Catastrophic expense & financial protection mechanisms to achieve universal health coverage: a review

Abstract

Financial protection is an important arm of Universal Health Coverage. All governments are committed to provide health care at affordable cost. However, patients need to incur huge out of pocket expense for getting treatment. It leads to catastrophe in the family such that they have to borrow money and dispose the assets. This review on catastrophic health expenses (CHE) highlights that CHE measured by community based surveys use varying methodologies but still may be useful to see the long term impact of policy measures. However, this is not of much use for hospital management where patients are admitted and decisions need to be taken for financial protection in individual cases. Existing financial protection mechanisms using cutoffs of below poverty line may not be sufficient. It is recommended to devise some financial criteria, which is dynamic and can be used to decide extent of financial protection required for different diseases at different income levels.

Keywords: global community, financial protection, catastrophic, maternity care, tuberculosis

Introduction

Global community is advocating affordable care since time of Alma Ata declaration. WHO (World Health Report, 2000) reinforced this concept and recommended that fairness in financial contribution for health is the third goal of health systems.1 Financial protection is an important arm of Universal Health Coverage (UHC). Methodologies to measure financial protection in terms of out of pocket expenses (OOP) and percent of OOP expense out of total household expenditure (THE) or out of ‘ability to pay’ from non subsistence expenditure (THE) or out of ‘ability to pay’ from non subsistence expenditure are fraught with various drawbacks and variations. This review has been done to document what is known about catastrophic expenses, financial protection mechanisms and what needs to be done to get financial protection and improve UHC. We have described extent of catastrophic expense, its important determinants, CHE in different disease conditions, role of indoor patient hospitalizations in CHE, methodological variations, and experiences of various financial protection mechanisms globally and in India. Extent of catastrophic OOP expense using different thresholds and methodologies is well documented. It was 6-15% in Nouna district,2 16-51% on maternity care,3 2.8% (in 1999) and 11.7% (in 2007) in Georgia,4 0.6% in Turkey,5 14.8% in Nigeria,6 13-22.2% in China,7 13.8% in Nepal,8 0.7- 21.0% in Brazil,9 9.6% in Colombo,10 3.5-4.8% in Iran11,12 with Catastrophic health expenditure headcount ratio of more than 2% in Iran.13 Above data is important to measure long-term impacts of the policy interventions in different geographic locations using uniform methods at each location. However, to design interventions it is equally important to understand the determinants of catastrophic OOP expense.

Studies have clearly documented that catastrophic expense strikes the most among the poor population irrespective of the methods and cutoffs used. Additionally, catastrophe is more if there are elderly and persons with chronic diseases and disabilities. Illiteracy is additional contributor.2,5,9,11,12,14,15 Patients had to take loans and dispose assets to meet the catastrophic expenses.16-18 Studies indicate that expenses on indoor hospitalizations are catastrophic especially for poor.4,7,10,17,19 Some researchers have documented the catastrophic expenses in specific disease conditions. The relationship between chronic diseases and their financial burden on households is double-sided, as financial difficulties can give rise to, and result from, chronic diseases. Older people with diagnosed chronic diseases face catastrophic health expenditure even in some of the wealthiest countries in Europe.20 Catastrophic expense for Diabetes Mellitus treatment in China and India,21 tuberculosis (TB) care,22 for cancer management23 or from cerebrovascular disease, diabetes, or chronic kidney disease,24 road traffic injuries, diabetes, Asthma25 have been well documented. Older men and individuals with chronic diseases were at higher risk of catastrophic health expenditure.25 In India CHE was experienced by 84 per cent as a consequence of treating acute coronary syndromes (ACS).26 For ACS, Catastrophic health expenditure was reported by 66% of those without insurance versus 52% of those with health insurance. It was as high as 80% in uninsured and 56% of insured participants in China.24 Wide variations have been reported in CHE and OOP payment estimates due to methodological differences.25,26 A review done to assess the comparability of out-of-pocket (OOP) payment and catastrophic health expenditure (CHE) estimates from different household surveys in India has revealed large methodological variations.27 Some researchers have even suggested new measures of catastrophic out-of-pocket health expenditure based on consumption of necessities.28
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