

**ECONOMIC BURDEN OF ILLNESS FOR NEAR POOR
HOUSEHOLDS IN COMPARISON WITH THE POOR AND
OTHER INCOME GROUPS IN VIETNAM**



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An inevitable consequence of the user fee policy in Vietnam, which was introduced to increase financial resources of public health facilities, is the added economic burden on the patients. The Government has therefore subsidized health insurance for the poor to ease their burden. However, those whose incomes are just above the poverty line—the “near poor”—do not have the same protection, and thus have to bear the full costs of care. This research aims to: (1) analyze the economic burden of illness for near poor households by measuring the ratio between out-of-pocket payments for health care and total household income, compared with the poor and other income groups; (2) understand the burden of health care expenditure within the context of near poor households. Data from the Vietnam Household Living Standard Survey 2006, which contains samples of 9,189 households, were used to calculate the extent of economic burden. The study also conducts a qualitative case study of near poor households using methods such as in-depth interview, and non-participant observation.

Without health insurance, the poor households would shoulder the largest out-of-pocket costs for health care—18.7% of their total income, while the near poor pay 15.2%, and other income groups 10.9%. Since the government provides health insurance coverage for the poor, their health care burden has been reduced to 9.3% of their total income. People in other income groups have the ability to purchase their own health insurance, while the near poor do not. This leaves the uninsured near poor households as the group bearing the largest economic burden from health care expenditures (15.2%). Qualitative case studies complement the complexity of bearing the economic burden through 5 near poor households’ experiences regarding management of financial sources to pay for health care costs, with their constraint on income.

With the rapid economic growth following Vietnam government’s Doi Moi policy, health care costs have risen substantially. Without government assistance, the near poor households will suffer increasing economic burden from the costs of health care, and might fall into poverty because of this burden, particularly when a family member suffers a catastrophic illness. This is a policy issue the government should address in assuring social security for the population.

**KEY WORDS: NEAR POOR/ POOR/ ECONOMIC BURDEN/
HEALTH INSURANCE/ OUT-OF-POCKET**

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