Extent, distribution and correlates of household catastrophic expenditure for health in Kaduna state, Nigeria

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Background

In Nigeria, household out-of-pocket expenditure (OOP) has been the major source of health financing, constituting about 73% of total health expenditure. This is mainly due to lack of financial protection, which is a predominate barrier of access to health services. High OOP often results in catastrophic health spending (> 5%-40% of total household expenditure on health), which leads to impoverishment especially for the poor and vulnerable. As Nigeria moves towards achieving universal health coverage by designing effective pro-poor financial protection schemes, evidence on the extent of OOP expenditures on health and catastrophic incidence on households are required for decision making. This study examined health expenditure among households in Kaduna state, to estimate the extent and distribution of catastrophic expenditure on health.

Methods

We utilized data from the Kaduna state 2017 household health expenditure survey. This survey reported socioeconomic, general expenditure, healthcare expenditure, and healthcare utilization data across a representative sample of 1020 households. The proportion of health expenditure relative to income was derived as follows: R= Hexp / HHInc \* 100. Where R is the share of health expenditure in income, Hexp is the average monthly spending on health, HHinc is the average monthly household income. We also explored association between catastrophic spending and socioeconomic factors using regression models.

Results

The total annual per-capita OOP was 19,795 Naira ($64.9), which translates to catastrophic spending in 57% of sampled households and using a threshold of ≥10% of household income, whilst catastrophic spending was experienced by 36% of sampled households using a threshold of ≥40% of household income. In addition, 67.2% of the poor households experienced catastrophic health spending, compared to 41.5% among the richest households. Households were also more likely to incur catastrophic expenditures if the head of household was female.

Conclusion

At 19,795 Naira ($64.9), Kaduna OOP is relatively higher than the national average of 15,037 Naira ($49.3), which is the highest in Africa. It is evident that this burden is borne disproportionately by the poor and those in the rural areas. In the context of an absence of financial risk protection mechanisms, a vicious cycle of poverty, ill-health and poor outcomes is perpetuated especially among the poor. The poor in Kaduna state are well positioned to benefit from the social contributory scheme and other financial protection mechanisms being planned by the state to reduce out of pocket expenditure for the poor and vulnerable.