



## CASE STUDY: NATIONAL HEALTH SERVICE (NHS): NAVIGATING SCARCITY AND CHOICE IN HEALTHCARE

### OBJECTIVE:

Students will analyze how scarcity and choice impact decision-making in the healthcare sector, particularly within a publicly funded system like the NHS.

### SUB-TOPIC(S) ALIGNMENT:

1.1 The problem of choice

### ORGANIZATION: NATIONAL HEALTH SERVICE (NHS) - UK

### BACKGROUND:

The National Health Service (NHS), established in 1948, is one of the world's most comprehensive and publicly funded healthcare systems, offering a wide range of services to the UK population. With a budget exceeding £150 billion, the NHS is tasked with providing equitable access to healthcare while managing finite resources. The challenge of resource allocation is exacerbated by an aging population, the rising costs of advanced medical technologies, and increasing public demand for high-quality care.

In recent years, the NHS has faced difficult decisions about how to distribute its limited budget across various healthcare needs. Balancing the need for cutting-edge cancer treatment, which requires significant investment in technology and specialized staff, with the growing demand for mental health services, which have historically been underfunded, is a prime example of the challenges the NHS must navigate.

### SCENARIO:

The NHS is at a pivotal moment as it reviews its resource allocation strategy for the upcoming fiscal year. The agency's leadership is faced with a critical decision: how to balance the investment in two key areas—cancer treatment and mental health services.

- **Cancer Treatment:** Advances in cancer treatment have led to improved survival rates, but these treatments are costly. The NHS has invested heavily in state-of-the-art technology, cutting-edge research, and the recruitment of top-tier specialists. However, maintaining and expanding these services requires significant ongoing funding.
- **Mental Health Services:** Mental health has become a growing concern in the UK, with increasing rates of depression, anxiety, and other disorders. Despite this, mental health services have historically received less funding compared to other areas of healthcare, leading to long waiting times and limited access to care. Advocates argue that greater investment in mental health could reduce the overall burden on the healthcare system by addressing these issues early.

The NHS leadership team, consisting of healthcare professionals, economists, and policymakers, must make a choice: Should they allocate more resources to cancer treatment, continuing to push the boundaries of medical science? Or should they divert more funding to mental health services, addressing the pressing need for better mental health support across the population?

### CHALLENGES:

- **Scarcity:** The NHS's budget is finite, meaning it cannot fully fund every healthcare need. The scarcity of resources forces the NHS to make tough decisions about where to allocate funds to achieve the greatest impact on public health.

- **Opportunity Cost:** Choosing to invest more in cancer treatment means fewer resources are available for mental health services, and vice versa. The opportunity cost of this decision could have significant implications for patient outcomes in both areas.
- **Equity:** The NHS is committed to providing equitable healthcare access. This decision must consider not only the efficiency of resource allocation but also how it impacts different segments of the population, particularly vulnerable groups who may be disproportionately affected by funding decisions.

### QUESTIONS:

1. Discuss the concept of scarcity and its impact on the NHS's decision-making process. How does scarcity force the NHS to make difficult choices?
2. Explain the opportunity cost of choosing to allocate more resources to cancer treatment over mental health services. What are the potential consequences of this decision?
3. Develop strategies for the NHS to make efficient and equitable decisions regarding resource allocation. How can the NHS balance the need for advanced medical treatments with the demand for accessible mental health services?

### EXTENSION ACTIVITY:

Imagine you are part of the NHS leadership team. Develop a resource allocation plan that addresses the challenges of scarcity and opportunity cost. Your plan should propose specific strategies for funding both cancer treatment and mental health services, considering the trade-offs involved. Present your plan to the class, explaining how it will achieve the best outcomes for the overall population while maintaining equity.

## TEACHER TIPS:

### 1. Introduction to Scarcity and Opportunity Cost

**TIP:** BEGIN WITH A DISCUSSION ON THE BASIC ECONOMIC CONCEPTS OF SCARCITY, CHOICE, AND OPPORTUNITY COST, USING THE HEALTHCARE SECTOR AS A CONTEXT.

- **Instruction:** Explain how these concepts apply to real-world situations, particularly in publicly funded systems like the NHS. Use examples such as choosing between investing in different areas of healthcare to illustrate these ideas.

### 2. Real-World Context and Relevance

**TIP:** CONNECT THE CASE STUDY TO CURRENT ISSUES AND DEBATES WITHIN THE NHS AND THE BROADER HEALTHCARE SECTOR.

- **Instruction:** Discuss recent news stories or reports about NHS funding challenges, the prioritization of services, and the impact on patient care. This will help students see the relevance of economic concepts in real-life decision-making.

### 3. Interactive Group Activity

**TIP:** ENCOURAGE STUDENTS TO WORK COLLABORATIVELY TO EXPLORE THE TRADE-OFFS INVOLVED IN HEALTHCARE RESOURCE ALLOCATION.

- **Instruction:** Divide students into groups and assign each group one of the following: cancer treatment, mental health services, or overall budget management. Have each group research and present the needs, costs, and benefits associated with their area. Facilitate a discussion where the groups negotiate a balanced resource allocation plan.

### 4. Role-Play Simulation

**TIP:** USE ROLE-PLAY TO HELP STUDENTS UNDERSTAND THE COMPLEXITIES OF DECISION-MAKING IN A LARGE PUBLIC INSTITUTION LIKE THE NHS.

- **Instruction:** Organize a role-play where students act as NHS officials, healthcare professionals, and patient advocates. Each group must argue for their area of focus (e.g., cancer treatment or mental health) and work together to develop a final resource allocation strategy.

### 5. Debate and Critical Thinking

**TIP:** FOSTER CRITICAL THINKING BY HOLDING A CLASS DEBATE ON THE BEST APPROACH TO RESOURCE ALLOCATION IN THE NHS.

- **Instruction:** Divide the class into two teams: one advocating for prioritizing cancer treatment and the other for mental health services. Each team must present arguments based on economic theory, healthcare needs, and ethical considerations.

After the debate, have students reflect on the complexities of healthcare decision-making.

## 6. Application of Concepts

**TIP:** REINFORCE STUDENTS' UNDERSTANDING BY APPLYING THE CONCEPTS TO OTHER SECTORS OR SYSTEMS.

- **Instruction:** Assign a task where students analyze resource allocation in another publicly funded sector, such as education or public transportation. How do the challenges and decisions compare to those in healthcare?

## 7. Assessment and Reflection

**TIP:** USE ASSESSMENTS TO GAUGE STUDENTS' UNDERSTANDING OF SCARCITY, OPPORTUNITY COST, AND RESOURCE ALLOCATION IN HEALTHCARE.

- **Instruction:** Create a quiz or short-answer test where students must explain the trade-offs involved in the NHS's decision-making. Alternatively, have students write a reflective essay on how economic constraints impact public health policy.

## 8. Extension and Research

**TIP:** ENCOURAGE STUDENTS TO EXPLORE HOW OTHER COUNTRIES HANDLE SIMILAR CHALLENGES IN THEIR HEALTHCARE SYSTEMS.

- **Instruction:** Assign a research project where students compare the NHS's approach to healthcare resource allocation with that of another country, such as Canada, Germany, or Sweden. How do different systems address the issues of scarcity and choice?