



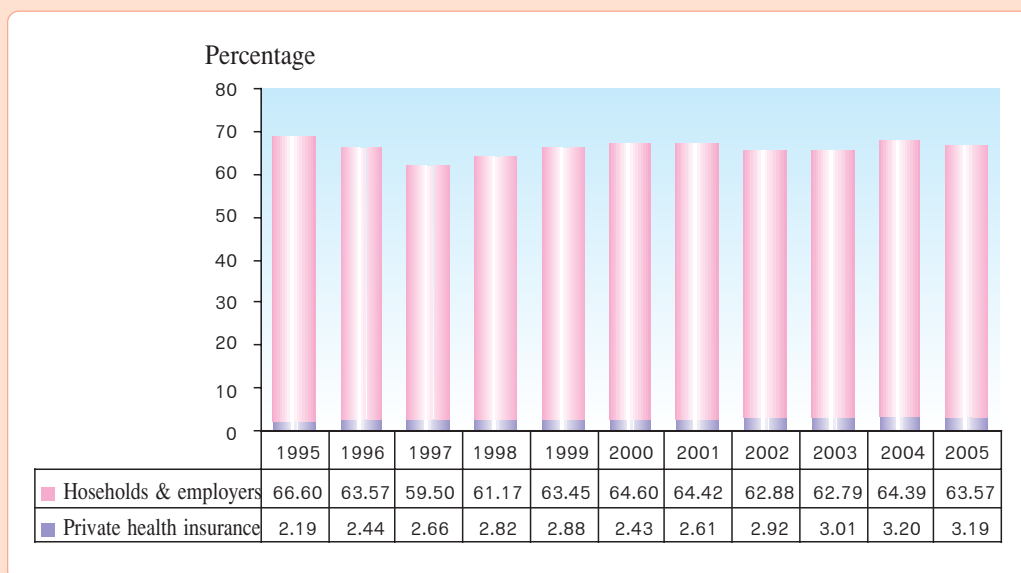
4.3 Private and Household Health Expenditure

The private sector has households as the largest source of funds for health care since the people sometimes have to make an out-of-pocket payment for the services, according to their behaviour of buying drugs for self-medication, or whenever they are not entitled to such services at a private clinic or private hospital, or when they do not follow the steps or procedures of the state healthcare scheme, in the designated area, or at the healthcare facility. Therefore, the household financing plays a very significant role in healthcare delivery.

The proportion of household spending has always been more than 60% (Table 6.17 and Figure 6.71). In 1980, such a proportion was as high as 68.6% and rose to 80.1% in 1989 due to the decrease in government budget, resulting in the households bearing a greater share of healthcare costs. After 1989 until 1997 with the economic crisis, the household spending proportion steadily dropped to 62.2%, but rose again to 67.03% in 2000; with a decreased state budget in 2005, the proportion slightly dropped to 66.77% despite the government policy on universal health care. This situation has shown that using the services that are not covered by the universal health care scheme is still high, particularly drug purchasing for self-care, attending a private clinic, and bypassing the steps required when using state health services, attending a health facility in another area, and the people have to pay for their own services when doing so.

In analyzing the sources of private health expenditure, it was found that the major source is the households and employers rather than private health insurance. The proportion of private health insurance slightly increased from 2.2% in 1995 to 3.2% in 2005 which was very little compared with that from the households and employers (Figure 6.72).

Figure 6.71 Proportion of private health expenditure, 1995-2005

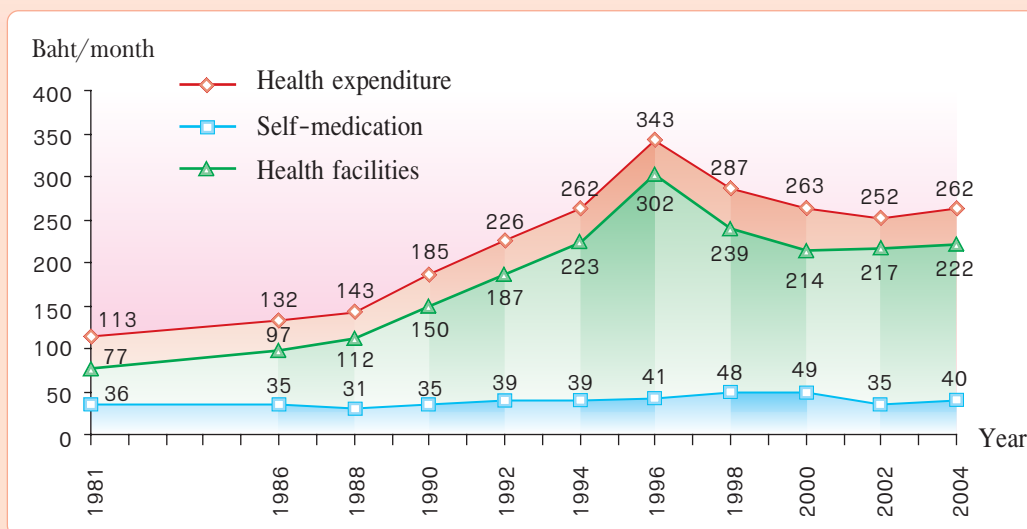


Source: Table 6.17.

