**Effect of Household Catastrophic Health Expenditure on Vulnerability to Poverty in Ghana.**

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**Abstract**

**Introduction:**

Financial protection from poverty is an essential component in healthcare delivery. While Ghana has made significant strides in achieving universal health coverage, direct out of pocket (OOP) payment for health care services continues to prevail. Households’ welfare may decline in paying directly for healthcare services. Several studies have considered the effect of catastrophic health expenditure on poverty, however, the effect on future poverty (or vulnerability to poverty) is still missing.

**Objective:**

In this study, we intend to estimate the effect of catastrophic health expenditure (CHE) on vulnerability to poverty among households in Ghana.

**Methods:**

Following the World Health Organization, we defined and estimated CHE as total health expenditure exceeding 40% of a household’s non-subsistence income available after basic needs have been met. Vulnerability to poverty was defined as the probability of future poverty and estimated using the Feasible generalized least squares procedure. Data was sourced from the sixth round of the Ghana Living Standards Survey which is a nationally representative sample of 16,772 households. The effect of CHE on household vulnerability to poverty will be estimated using a Probit model as the dependent variables was transformed into a dummy variable.

**Key findings:**

The preliminary analysis shows that about 51.4% of households incurred CHE. Households in rural areas recorded a higher incidence of CHE relative to their urban counterparts. About 34.5% of female headed households experienced CHE whiles for male headed households it was 65.5%. We also found that compared to the current poverty estimate of 24.2%, vulnerability to poverty is about 36.09%. In our subsequent analysis, we expect to find a positive and significant relationship between CHE and vulnerability to poverty.

**Conclusion:**

The results so far suggest the presence of catastrophic health expenditure and vulnerability to poverty was also estimated to be higher than current poverty levels. At the end of the study, we expect that the findings will be relevant for policy towards achieving universal health coverage in Ghana.

**Key words:** Catastrophic health expenditure, vulnerability to poverty, health expenditure, Ghana