

A Study on Pattern of Health Care Expenditure among the Rural Population of Dibrugarh District of Assam

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ABSTRACT

With the country's population increasing day by day, providing quality and affordable health services to such a huge population is a challenging task for the government. Indian health care sector comprises mainly private and government health care segment and there exist difference in the approach of services in these two sectors. A large no of population particularly from rural areas of the country still remain outside from the reach of the quality health care services. In the absence of public health care provider people have to opt for private health sector. Every year more than 35 million people in our country have to fall below poverty line due to large health care expenses. Over the last few years there has been a widening gap between the rich class and poor class in terms of health care expenditure and utilisation of health services. Modern health care services become costly in recent times. A large number of population is forced to finance medical expenses out of their own pocket in the absence of financial protection like health insurance or any other kind from government and this ultimately leads to poverty. The objective of this study is to study the issues regarding health care expenditure among the rural population of Dibrugarh district of Assam. The study was conducted with sample of 100 households selected from rural areas of the district.

Keywords

Health care expenditure, health insurance, poverty

INTRODUCTION

Health is the most significant integrant of human life and healthy population is much needed for development process of a country. Ill health and inefficient access to basic health care services are considered as a major reason of poverty in India. Despite of government continuous effort to provide quality health care services still a large number of population in rural areas are deprived of basic health care services. Indian health care sector comprises

mainly private and government health care segment and there exist difference in the approach of these two sectors. Health related expenditure is termed as health care expenditure. When health related expenses are borne by households ,individuals out of their own pocket or from their direct income it is referred as Out of Pocket (OOP) expenditure towards health care.

Out of pocket health expenditure is a significant component of households health care expenditure. Indian health care segments dominated by private sector in one hand and modern health care services becomes expensive in the other. Large out of pocket health expenditure causes economic burden to poor households. Poor households have to borrow money to finance health care expenditure. Indian health care sector is progressing at a rapid rate but still one million people die every year due to insufficient health care facilities. Health expenditure per capita in India was reported at 63 USD in 2015 where as it was 3000 USD in developed countries.

Healthy population are very important for development. Inadequate public spending on health care in India results in inadequate and poor access to basic health care. India ranks very low position in terms public spending with about 1.2 percent of the GDP. Low government spending on health care is not only the issue, Indian health care sectors suffer from inadequate infrastructure and human resources. Updated technology and modern medical equipment's are still not available in public health institutions more particularly public health institutions in rural areas. According to Rural Health Statistics, 2017 only 11 percent of sub-centres and 13 percent primary health centres are well functioning in India. Heavy out of pocket health expenditure on health care results in economic burden to poor households. In recent times health care services becomes so expensive that puts heavy monetary burden on poor and middle class households. 86 percent rural population in rural areas and 82 percent population in urban areas are not covered with any kind of health expenditure support, (*National Health accounts,*

2014-15). It is very serious concern when people find it difficult to finance health care cost.

Table 1: Per capita health expenditure among some countries (USD), 2015

Country	Health Expenditure (USD)
Australia	4934
Canada	4508
United Kingdom	4356
United States of America	9536
Brazil	780
China	426
India	63
Sri Lanka	118
Bhutan	91
Bangladesh	32
Nepal	44
Indonesia	112

Source: World Bank

In India there exists a wide gap between the rural and urban population in terms of health care services. About 70 percent of our population still live in the rural areas and has limited access to health care institutions. High cost of medical treatment is one major problem faced by Indian rural households in recent times.

LITERATURE REVIEW

Chakraborty (2011) analyze households current spending on health care and the role of socio economic status of household on health care expenditure and the percentage of household's income spending on health care. The study finds that households from higher income group spends more on health care than the lower income group. Higher socio economic class had a higher spending on individual illness per episodes compared to household of lower socio economic group. The study also examines the catastrophic health care expenditure among the sample households. Health. This study has found that almost all the households suffered from catastrophic health expenditure.

Purohit (1994) examines the household health care expenses in Madhya Pradesh on the basis of survey by the Foundation for Research in Community Health (FRCH), Bombay. The study point out that households in rural and urban areas spend as much as 9 percent and 8 percent of the monthly expenditure on health care. The study highlights lower health care facility utilization by females. The main finding of the study indicates a large disparity in accessibility of health services across rural

urban areas, socio economic status as a determining factor of ability to avail health care, penetration of private health sector in remote areas.

Rous *et al.* (2003) study on the determinants of households out of pocket expenditure. The study finds average health care expenditure among the urban sample households was substantially lower than that of rural sample households. Housing and sanitary condition were found to have a substantial effect on illness and as a result out of pocket expenditures.

.Mathiazaghan K.(2003) tried to examine the people's choice of health care and expenditure patterns towards health care of rural India. People's choice of health care and expenditure patterns was estimated through the logit model by using rural household survey of 1000 households on health in Karnataka. The results of the study showed that people all over the rural areas are opting for private health care services and are satisfied with them and this choice is significantly linked with socio economic condition of the people. In case of health care expenditure, household spend significant amount (approx 11 percent) of their income and this percentage varied among the various socio economic groups.

Guruswamiet.al.(2008) analyzing financing of public health care services in India is of the view that a person in the rural area spend around nine percent of income on health care whereas a person in urban areas spends only around eight percent. Study points out positive association between health and socio economic status measured by education, income or occupation.

