

WHO IS WILLING AND ALREADY PAYING?

Hungarian results on willingness to pay and informal payments for health care services

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Patient Payments in Hungary

Formal payments for health care services

Social health insurance provides physician and hospital services free of charge.

Co-payments in:

- Dental care
- For free choice of physician
- Using services without referral
- Inpatient care: extra meal and accommodation



Informal payments

- **The overall magnitude** of informal payments **64.8 - 203.6** million Euros ~ **1.5 - 4.6%** of the total health expenditures (Gaal et al. 2006)
- Unequally distributed between professions
- 9%, 14%, 50% of the patients paid informally during their last visit to GP/specialist/for hospitalisation
- On average 2/35/58 Euros

RESEARCH QUESTION:

Is there a relation between willingness to pay for health care services and informal patient payments in Hungary?

Data

Household survey on:

- Use and past payments for health care services
- Attitude towards informal payment
- Preferences and willingness to pay for health care services

Data collection

- In July 2010.
- Face-to-face individual interviews
- Sampling - multi-staged random probability method
 - sampling points - distributed proportionally across regions
 - households - random route method
 - the respondent - “last birthday” principle

For Hungary dataset contains data for **1037 respondents**.

**Stated
preference
method**

**Contingent
Valuation**

<p>GOOD QUALITY</p>	<ul style="list-style-type: none"> - Modern medical equipment - Renovated health care facility - Polite staff with good reputation and skills 	
<p>QUICK ACCESS</p>	<ul style="list-style-type: none"> - Max 30 min travelling to the health care facility - Max 10 min waiting in front of the physician office - Max 1 month waiting for a planned surgery 	
	<p>Per visit to physician:</p> <ul style="list-style-type: none"> ▪ Less than 5.- Euro ▪ From 5.- to 10.- Euro ▪ More than 10.- Euro 	<p>Per hospitalisation:</p> <ul style="list-style-type: none"> ▪ Less than 100.- Euro ▪ From 100.- to 200.- Euro ▪ More than 200.- Euro

In case you experience a MAJOR HEALTH PROBLEM (unfamiliar symptoms that make you concerned)
will you be willing to pay an official fee for a consultation and examination by a MEDICAL SPECIALIST...

In case you have to undergo a PLANNED SURGERY (for example, a 5-day hospitalisation and no life-threatening illness)
will you be willing to pay an official fee for this HOSPITALISATION.....

in order to obtain services with good quality and quick access as described on the card?

What is the REASON for your unwillingness to pay (unable, object or both)?

Considering the fee intervals regarding physician's services/hospitalisation shown on the card, **how much** exactly are you **WILLING and ABLE** to pay for such visit/hospitalisation in order to obtain services with good quality and quick access?

Regression analysis

	Willingness to pay	Amount
Regression analysis	Probit	Linear regression
Dependent Variable	Whether the respondent is willing to pay (YES/NO)	The amount that the respondent is willing to pay (HUF)
Independent Variables:	Socio-demographic characteristics: age, gender, residence, education level, health status, income, number of persons in the household Formal use and payments for health care services: the number of visits/hospitalisation/ whether the patient paid informally in the last 12 months Attitude towards informal payment	

Results - descriptive statistics I

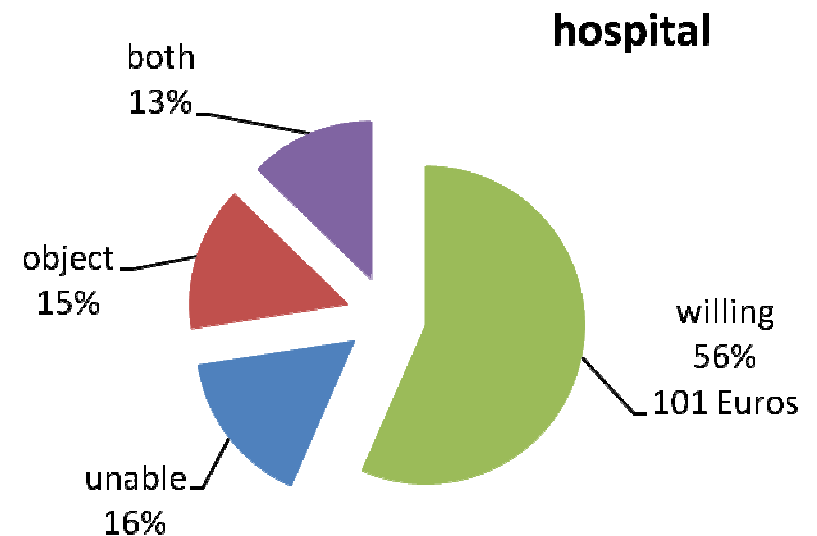
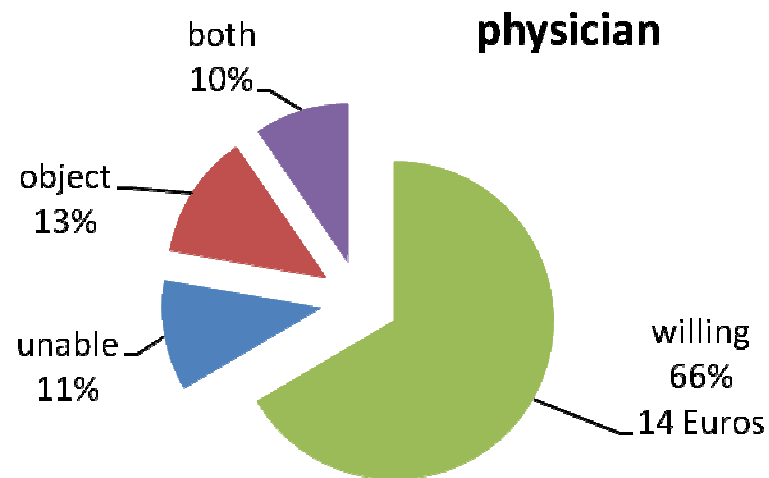
Past use&payments	Physician	Hospital
Visited physician/hospital	80%	21%
On average (visit/person)	5.3	-
Had informal payments for services in the last 12 months (if visited or hospitalized)	21%	44%
Amount of informal payment last year (if paid) Euros	60	136

