# ABSTRACT

**Analysis of financial risk protection in health. *Case of the Democratic Republic of Congo*.**

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# **Background:**

The Democratic Republic of Congo (DRC) has made progress over the past five years in terms of economic growth and macroeconomic stability. The country has experienced robust and sustainable economic growth at an average annual rate of 7% since 2009 (PER/World Bank 2014; IMF 2014). In 2013, the DRC was one of the countries that recorded the strongest economic growth in the region at 8.5% in real terms, relative to a regional (i.e. Africa) average of 5.2%. This performance notwithstanding, its annual GDP per capita is still one of the lowest in Sub-Saharan Africa, according to the Central Bank of Congo (US$ 426.1 per capita in 2016, in current dollars). The informal sector accounts for half of all economic activity nationwide.

In 2015, households financed health services and health care to the tune of US$ 603 767 736 out of the total US$ 1 505 130 858, representing 40.1% of annual current health spending. Out-of-pocket payments accounted for 93.3% while funding through prepayment mechanisms was a mere 6.69%**.** Consequently, the DRC Government has committed to action for achieving universal health coverage by 2030

# **Methods**

It is a descriptive crosscutting study that analyses the catastrophic health expenditure of households based on data from the 1-2-3 surveys (Household Consumption Phase) conducted in 2005 and 2012 by the National Institute of statistics. Two approaches were adopted, namely: the budget-share approach focused on the definition of catastrophic health expenditure according to the sustainable development goals (SDG 3.8.2) and based on two thresholds - 10% and 25% of the total household expenditure or income; and the capacity-to-pay approach favoured by WHO which considers a household’s expenses to be catastrophic when its total health spending is equivalent to or above 40% of its capacity to pay. Logistic regression analysis was used to examine the key determinants of household health spending. The odds ratio (chance or risk) are interpreted only for variables at p-value < 0.05.

# **Results**

# At the threshold of 10%, the proportion of households whose health expenditure represented a significant percentage of their total spending rose from 3.9% in 2005 to 4.8% in 2012, representing a 0.9-point increase. However, this percentage (catastrophic spending) was higher for urban households in 2005 and for rural households in 2012. Furthermore, a greater proportion of households in the poorest quintile engage in catastrophic health spending than households in other quintiles.

The study found that rural households are 0.9 times more likely to experience catastrophic spending than urban households. Households headed by persons with a higher level of education and richer households are less likely to engage in catastrophic spending than those headed by the uneducated and poorer ones. Lastly, households with members aged 60 and above are 0.45 times more likely to engage in catastrophic health spending.

# Conclusion

The study provided evidence of increasing incidence of catastrophic spending and impoverishment as well as the drivers of financial hardship. This evidence will be useful in guiding policy action for the reforms for UHC in the Democratic Republic of the Congo.

# Keywords

Health financing, out-of-pocket payments, catastrophic expenditure, impoverishment, odd-ratio