Federal Democratic
Republic of Ethiopia
Ministry of Health

ETHIOPIA'S HOUSEHOLD HEALTH SERVICES UTILIZATION AND EXPENDITURE SURVEY

BRIEFING NOTES

April 2014

Recommended Citation: Ethiopia Federal Ministry of Health. April 2014. *Ethiopia's Household Health Services Utilization and Expenditure Survey Briefing Notes.* Addis Ababa, Ethiopia.

Program Management and support, funding for the NHA activities, and printing of this NHA report was provided by the United States Agency for International Development (USAID) through Health Sector Financing Reform/Health Finance & Governance (HSFR/HFG) Project which is part of the USAID's global Health Finance & Governance Project (HFG) Implemented by Abt Associates Inc. under cooperative agreement -AID-OAA-A-12-00080.

Federal Democratic Republic of Ethiopia
Ministry of Health

ETHIOPIA'S HOUSEHOLD HEALTH SERVICES UTILIZATION AND EXPENDITURE SURVEY

BRIEFING NOTES

USAID
FROM THE AMERICAN PEOPLE

Health Sector Financing Reform
HSFR
HFG
Health Finance & Governance
Expanding Access. Improving Health.

CONTENTS

List of Tables

.

1. BACKGROUND

To inform its fifth round of National Health Account (NHA) estimations, for 2010/11, Ethiopia carried out the household health service utilization and expenditure survey that is the focus of this brief.

NHA is a methodological framework that estimates total spending in a health system – or a defined aspect of the health system – and tracks the flow of funds from financing sources to ultimate uses. All four earlier NHAs in Ethiopia estimated the amount of household out-of-pocket (OOP) spending on health and found that these expenditures constitute a significant share of the country's total health expenditure.

This is the second time that a household health survey has been conducted as an input for NHA. The first was in conjunction with the fourth round of NHA, which estimated health expenditures for 2007/08.

The brief summarizes an extensive survey report published by Ethiopia's Federal Ministry of Health.[1]

[1] FMOH (2014). Household Health Services Utilization and Expenditure Survey Report.

2. OBJECTIVES

The main purpose of this household survey is to collect data from a nationally representative sample of households to generate sound empirical evidence on household health services utilization and spending on health in Ethiopia. More specific objectives are as follows:

- To generate evidence on the relationship between health sector priorities such as reproductive health, child health, malaria and tuberculosis, and households spending on health care by health system level and health care services
- To assess health service utilization rate by household economic status and other socio-demographic characteristics
- To generate evidence on household health spending on major health sector priority areas such as reproductive health, child health, malaria, and tuberculosis (TB).

3. METHODOLOGY

This survey was carried out on 10,060 randomly selected households. The sample households were selected through three stages of stratification: At the first stage, 125 woredas (districts) were selected from all nine regions and the two city administrations in Ethiopia, using probability proportional to size (PPS) of woredas. In the second stage, 503 enumeration areas (EAs) were selected from the woredas using PPS of EAs out of the total of about 88,000 EAs in the country. The final stage was the selection of 20 households from each sample EA. The survey collected household utilization and expenditures in a four-week recall period for outpatient services and a 12-month recall period for inpatient services. Households were interviewed from mid-December 2012 through January 2013.

4. MAJOR FINDINGS

The following are the major findings of the household survey:

4.1 Self-rated Health Status

More than 90 percent of survey respondents viewed their household's general health status as good or very good. Perceived general health status was better for men than for women, and better for persons living in urban areas than for those living in rural areas.

4.2 Incidence of Illness

During the four weeks preceding the survey, about 12 percent of the population reported having been ill. Prevalence of self-reported illness was higher for women (13 percent) than for men (11 percent) and for individuals living in urban areas (14 percent) than for those in rural areas (11 percent). Of those who reported illness, 62 percent sought health care services. Men were more likely to seek care (64 percent) than were women (61 percent) even though the prevalence of illness was greater for women than for men. Individuals living in urban areas were more likely to seek health care services (64 percent) than were their rural counterparts (62 percent). The main reported reasons for not seeking health care services during illness were shortage of money (41 percent), illness was not viewed as severe (25 percent), self-medication was used (15 percent), the health facility is far away from home (9 percent), and the quality of health care was perceived as poor (3 percent). Other factors accounted for the remaining 7 percent.

4.3 Non-communicable Diseases

Non-communicable diseases such as diabetes, cancer, hypertension, and mental illness accounted for 5 percent of the outpatient visits, more than 7 percent of inpatient admissions, and 13 percent of all deaths.

4.4 Incidence of Death

Four percent of the sample households reported the death of at least one family member in the 12 months preceding the survey. The reported incidence of death varied by region and by type of residential area (rural vs urban). Gambella, Afar, and Benishangul Gumuz regions had largest proportions of reported deaths.

4.5 Outpatient Care

About 12 percent of the population sought some form of outpatient health care (curative or preventive/promotive services) in the four weeks preceding the survey. Malaria is the leading reason (15 percent) for seeking outpatient services at a health facility. Other reasons are child vaccination (14 percent), and family planning and reproductive health services (13 percent). Respiratory diseases, gastric disease and other diseases of the small intestine, and diarrhea accounted for 6 percent, 5 percent, and 4 percent of total outpatient visits, respectively. Non-communicable diseases accounted for about 5 percent of outpatient visits. About 53 percent of outpatient visits were made to obtain health care services for issues that the Ethiopian government regards as health priorities.

