

Impact of Household's Out-of-Pocket Health Expenditures on Households' Budget Revisited: Evidence from Sudan

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ABSTRACT

This study examines the determinants and impact of health expenditure on household welfare using the most recent data set of 2015 NBHS, revisiting the analysis by Ebaidalla and Ali, which was based on the 2009 NBHS. The study used the Heckman two-step selection model to account for any potential bias in the sample selection process. The study applied ordinary least squares and probit estimation techniques to estimate the models for out-of-pocket and catastrophic health expenditure. The analysis showed that household health expenditure is significantly influenced by factors such as health insurance membership, age, gender, education, presence of elderly and under-five members, income, wealth, chronic illnesses, and accessing clean water. The analysis also revealed that these factors increase the likelihood of health expenditure exceeding certain limits and becoming catastrophic. Furthermore, the study revealed that health-care expenditure pushes a significant number of households below poverty line. These findings hold true for households in urban and rural areas, as well as those headed by males and females, thereby corroborating the earlier findings of Ebaidalla and Ali.. This highlights the role of health insurance in reducing health expenditures incurred by Sudanese households, as well as the fact that out-of-pocket health expenditure has exacerbated poverty.

Keywords: Sudan, health insurance, chronic, poverty, Heckman, CHE.

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