



# “PRIORITIES OF HEALTH ECONOMICS IN AFRICA”

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## **PT 03**

### **Health care financing incidence Analysis in Africa: The experience of Ghana, Tanzania and South Africa**

*James Akazili<sup>1</sup>, Gemini Mtei, John Ataguba, Di McIntyre, Jahangir Khan Clas Rehnberg*

<sup>1</sup>Ghana Health Research Unit

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#### **Introduction**

Examination of health care financing mechanisms to establish their level of progressivity as well as the evaluation of the factors influencing the incidence of health care financing are critical for achieving health system equity goals. However limited studies have been done on the distribution of the burden of health care financing on the populations of low and middle income countries, particularly in the African context.

#### **Objective**

The study will evaluate the distributional impact of health care financing by specifically evaluating the relative progressivity as well as the overall progressivity of the major health care financing mechanisms in Ghana, Tanzania and South Africa.

#### **Method**

The paper draws on national household survey data to quantify the burden of various health care financing mechanisms on different socio-economic groups in Ghana, Tanzania and South Africa. Detailed data on general tax payments (Personal Income tax, corporate taxes, VAT, petroleum or fuel tax, import and export duties) are estimated from national household survey data and distributed to households across socio-economic groups (using both consumption expenditure and a specially constructed composite index approaches for measurement of socio-economic status using principal components analysis). The same principle is applied to the other financing mechanisms such as private health insurance, community and national health insurance and out-of-pocket payments. The estimated figures are triangulated with received revenue from country Treasuries or Finance ministries, health insurance organizations and other relevant sources. Specifically, the study employs the Kakwani and the Suits indices to evaluate the progressivity of health care financing. A further decomposition analysis will be used to decompose the typical Gini index across the various financing mechanisms.

**Results**

The analysis of the household survey data is yet to be completed at the time of abstract submission, and since incidence is affected by a range of factors (contribution mechanism, rate of pooling and purchasing) which may differ across countries, it will be difficult to predict the progressivity or otherwise of the various health care financing mechanisms in these countries. However, these results will prove critical in identifying which health care financing mechanisms are progressive or regressive and hence which mechanisms should be prioritized in order to promote health system equity.