

POLICY BRIEF

Population needs: OPD care utilization and out-of-pocket expenditures in 2023

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KEY MESSAGES

1. OPD healthcare utilization rates reduced substantially from 0.85 visits per person per month in early 2022 to 0.48 in late 2023. Over the same period, the share of individuals who sought care did not decrease substantially, but only the number of visits per person.
2. We observe a shift from formal to informal care at the primary level, indicating that visits to primary care facilities are possibly substituted by pharmacy visits. The use of secondary care providers for OPD remained rather constant over time.
3. Mainly driven by high inflation, out-of-pocket expenditure for an average OPD visit to a formal facility increased substantially (PKR 1954 in 2022 and PKR 3315 in 2023). Both inflation-adjusted total expenditure and the composition of expenditure across categories (i.e., treatment, fees, medication and transportation) remained rather similar.

BACKGROUND & MOTIVATION

Study objectives

Two years after the baseline survey, we asked:

- How is the OPD healthcare utilization of the potential beneficiary population in late 2023, almost two years after the first in-person survey (early 2022)?
- How high are the out-of-pocket expenditures for OPD care of the potential beneficiary population in late 2023?

Context

In 2024, a new pilot insurance scheme covering OPD services will be implemented in some districts in KP targeting the

poorest households. We do implementation research on this pilot scheme and this project component assesses the population needs and preferences with repeated household surveys.

METHOD

Survey mode & sample

We re-interviewed 680 households in four districts of KP (Mardan, Malakand, Kohat, Chitral), following households that were sampled during our baseline in-person survey in early 2022. We conducted this follow-up survey in-person in November and December 2023. For analysis, we used a sample of 650 households with 3,753 family members that are expected to be

beneficiaries of the new OPD scheme.

Results from a parallel evaluation conducted by DEval on a larger sample complying with the same sampling criteria highlights similar patterns of health service use and OOPe. The additional sample comprises 1,268 households with 7,829 family members. We display the following detailed results based on the population panel sample only as this allows comparison over time.

RESULTS

Lesson 1

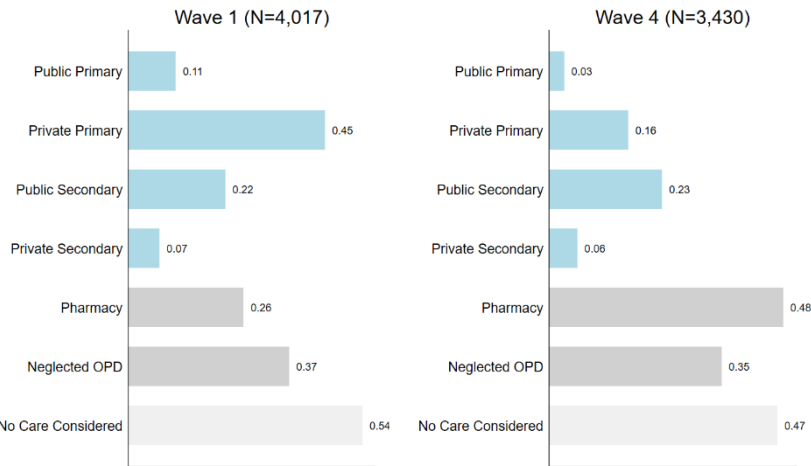
As compared to (early) 2022, monthly OPD healthcare utilization rates decreased

significantly by around 50% from 0.85 to 0.48 visits per person per month. This equals to a change from around one visit per person per month to one visit per person every two months. In line with 2022, around 43 % of family members reported at least one OPD visit in the past month. Hence, it does not appear that fewer people seek OPD care, but that people seek care less frequently. Interestingly, the frequency of neglected OPD visits and health incidents where seeking care was not considered remained quite constant over time (see Figure 1).

