal clinical outcomes with consideration for financial implications," aligning care decisions with value researchgate.net. In practice, this leads to better patient outcomes on average, since resources are allocated to interventions with proven effectiveness.

- **Contribution to policy and leadership**

Clinicians with economics training are more effective advocates in policy discussions. They can critically evaluate evidence and economic models to inform the development of guidelines or funding debates. As one primer notes, economic analysis "will assist psychiatrists in translating their expertise and clinical priorities more effectively to policy-makers, governments, and insurers," pmc.ncbi.nlm.nih.gov. Similarly, knowing economics helps clinicians engage with bodies like NICE to shape coverage of new drugs. Thus, education in health economics enables physicians to influence healthcare policy and improve system sustainability.

Several effective methods for embedding health economics into

postgraduate training have been identified & include:

- Integration of dedicated economics topics into existing curricula (or electives). For instance, an internal medicine residency piloted a **week-long health systems course** including seminars on health economics, insurance, and policy. Residents rated these sessions highly and found them valuable for their clinical practice and development.
- Some programs offer certificate courses or online modules focused on health economics. For example, faculty developed a **massive open online course on health technology assessment**, providing clinicians with a practical introduction to cost-effectiveness methods. Continuing education workshops or certificate programs in health economics and outcomes research are also used to upskill trainees and faculty in decision-analytic methods.
- Experiential QI projects are a natural platform to apply economics. Postgraduate learners from multiple professions can collaborate on system-level improvement initiatives that incorporate cost or efficiency goals. For example, an **interprofessional quality improvement (QI) curriculum involving residents from medicine, nursing, pharmacy, and social work** led to measurable gains in QI knowledge and skills. pubmed.ncbi.nlm.nih.gov.
- Computerized simulations and case games can vividly illustrate economic concepts. A notable example is the *Clinical Health Economics System Simulation (CHESS)*: a computer-based, team competition where resident groups manage patient care under different payment models pubmed.ncbi.nlm.nih.gov. Simulation exercises like CHESS allow learners to experiment with budget constraints and cost-effectiveness in a risk-free setting, reinforcing economic reasoning in clinical decision-making.
- Training jointly with other health professionals amplifies learning. Because resource allocation and system navigation involve the whole care team, interprofessional sessions help trainees appreciate diverse perspectives (e.g., nursing, pharmacy, administration) on costs and value. Reviews note that IPE (often through simulation or shared QI projects) builds collaborative skills and has been linked to reduced errors and better outcomes. journals.lww.compubmed.ncbi.nlm.nih.gov.

Overall, a **multimodal approach**—blending lectures, seminars, practical projects, simulation games and team-based learning—appears most effective. Pilot programs emphasize active, case-based learning (not just lectures) to keep economics "relevant to clinical practice," researchgate.net, pmc.ncbi.nlm.nih.gov. By embedding health economics within routine postgraduate training and quality improvement (QI) initiatives, programs can help clinicians develop an "economic lens" for patient care, yielding better-informed doctors and more sustainable healthcare systems.

Sources

Recent educational studies and reviews have highlighted these points, researchgate.net, pmc. ncbi.nlm.nih.gov, pubmed. ncbi.nlm.nih.gov, pubmed. ncbi.nlm.nih.gov, researchgate.net, journals. lww.com, drawing on program evaluations and curricula from diverse settings. They consistently find that formal economics training enhances physician confidence and competence in system-level decision-making, ultimately benefiting both patients and policy.