Attitude towards cash informal payments



Results – descriptive stastistic II

Willingness to pay formal fees



Results - regression analysis I

Willingness to pay for physician services

	Probit Coefficient	Marginal effect	Amount Coefficient
visit_phy	0.00286	0.10%	3.527
inf2_phy	0.779***	23.36%	331.0
indif	0.219**	7.65%	915.3
positive	0.376***	12.42%	1 128
age	-0.00386	-0.14%	10.34
gender	0.115	4.08%	-847.1*
village	-0.00247	-0.09%	-661.7
capital	-0.343***	-12.72%	-2 800***
voc	0.173	6.02%	150.9
sec	0.232*	8.10%	741.9
high	0.411**	13.33%	713.7
pens_dis	-0.397**	-14.96%	-1 328
badhealth	0.0278	0.98%	1,202
household	0.0200	0.71%	-20.68
income	0.000862*	0.03%	2.631
Constant	0.0212		3 126**
Observations	980		613
Chi2/F	83.91		1.65
p	0.000		0.0563
(Ps)R-squared	0.0675		0.040

*** p<0.01, ** p<0.05, * p<0.1

Willingness to pay for hospitalistaion

	Probit Coefficient	Marginal effect	Amount Coefficient
hosp	-0.0490	-1.92%	122.8
inf2_hosp	0.717***	25.19%	1 146
indif	0.191**	7.46%	4 877***
positive	0.408***	15.38%	8 353***
age	-9.96e-05	0.00%	-55.79
gender	0.132	5.19%	-1,471
village	-0.0319	-1.25%	-6 032***
capital	-0.199*	-7.88%	-6 622***
voc	0.170	6.63%	-2,344
sec	0.335***	12.95%	-1,323
high	0.503***	18.57%	1,516
pens_dis	-0.116	-4.57%	-2,191
badhealth	0.148	5.75%	-591.9
household	0.00660	0.26%	-32.18
income	0.00133***	0.05%	20.80**
Constant	-0.509**		28 004***
Observations	985		517
Chi2/F	69.58		2.99
p	0.000		0.0001
(Ps)R-squared	0.0516		0.082

Results – regression analysis II

Physician visit

Willingness to pay

Paid informally (+23%!)

Indifferent attitude (+8%)

Positive attitude (+12%)

Capital (-13%)

Secondary (+8%)

Tertiary education (+13%)

Pension disabled (-15%)

Income (+3%/100 000 HUF)

Amount

Woman (+3.0 EUR)

Capital (-9.8 EUR)

Hospitalisation

Willingness to pay

Paid informally (+25%!)

Indifferent attitude (+8%)

Positive attitude (+15%)

Capital (-8%)

Secondary school(+13%)

Tertiary education (+19%)

Income (+5%/100 000 HUF)

Amount

Indifferent attitude (+17.1 EUR)

Positive attitude (+29.3 EUR)

Village (-21.1 EUR)

Capital (-23.2 EUR)

Income (0.07 EUR/1000 HUF)

Main findings

Those who are paying informally are more willing to pay formal fees; moreover, this is the strongest determinant of willingness to pay.

The explanation might be that...

... People are not against substituting informal payments with formal ones if they are assured that they get the quality and access described on the card.

→ This partly explains the existence of informal payments, i.e. as a means to obtain better services.

Those who have negative attitude towards informal payments are also less willing to pay for health care services.

The explanation might be that...

... The negative attitude towards informal payments is not connected to its “illegal” nature rather to the principle that health care services **should be provided free of charge.**

→ Consequently, some individuals are against all type of payments.

Policy recommendations

Policies aiming to eradicate informal payments should consider the following study results:

- Hungarian population is rather tolerable towards informal payments.
 - Policy measures should aim to change this attitude.
- There is willingness to pay formal fees for health care services with adequate quality and access.
 - Formal payments should assure these attributes, otherwise formal and informal payments are not substitutes and induce **double financial burden**.

THANK YOU FOR YOUR ATTENTION!