4.6 Inpatient Care

The inpatient admission rate was 0.96 percent. The leading causes of inpatient admission were malaria (12 percent), accident (9 percent), intestinal worms/stomachache (8 percent), diarrhea (6 percent), respiratory problem (6 percent), and TB (5 percent). Non-communicable diseases accounted for 7 percent of all inpatient admissions. As expected, most inpatient services (69 percent) were provided at hospitals. Health centers and health clinics accounted for about 15 percent and 13 percent of the total inpatient admissions, respectively.

4.7 Reasons for Not Seeking Care

Non-use of health care services upon illness was common. The most frequently reported reason for not seeking health care when ill was shortage of money (41 percent), which is consistent with the fourth-round NHA household survey findings. The second most frequent reason was the perception that the illness was not severe (25 percent). The use of self-medication accounted for about 15 percent and the need to travel long distance to a facility accounted for 9 percent of not seeking care when ill.

4.8 Preferred Choice of Providers: Outpatient

The main providers of outpatient services were government health facilities (77 percent), followed by private health facilities (20 percent), traditional and religious healers (2 percent), and NGOs (1 percent). This finding is consistent with those of the previous NHA. Government health facilities were used by a larger proportion of individuals living in rural areas (78 percent) than by individuals residing in urban areas (59 percent). The most frequently used types of health facility for outpatient care were government health centers (35 percent) and government health posts (26 percent).

4.9 Preferred Choice of Providers: Inpatient

Government health facilities (hospitals and health centers) continued to be the dominant provider of inpatient health services (61 percent) in 2011/12. This is in line with expectations and with the findings of the previous household survey[2]. Private health facilities provided services for about one fifth (20.8 percent) of all admissions. NGO hospitals and traditional healers accounted for 6 percent and 2 percent of all inpatient admissions, respectively.

4.10 Reason for Bypassing Nearest Provider

Individuals selected their preferred health service provider based on various factors including a health facility's proximity to their home (35 percent), lack of an alternative provider (18 percent), better supply of pharmaceuticals (18 percent), and perceived quality of the facility's health professionals (6 percent). Individuals who sought outpatient services bypassed the nearest health facility about 34 percent of the time and those who sought inpatient services bypassed the nearest health facility about 32 percent of the time.

4.11 Health Insurance

The health insurance market is underdeveloped in Ethiopia – current health insurance coverage is 1.25 percent. However, it is essential to note that the percentage of people covered by health insurance in 2011/12 is nearly four times its level of 0.32 percent in the fourth round of NHA.

[2] FMOH (2010). Household Services Utilization and Expenditure Survey Report.

4.12 Total Annual Household Out-of-Pocket Health Expenditure

In 2011/12, total and per capita OOP health spending were about Birr 10.4 billion (US$590 million) and Birr 132 (US$7.49[3]), respectively. When deflated to 2010/11 values (year analyzed by the fifth round of NHA), the spending amounts decreased to about Birr 8.92 billion (US$553 million) and Birr 113.01 (US$7.01), respectively (Table 1). Ninety-two percent of total OOP health spending was spent on outpatient health care services, 8 percent on inpatient services. About 37 percent went to the health priority areas: 16 percent to child health, 11 percent to reproductive health, 6 percent to malaria, and 3 percent to TB. The remaining 63 percent was spent on non-priority health areas.

Table 1: Out of Pocket Expenditure on Priority and Other Health Services (2011/12 Birr)

No.	Spending Area	Inpatient	Outpatient	Total	%
1	Reproductive health	256,412,515	740,432,824	996,845,339	11%
2	Child health		1,425,414,427	1,425,414,427	16%
3	Malaria	27,491,295	522,482,617	549,973,912	6%
4	TB	37,173,763	259,605,230	296,778,993	3%
5	Total ((1) t0 (4))	321,077,573	2,947,935,098	3,269,012,671	37%
6	All other health spending	423,262,196	5,230,164,540	5,653,426,736	63%
7	Total	744,339,769	8,178,099,638	8,922,439,407	100%

[3] Exchange rate for 2011/12 is: US$1= Birr 17.62092 and the exchange rate for the NHA year, 2010/11 is: US$1=16.1178.

5. CONCLUSIONS AND POLICY IMPLICATIONS OF THE HOUSEHOLD SURVEY

Further improvement in health care utilization by Ethiopia's population requires the following policy measures:

First, there is need for continued improvement in the quality of services provided by health facilities – survey interviewees reported a major reason for non-use of health care is lack of quality. In particular, this requires that health facilities have an adequate stock of effective pharmaceuticals and that facility staff have the required professional qualifications and that they conduct themselves and communicate with patients in a courteous manner.

Second, the use of self-medication should be discouraged. For instance, educating the population and creating better awareness about the negative side effects of ineffective or even harmful self-medication should increase the use of professional health care services.

Third, because accidents are a major cause of inpatient service utilization (and more broadly, mortalities), accident prevention measures should be increased.

Fourth, non-communicable diseases are becoming major public health problems. Therefore, government and other concerned stakeholders should increase their efforts to prevent such diseases.

Fifth, the share of household OOP spending on reproductive/family planning health, child health, malaria and TB and services remained about the same between the two household surveys. This implies that the government and other stakeholders need to allocate additional funding to these services, in order to expand the population's access to all of them but particularly to the prevention and treatment of malaria and TB, which remain major causes of morbidity and mortality.

Sixth, while households' utilization of general health care services remains low, their OOP spending on health care has grown rapidly. To increase utilization and reduce OOP spending, the government should expand the population's access to health insurance and other financial protection measures, including more effective implementation of fee waivers.