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B:CEPS
BERGEN CENTRE FOR ETHICS AND PRIORITY SETTING IN HEALTH

Equity in public health spending in Ethiopia:

A benefit incidence analysis

Summary

Equitable access to health services regardless of socioeconomic status is a human right issue.

Substantial disparity in health status and service utilization between different socioeconomic groups have been indicated in demographic and health surveys and other studies in Ethiopia.

A benefit incidence analysis was used to examine the distribution of health services utilization and public spending on health care across socioeconomic groups in Ethiopia.

Key Findings

Total public health spending in Ethiopia was marginally pro-poor in general, while the findings across the types of services (i.e. outpatient (OPD) versus inpatient (IPD)) and facility (i.e. hospitals versus health centres [HCs]) were mixed. Public health spending on hospitals and inpatient services was in favour of the rich, while it was pro-poor at HCs and outpatient services.

These findings may be explained due to the disproportionate concentration of the poor in rural areas, on one hand, and due to the disproportionate distribution of hospitals in urban areas (major cities), on the other hand.

The difference in benefit distribution was huge between the poorest 20% of the population and the rest of the groups. Among the poorest 20%, both health service utilization and the distribution of benefits from the public health subsidy are very low in all types of health services and facilities. The poorest 20% of the population receive less than 4% of the total share of public spending on health.

The government allocated nearly 60% of health expenditures to HCs and 40% to hospitals. The government unit inpatient subsidy is substantially higher at the hospital level (i.e. US$8.9 at HCs versus US$95.7 at hospitals).

A significant share of hospital spending goes to the wealthiest quintile (33%), while only 2.9% goes to the most deprived quintile.

BERGEN CENTRE FOR ETHICS AND PRIORITY SETTING (BCEPS)
is an inter-disciplinary research centre that aims to understand and promote ethically fair and effi cient priority setting in national health systems.

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Key findings

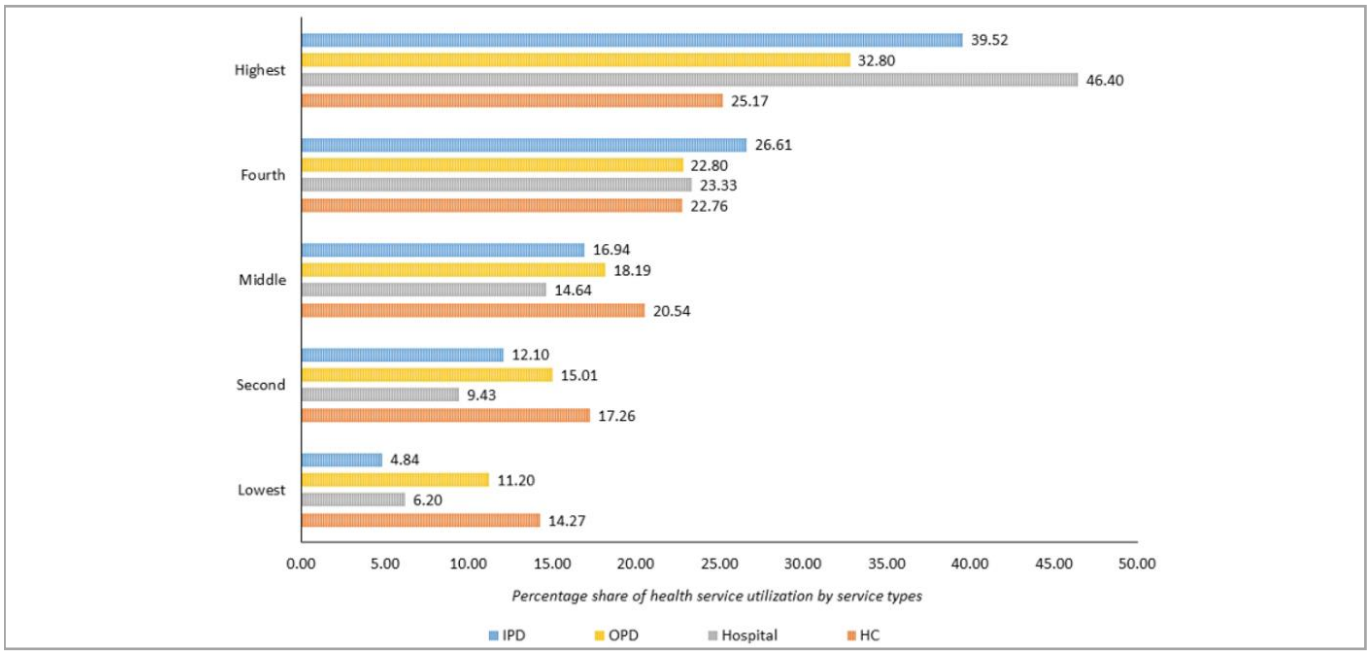

Figure 1. Percentage distribution of health service utilization by service types and facility types across wealth quintile.

Conclusions

Total public health spending in Ethiopia was marginally pro-poor in general, while the distributions across the types of services and facilities were mixed.

These findings, to some extent, could be attributed to the clearly articulated pro-poor health policy, with emphasis on primary health care, that the Ethiopian government implemented in the past couple of decades.

Therefore, an effort is needed in making inpatient care and hospital services more accessible to those in the lower quintiles and those in rural areas.

Policy implications/recommendations

- The revitalization of the Health Extension Programme (HEP) should be a priority for the MoH to facilitate equitable care and increase the coverage of high impact interventions and all essential health services at the primary level.
- Scaling up the community-based health insurance (CBHI) programme and improving the fee waiver system can increase health service utilization by the poor community through financial risk protection.
- Monitoring of inequity in government spending on health is paramount for improving resources allocation to target the disadvantaged better.

Collaborating partners