Does increased public health expenditure promote equity and improve health outcomes? Evidence from Ghana

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Background

The equity of public expenditure on health is a key public policy issue. While equity of public expenditure is desirable and has been explored in the past, there is still more to be done to add up to the literature especially within the African economic landscape. This study attempts to provide evidence of equity in public expenditure on health in Ghana using data from the Ghana Living Standards Survey (GLSS), the national health accounts (NHA) data of Ghana and other complementary data.

Objectives

1. The study employs benefit incidence (utilization) analysis to analyse the distribution of government spending on health in Ghana.

2. The study also uses concentration curves to determine the progressivity or otherwise of public expenditure on health in Ghana.

3. Assess the effects of the different measures of health expenditure on health outcomes

Expected Results

Our preliminary results show that while government expenditure on outpatient services pro-poor with the lower poorer quintile receiving more than 20% of the share of government spending on outpatient services, expenditure on inpatient services appears pro-rich with the upper richer quintile receiving more than 20% shares of government expenditure on inpatient services. We however find that outpatient services expenditure appears to be more pro-poor compared to inpatient services. Geographically, there appears to be equity in the benefits allocation but only marginal. Again, our results clearly show that out-of- pocket (OOP) health expenditure has reduced over the years since the health systems reforms that brought about the NHIS. Lastly, we expect that both general government expenditure on health and public health expenditure will have a greater impact on health outcomes than OOP and external resource for health as the literature often show. While we find a good measure of equity in public health expenditure in Ghana, we note that, sustainability of equity in spending is critical to an even much more improved healthy Ghanaian population with its attendant positive externalities.