The pattern of household health expenditure was derived from the household income and expenditure survey conducted every five years by the National Statistical Office in 1976, 1981, 1986 and every two years from 1988 to 2004. As shown in Table 6.19, household expenditure for the period 1981-1996 was rather stable at 3.6% to 3.9% of spending on household consumption each month and tended to decline to 3.2% during the economic crisis period, and further dropped to 2.4% in 2004. Significant observations are as follows:

1) **Household health expenditure for self-medication** had a declining trend from 31.9% in 1981 to 11.9% in 1996. On the contrary, the proportion of service purchases at health facilities (including drug consumption and services at private clinics, and state and private hospital) had a rising trend from 68.1% to 88.0% for the same period. There was a change in the trend when the economic crisis occurred in 1997, more people turned to purchasing drugs for self-medication, the proportion of self-care rising to 18.6% in 2000, with a declining trend in attending health care facilities. When the economy recovered in 2002, the proportion of self-medication dropped to 15.3% and the proportion of health spending at health facilities, especially private hospitals, had a rising trend (Figure 6.72 and Table 6.19).

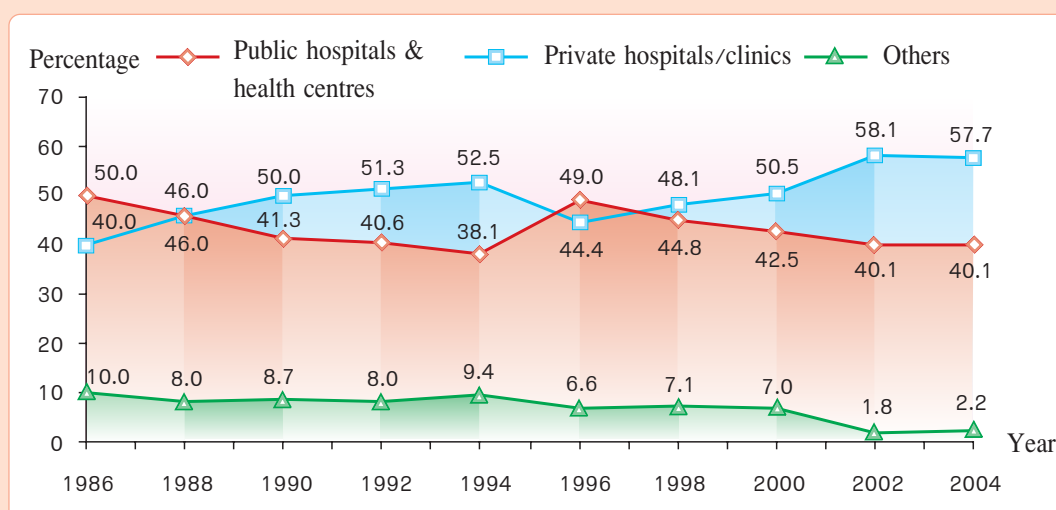
Figure 6.72 Household health expenditure, 1981-2004



Source: Report on Household Socio-Economic Survey. National Statistical Office.

2) Health expenditure when attending health facilities had a rising proportion for private facilities, but declining for state facilities. As shown in Figure 6.73, household spending at private health facilities (clinics and hospitals) had a rising trend from 40% in 1986 to 52.5% in 1994. On the contrary, household spending at public hospitals and health centres declined from 50% to 38.1% for the same period. At the beginning of the economic crisis period, more people turned to attend public hospitals and health centres and fewer people went to private hospitals and clinics. For other services, such as dental care and opticians' services, the spending proportion was 8% to 10%. It is noteworthy that since 2002, the beginning of economic recovery, the household spending on healthcare at private hospitals/clinics had increased to 57.7% by 2004.

Figure 6.73 Proportion of household health spending, 1986-2004



Source: Report on Household Socio-Economic Survey. National Statistical Office.

Table 6.19 Household health spending pattern (baht/month), 1981-2004.

Pattern of expenditure	1981		1986		1988		1990		1992		1994		1996		1998		2000		2001		2002		2004	
	Baht	%	Baht	%	Baht	%	Baht	%	Baht	%	Baht	%	Baht	%	Baht	%	Baht	%	Baht	%	Baht	%	Baht	%
Family size (Person)	4.5	-	4.3	-	4.0	-	4.1	-	3.9	-	3.8	-	3.7	-	3.7	-	3.6	-	3.6	-	3.5	-	3.4	-
Total expenditure per month	3,374	-	3,783	-	4,161	-	5,437	-	6,529	-	7,567	-	9,190	-	10,389	-	9,848	-	10,025	-	10,889	-	12,297	-
Consumption expenditure per month	3,151	-	3,486	-	3,804	-	4,942	-	5,892	-	6,787	-	8,072	-	8,966	-	8,558	-	8,758	-	9,601	-	10,885	-
Health expenditure per month	113	3.6	132	3.8	143	3.9	185	3.7	226	3.8	262	3.9	343	4.2	287	3.2	263	3.1	264	3.0	252	2.6	262	2.4
Self-medication expenditure	36	31.9	35	26.5	31	21.7	35	18.9	39	17.3	39	14.9	41	11.9	48	16.7	49	18.6	46	17.4	35	13.9	40	15.3
Spending at health facilities	77	68.1	97	73.5	112	78.3	150	81.1	187	82.7	223	85.1	302	88.0	239	83.3	214	81.4	218	82.6	217	86.1	222	84.7
- Public hospital & health centres	-	-	48	50	52	46	62	41.3	76	40.6	85	38.1	148	49.0	107	44.8	91	42.5	98	45.0	87	40.1	89	40.1
- Private hospitals/clinics	-	-	39	40	51	46	75	50.0	96	51.3	117	52.5	134	44.4	115	48.1	108	50.5	110	50.4	126	58.1	128	57.7
- Others	-	-	10	10	9	8	13	8.7	15	8.0	21	9.4	20	6.6	17	7.1	15	7.0	10	4.6	4	1.8	5	2.2

Source: Report on Household Socio-Economic Survey. National Statistical Office.