

Title: Catastrophic Health Expenditure and its Determinants in Bangladesh

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EXECUTIVE SUMMARY

Despite improvements in many health indicators throughout the last few decades globally, providing access to affordable healthcare remains a considerable challenge in many low- and middle-income countries including Bangladesh. Bangladesh uses a combination of different healthcare financing strategies, including general revenue taxation, out-of-pocket payments, development partners' contributions and others including insurance. Indeed, out-of-pocket (OOP) expenditure is one of the most noteworthy payment strategies for healthcare in Bangladesh and the share of OOP expenditure has been increasing alarmingly from 55.9% in 1997 to 67% in 2015 according to the Bangladesh National Health account (Health Economics Unit and Ministry of Health and Family Welfare, 2015) which was about 74% in 2018 according to the Global Health Expenditure dataset. One of the key targets of the Sustainable Development Goal 3 is to achieve Universal Health Coverage (UHC), a priority objective of the World Health Organization (WHO) to ensure healthcare for all. UHC is defined as ensuring that all people have access to the healthcare services (including prevention, promotion, treatment, rehabilitation and palliation) they need of sufficient quality and without being exposed to financial hardship. Out-of-pocket (OOP) expenditure is defined as the cost or expenses incurred by individuals or households at the time of receiving any healthcare services, including the component of cost-sharing (the part not covered by a third party like, an insurer) and informal payments (e.g., tips and under-the-table payments), but excluding insurance premiums and any reimbursements from the third-party payers (e.g., health insurance fund). OOP expenditure includes any payment related to medical fees, medicine purchases (prescribed or not), user fees for public care and payments for equipment and diagnostic tests. This study assessed the extent of catastrophic healthcare expenditure across various socio-economic strata of the population and tried to find out the key drivers of CHE and impoverishment. Within the current context of health system reforms, the aim of this study was

to estimate the catastrophic healthcare expenditure and to assess the potential factors associated with CHE among Bangladeshi households.

A cross-sectional household survey was conducted in the community to capture the healthcare expenditure borne by households. The study design was both quantitative and qualitative. Quantitative approach was used to quantify the catastrophic health expenditure and its determinants in Bangladesh. A structure questionnaire was developed to collect data on catastrophic health expenditure on household level. For identifying the determinants, multiple logistic regression models were used considering CHE and impoverishment. Qualitative study has explored the bottlenecks those are responsible for catastrophic health expenditure and suggest potential solution to bring out the most part of people from catastrophic health expenditure. Bangladesh's healthcare financing should focus on finding alternatives to OOP funding to reduce the incidence of CHE and hence poverty. Pre-payment mechanisms, like universal health insurance, which are often recommended by international organizations, e.g., the WHO and the World Bank, should be introduced in Bangladesh as a remedy for avoiding financial risk and poverty attributed to high OOP healthcare spending. Besides, various social protection schemes like Shasthyo Shurokhsha Karmasuchi (SSK) should be expand for tackling high OOP. This study documented some key drivers of CHE and impoverishment, which suggests that some characteristics of the populations (larger households' elderly, and poor) were more prone to financial hardship and therefore, the people with such characteristics should be brought under pre-payment schemes. Further, the public health system, various strategies should be taken for lower down the OOPE while seeking care for NCD patients for tackling CHE and impoverishment. A Multisectoral approach should be adopted that would be effectively engaged and regulated the private sector in service delivery, as well as addressing the burden of NCDs and other diseases through a primary healthcare approach. Indeed, the prevention of such diseases would be useful for averting the incidence of CHE. Therefore, various community-based behavior communication program should be strengthened. It may be acknowledged that the Government of Bangladesh developed the healthcare financing strategy for addressing social protection in order to achieve universal health coverage. Policies

and strategies such as the Healthcare Financing Strategy and the National Social Security Strategy adopted by the government of Bangladesh need to be urgently translated into action. Findings from this study would be supportive to the healthcare financing strategy of the Government for monitoring the progression towards universal health coverage in Bangladesh.