Sing *et al.* (2015) examines the out of pocket medical and dental costs among the households of Modinagar. With a sample of 200 households the study tries to consider the proportion of monthly income spent on medical and dental expenses. The analysis of revealed that the major amount of the monthly family income was spent on medical treatment than on dental treatment and this expenditure pattern differ significantly among the urban population of the city.

OBJECTIVES OF THE STUDY

- To study the pattern of households health care expenditure of the rural households of Dibrugarh district.
- To study the factor that influence households health care expenditure.

METHODOLOGY

The study is based on primary and secondary data. For the purpose of the study Dibrugarh district of Assam has been selected. Primary data was collected from 100 rural households of Dibrugarh district. To know the health related expenditure and related issues of the sample households one year recall period from the date of survey was considered. The survey was based on questionnaire. Secondary data have been collected from various sources including journals, reports and websites.

ANALYSIS AND INTERPRETATION

Expenditure towards health care is the most significant aspect of health care. Health related expenditure not only depends on various socio economic factors, health care expenditure to a large extent depends on where treatment has sought. To know the pattern of expenditure towards health care it is important to know the preference pattern of sample households towards health care institution. As there exists both public (government) and private health care service provider households can make choices between these two.

Table 2: Preference for Health Care Providers

	No. of Households	Percentage
Government	68	68
Private	32	32
Total	100	100

Source: *Primary Survey*

Out of the total sample households 68 households prefers government health services and the remaining 32 households prefers private health service providers. It was observed from the study that though both government private health care service providers exist in the study area, households with higher income select private health care services.

Table 3: Consideration for Selecting a Medical Institution

Factors	No of Households	Percentage
Time	14	14
Distance	13	13
Cost	39	38
Quality Service	22	22
Others	12	13
Total	100	100

Source: *Primary Survey*

There are a number of factor that influence people decision towards choice of health care institutions. Among the various factor cost was found to be the most influential factor among the sample households in rural areas. Only 13 households considered distance as a criteria for selecting medical institutions. 22 households opined that the quality of government health services are not good.

Table 4: Sources of Health Care Expenditure

Financial Sources	No. of Households	Percentage
Regular Income	62	62
Savings	23	23
Selling Property	1	1
Borrowing	2	2
Others	10	10

Source: *Primary Survey*

Modern medical services become expensive day by day leading to increase in health care expenditure. Most of the time people are not ready for unforeseen contingencies and when people fall sick they have to manage financial sources to meet health care expenditure. Sources of health care payments among the sample households depicts that majority of sample households (62 households) use their current income to meet health care expenditure. 23 sample households used their savings to meet health expenditure.

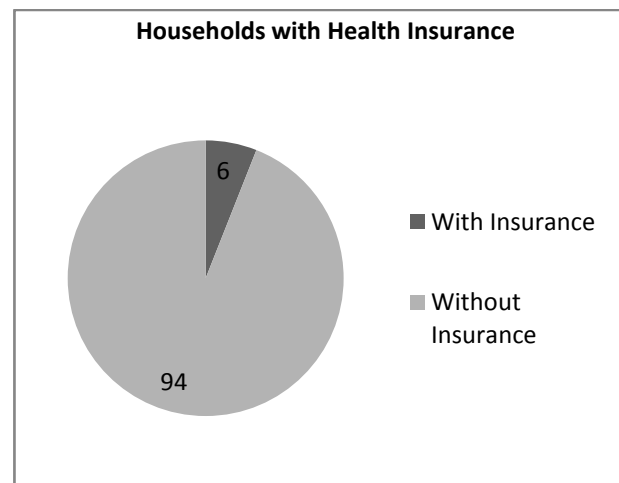


Fig 1: Households covered with Health Insurance

Source: *Primary Survey*

In India very less number of population have health insurance and this is basically true in rural areas. Health insurance can be an effective way to protect households from unexpected expenditure on health care. In the study it was found that among the sample households only 6

households have health insurance coverage. One significant reason for such low coverage is the lack of awareness health insurance schemes and benefits. Among the sample households 56 households were unaware about health insurance, 38 households neglects the importance of health insurance.

In this study information was also collected from sample households that whether any family member avoid medical treatment due to financial problem. Majority households reported that they immediately visit medical institution and 9 households avoid medical treatment due to financial problem.

In the study it was witnessed that there exist variation in the pattern of health care expenditure among the sample households. Various socio economic factors influenced health care expenditure. Income is one significant factor that influenced health care expenditure; households with higher income are able to spend more towards health care. Age is another significant demographic factor that influence health care expenditure. On the other, Education is another factors, educated people are aware of their and family health. This study found that the households where head of the households is educated spend more towards health care than the uneducated one. Household size, place of residence (rural or urban) are some another significant factor. People from rural areas have to incur some additional indirect cost if medical services are not available in rural areas.

CONCLUSION AND RECOMMENDATION

In this study an attempt has been made to study the issue relating health care expenditure at the household level in rural area. People from rural areas suffer from inefficient health care facilities. Inadequate health facilities, lack of health insurance coverage forced people to spend a large amount out of their own pocket. Modern health facilities become expensive over the years. In the absence of quality and affordable health services people have to go for private health care providers and have to pay higher payments. Higher out of pocket health expenditure associated economic burden to poor families. Therefore investment in public health sector should increase so as to make health care services accessible and affordable.

Expansion of health insurance is also important. As most of the rural people are unaware about health insurance benefits and available health insurance schemes government must take initiative to make people aware about health insurance plans and benefits.

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