Determinants of household direct and indirect costs: an insight for health-seeking behaviour in Burkina Faso

Tin Tin Su · Steffen Flessa

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Abstract The objective of the study is to identify the determinants of household direct and indirect costs in the Nouna District, Burkina Faso. The data used were from a household survey conducted during 2000–2001. The multinomial logit models were applied to investigate the determinants of direct and indirect costs. The respondents who were sick in the rainy season and severity of illness significantly increased the probability of having high direct and indirect household costs. Acute illness occurred in an adult was positively associated with magnitude of household indirect costs. Household economic status and utilization of western medical care played an important role in magnitude of direct cost. The information on determinants of household direct and indirect costs is necessary in order to get a complete picture of household costs for seeking health care and identification of vulnerable social groups and households.

Keywords Cost of illness · Healthcare expenditure · Healthcare-seeking behaviour · Multinomial logit model · Burkina Faso

JEL Classification C2 · C3 · I1

Introduction

The use of empirical data is the central guiding factor for the formulation of evidence-based health policy. Cost analysis and cost-effectiveness analysis are the essential tools to imply equitable provision of services, evaluation of disease control programmes and long-term sustainability of healthcare services. However, scarcity of cost data in low- and middle-income countries has severely affected realistic planning and policy decision to increase healthcare demand and simultaneously financial protection [1, 2].

To assess the overall economic impact of the diseases, information about household costs is required, because household healthcare expenditure has shown to be the largest share of the national health account in many developing countries [3].

The studies that only focused on out-of-pocket expenditure [4, 5] may underestimate the total cost incurred in household, because they cannot measure the indirect cost or economic consequences of reduced productivity such as absence from work, disability and premature mortality due to the diseases. According to several studies, household indirect cost was considerably higher than the direct costs [6–9].

However, time lost due to illnesses was difficult to value in monetary terms, especially for non-wage earning society, which mainly engaged in subsistence farming. Several researchers have used different methods of valuation of time lost in the developing countries context: current wage rate [8, 10], household average income [11], average GDP as marginal product of labour [12] and willingness-to-pay [9]. The estimate of indirect cost can vary depending on the valuation methods used. Some researchers therefore recommended using at least two valuation methods in order to avoid over- or underestimation [13].

T. T. Su (✉)
Centre for Population Health (CePH), Department of Social and Preventive Medicine, Faculty of Medicine, University of Malaya, 50603 Kuala Lumpur, Malaysia
e-mail: ttin@ummc.edu.my; ttinsn03@yahoo.com

S. Flessa
Department of Health Care Management, University of Greifswald, Friedrich-Loeffler-Straße 70, 17489 Greifswald, Germany