



Health Finance Diaries: Determining the appropriate financing tool

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February 6, 2013



Background



- **Different types of health care costs**
 - Direct cost of visit, drugs, lab tests
 - Transportation costs
 - Days lost wages
- **Different types of health events**
 - Acute/chronic
 - Inpatient/outpatient
- **Different ways to finance these health events**
 - Cash on hand
 - Savings / borrowing
 - Sell assets
 - Forego other spending (school / food / festivities)
 - Work

Surveys to understand health financing



(1) Were you ill or injured in the last 12 months?
IF NO, SKIP TO NEXT SECTION

(2) How many times?

(3) The last time you were ill or injured, did you seek health care? IF NO, SKIP TO (7)

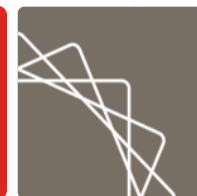
(4) Where did you seek health care?

(5) How much did you spend out-of-pocket?

(6) How did you pay for the health expenditures?
SKIP TO NEXT SECTION

(7) Why did you not seek any health care?

Limitations with these methods



- **Long recall period (last 12 months)**
 - Accuracy of spending amount
 - Accuracy of number of health events (esp. less severe ones)
- **Saliency of costs**
 - Recall largest costs, possibly not smaller costs; indirect health care-related costs
- **Fungibility**
 - Likely to have paid out of pocket; how did HH compensate for this cash outlay?
- **Few observations**
 - Only ask about most recent event; not all health events in HH

Portfolios of the Poor



DARYL COLLINS
JONATHAN MORDUCH
STUART RUTHERFORD
ORLANDA RUTHVEN

PORTFOLIOS OF THE POOR



*How the World's Poor
Live on \$2 a Day*

Health Finance Diaries



- Initially developed by Amsterdam Institute for International Development, funded by the PharmAccess Foundation
- Purpose:
 - Understanding health seeking behavior and health care utilization
 - Identify sources of financing for health care (savings, insurance, borrowing, other coping mechanism)
- Aim:
 - Inform the development of health financing tools that meet individuals health needs

Health Finance Diaries approach



- Weekly interviews on every health event and financial transaction within the HH
- Interviews with all economically active adult HH members
- Detailed qualitative and quantitative data collection
- Not intended to be representative; yet provide detailed snapshot on how HH deals with health events

Study design



- Conducted in conjunction with RCT offering nudges to micro-lending clients in Lagos, Nigeria
- Sub-sample of 120 households followed on a weekly basis
- Stratification on different variables:
 - Location, wealth, loan cycle, individual/group lending, gender of MFB member, with or without nudge
 - Goal is to include insured and non-insured HH to assess differences in coping mechanisms

Trade-offs in approaches



Health finance diaries

- Large number of health events
- Detailed finances
- Greater accuracy
- Trust enumerator

Potentially better for outpatient care and chronic illnesses

Large HH surveys

- Large sample size
- Limited behavioral impact (Hawthorne effect)
- Easier data management

Potentially better for inpatient care and acute illnesses

Thank you

For further comments:

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