Reflecting the nature of the Walras-Pareto lecture series, this book is directed to the general economist without much background in health economics, as well as to noneconomists interested in health policy who have some economics background. Much of the book will be familiar ground for specialists in health economics. Nonetheless, the lectures contain material that has not appeared before in the general literature, so I hope specialists in health economics can also profit from reading the book. Because I wanted to book to be accessible to those with an interest in health policy whose economics or mathematics may be rusty, I have sometimes added explanations or shown more detail in derivations than would be necessary for many professional economists. I hope the latter will read right through these without feeling that I am talking down to them.

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