

## Demographic Correlates of Catastrophic Health Expenditure: An Assessment from Indian Household Survey Data

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*This study finds out the importance of socio-economic, demographic and health-care-related factors in determining catastrophic health expenditure (CHE) of a household and how they influence its health care expenditure. Rising out-of-pocket (OOP) expenses for health financing in developing countries with different methodologies to assess the associated factors with CHE has been documented. This study contributes to the existing literature from the methodological viewpoint. In the two-step approach, at the first step, the probability of a household incurring CHE has been estimated and in the second the importance of the determinants of health expenditure is examined. An analysis is done to find out whether the situation varies across the quintiles. The database is the 71<sup>st</sup> round of social consumption of health survey conducted by the NSSO during January-June 2014. Health expenditure in household budgets is the highest among the poorest quintile. Treating a non-communicable disease and opting for private facilities are expensive. Relaxing the budget constraint by financing the healthcare from sources like contributions from friends/relatives and sale of assets lead to high spending on healthcare. The study recommends health expenditure protection schemes for the vulnerable groups, etc.*

### I Background

Out of pocket (OOP) expenditure is the most prevalent method to fund health care in developing countries (Wagstaff, *et. al.* 1989, WHO 2010, Xu, *et. al.* 2003). In India around 67 per cent of total health expenditure is incurred by it. These expenses are often higher than paying abilities (National Health Accounts 2017). Health expenditure is catastrophic when the extent of OOP expenses is either large or account for a big share in a household's regular budget (Wyszewianski 1986, Berki 1986) and distorts the level of well-being by widening poverty (Cutler 1995, Frenck, *et. al.* 2003, Rice and Morrison 1994, Rusell 2005). Studies both at international and Indian contexts compute the incidence of catastrophe and its

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