

**SESSION 6: ABILITY TO PAY FOR HEALTH CARE IN CEE COUNTRIES****PROJECT PRESENTATION:****“THE IMPOVERISHMENT EFFECT OF HEALTH CARE EXPENDITURES IN ALBANIA. EVIDENCE FROM ALSMS 2003 2005 AND 2008”**

Presented by:

Sonila TOMINI

Maastricht University  
P.O. Box 616; 6200 MD Maastricht  
The Netherlands  
E-mail: s.tomini@maastrichtuniversity.nl

**ABSTRACT:**

The absent or poorly functioning risk pooling mechanisms and high amounts of out-of-pocket payments for health care expose households to financial risks associated with major illnesses or accidents. The aim of this chapter is to analyse the extent to which out-of-pocket health spending impoverish households in Albania. The study augments the existing evidence by analysing the dynamics of such payments over different years and the weight that informal payments have in the total out-of-pocket health spending.

The data used in this study come from the Albania Living Standard Measurement Survey (ALSMS) for 2002, 2005 and 2008. We measure headcount catastrophic payments using different thresholds and the decomposition of indicators by expenditure quintiles to understand better their effects.

We find that out-of-pocket and informal payments have increased in real value throughout the years. Even though their catastrophic effect has gone down (due also to declining trends in absolute poverty), the effect for the poorest expenditure quintiles remains high. Out-of-pocket payments deepen the poverty headcount and also enlarge the poverty gap and again the effect is larger for the poorest quintiles. Future policy interventions should provide better protection mechanisms for the poor by providing exemption criteria or subsidised transport and should seek to address the widespread informal payments in the country.

**LINK TO PRESENTATION SLIDES:**

<http://www.assprocee2007.com/SeminarASSPROCEE2007MAY1618BudapestSTomini.pdf>