Lesson 2

The composition of reasons for seeking OPD care also remained quite constant: most people sought care because of illnesses and only a smaller fraction because of accidents, childbirth related issues or for preventive care. The characteristics of OPD users also remained constant over time: women, elderly, and/or chronically ill family members sought more OPD care. However, we observe a change in the composition of healthcare facilities visited (see Figure 1). Compared to 2022, utilisation of formal care facilities declined at the primary, but not at the secondary level. Besides, utilization of informal care increased in 2023 compared to 2022, with pharmacy visits almost doubling. This suggests that pharmacy visits are replacing visits to

Figure 1: Number of monthly OPD visits per person: wave 1 (2022) vs. wave 4 (late 2023)



Note: We count up to 3 visits per month to public primary and public secondary facilities, up to 4 for private primary and private secondary, and up to 6 for pharmacies (top-coding at the 90th percentile)

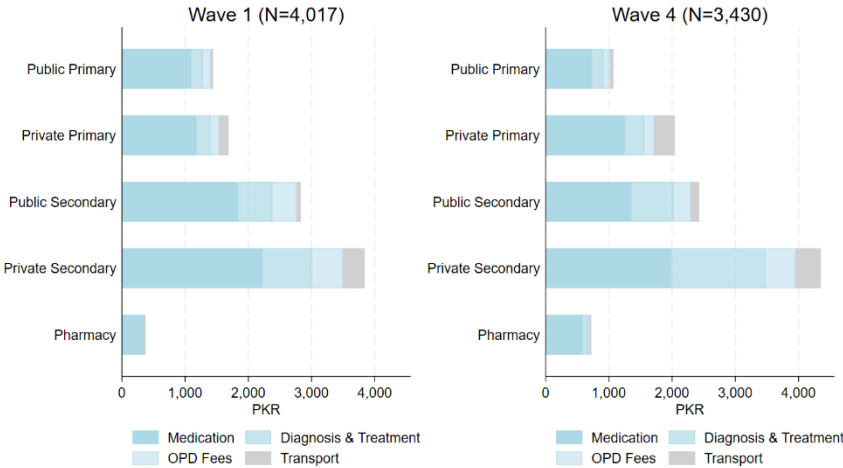
primary care facilities, explaining why we observe a decline in OPD visits, yet we do not register a higher proportion of “neglected” care.

Lesson 3

The expenditure for an average OPD visit in a formal care facility was PKR 3315, hence much higher than in early 2022 (PKR 1954). However, when adjusting for inflation, expenditures for

an average OPD visit in late 2023 were PKR 2302, hence similar to 2022 but still slightly higher. Patterns of expenditure composition remain similar with medication remaining the largest expenditure component (see Figure 2). Only transport expenditure increased over time, perhaps as a result of rising fuel prices in Pakistan over the last two years. Furthermore, we observe

Figure 2: Average expenditures per OPD visit in the respective expenditure component and facility type – Population panel sample wave 1 (early 2022) vs. wave 4 (late 2023)



Note: Expenditures for wave 4 are CPI-adjusted based on monthly inflation for health related prices in Pakistan (44%) (from <https://data.imf.org/regular.aspx?key=61015892>)

that in real terms, OPD expenditures increased only for private facilities, while they remained constant for public facilities.

Conclusion

Overall, OPD utilization rates decreased over time, with only around half as many visits being reported to

formal healthcare facilities by late 2023 as compared to early 2022. Our findings suggest that not fewer people used OPD care but that users seek care less frequently. We also note that people appear to have replaced formal with informal care, with fewer visits to primary care facilities and more visits to

pharmacies. Utilization of secondary care facilities has instead remained rather constant. This shift may be partly explained by higher expenditures for OPD visits, especially in absolute but also in relative terms, particularly in private facilities.

RECOMMENDATIONS

- Increasing prices for healthcare services and the associated utilization dynamics should be taken into account during implementation of the planned OPC insurance scheme.
- Given the increased prices for healthcare, the beneficiary population will benefit from an OPC insurance scheme that covers the real cost of services to the greatest extent possible, including medication. Ideally, user charges would be eliminated completely. This could help shift utilization back from informal to formal healthcare providers.

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