HOUSEHOLD HEALTH EXPENDITURE: A CASE OF TURKEY

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Introduction

The people who is in favour of government intervention in healthcare services declares that it is inevitable because of some market failures and positive externalities in the health sector.

So the government acts as an actor in the health sector as a regulatory or service supplier.

By this thought, Turkey started a reform study called Transformation of Health (ToH) in 2003.

We can point out that Turkey got successful results on the health sector indicators after ToH. For example:

- Infant mortality rate,
- Maternal mortality rate,
- Life expectancy at birth ratios

are healed.

Turkey has reached at OECD countries' health ratios level by this success.

Household health expenditure on the poorest quintile has extraordinary increased since 2003.

The purpose of the study examines the household health expenditure by income, consumption and region after the ToH. This study's method is quantitative research. We use Household Budget Survey Data between 2003 and 2010.

Background

OPPs comprise co-payments, fee-for-service payments, self-medication, informal payments and all other expenses paid directly (in cash or in kind) by the households for the health services and goods, including drugs and other medical non-durables (Belli et al., 2004: 122).

- Out-of-pocket payments include all costs paid directly by the consumer,
- including direct payments,
- formal cost sharing and
- informal payments (Mossialos and Dixon, 2002: 22).

- This can take several forms including direct cash payments to medical doctors, gift to nurses, or in kind provision of certain elements of services, such as drugs, nursing or meals in inpatient care, which should otherwise be the responsibility of the provider.

- Composition of private health spending also differs across income levels. As incomes increase, both private and out-of-pocket shares of total health spending decrease, and public spending pre-dominates (Gottret and Schieber, 2006: 38).

- Informal payments in the health sector in Central and Eastern European Countries and of the Former Soviet Union are growing and are becoming an important source of healthcare financing. On the other hand OPPs can also be a major impediment to health care reform (Lewis, 2002: 201).

- According to a study which used data from 116 surveys covering 89 countries, financial catastrophe occurs in almost all countries, even the richest. Globally, 150 million people suffer financial catastrophe each year because they must pay for care (Xu et al., 2007: 980).

The View of Turkish Health System and Health Reforms

There was a complexity in the health sector early 2000s in Turkey. Public sector was a major actor and its proportion in the total health expenditure is approximately changing between 60% and 70%.

- Public expenditures ratio on health was 4% as a percentage of GDP in 2003 (OECD Health Data, 2011).
- In this system, there were three different health insurance funds: SSK, Bağ-Kur and Emekli Sandığı.

The health care supply system was very complicated in 2003. There were three major providers. These were, The Ministry of Health, S.S.K. and University Hospitals. On the other hand private sector was very restricted. In 2001, there were approximately 250 private hospitals in whole over the country (OECD, 2008: 28-35).

Turkish health system was inefficient using sources. There were regional differences in access to health service. Out of pocket payment, especially informal payments, in the health sector were raising and this was serious problem for poor and vulnerable to access health care service.

Turkey launched the Health Transformation Programme (HTP) in 2003 to solve these problems. The HTP's targets are organizing, providing, financing and delivering the health services in an effective, productive and equal way (MoH, 2003: 24).

Household Health Expenditure in Turkey

- Total health expenditure has risen in Turkey since 2000. While the public health expenditure has been rising, the private health expenditure has been increasing too.
- Out of pocket payments in total health expenditure was 18.5% in 2003, it is 21.8% in 2007 (last available year).

Table 3: Household Health Expenditure Ratio by Income Quintile, 2003, 2009, 2010.

Quintile	2003	2009	2010
1.	9.1	10.5	10
2.	12.4	14.9	14
3.	17.3	15.3	17.2
4.	17.8	22.4	22.8
5.	43.5	37.0	36
Total	100	100	100

Source: *Household Budget Survey, 2003-2010.*

Table 5: Household Health Expenditure Ratio by Consumption Quintile, 2003-2009 (Vertical).

Quintile	2003	2009
1.	3.9	6.8
2.	6.7	10.0
3.	11.3	16.2
4.	20.5	20.5
5.	57.6	46.5
Total	100	100

Source: *Household Budget Survey, 2003-2009.*

Table 6: Average Consumption Expenditure per Household by Income Quintile

Quintile	2002	2003	2008	2009	2010
1.	2,5	2.3	1.8	2.2	2
2.	2.4	2.1	1.7	2.1	2
3.	2.5	2.3	1.8	1.6	1.8
4.	2.1	1.8	1.8	1.9	2
5.	2.3	2.4	2.1	1.9	2.4

Source: *Household Budget Survey, 2002-2003-2008-2009-2010.*

Table 8: Average Consumption Expenditure per Household by Income Quintile

Health	Total	1. % 20	2. % 20	3. % 20	4. % 20	5. % 20
TRL	32.9	17	24	25	36	60
%	1.9	2.2	2.1	1.6	1.9	1.9

Source: *Household Budget Survey, 2009.*

Table 9: Consumption Expenditure per Household by Quintiles Ordered by Income 2009, Urban-Rural, (Vertical)

Urban	Total	1. % 20	2. % 20	3. % 20	4. % 20	5. % 20
%	1.8	2	1.8	1.7	1.6	1.9
Rural	Total	1. % 20	2. % 20	3. % 20	4. % 20	5. % 20
%	2.4	3.7	1.8	2	2	2.7

Source: *Household Budget Survey, 2009.*

Conclusion

- While out of pocket health expenditure of the poorest quintile increased 27%, the richest quintile increased just 3.4% in 2009. Health expenditure of the poorest quintile has increased approximately 95% since 2003.

- Health expenditures of poorest has 8.6% of the total consumption in 2008, this ratio reached up to 10.5% in 2009.
- The richest quintile's ratio is 43.5% in 2003 and 37% in 2009.