



Headcount ratio of catastrophic health expenditure

Abbreviated name	Headcount ratio of catastrophic health expenditure
Indicator name	Headcount ratio of catastrophic health expenditure
Domain	Health systems
Subdomain	HSS
Associated terms	Health financing
Definition	Proportion of the population (or sub-population) facing catastrophic health expenditures.
Numerator	Total number of households with catastrophic health expenditure.
Denominator	Total number of households.
Disaggregation/ additional dimension	Subnational variables available in survey data
Method of measurement	<p>Financial protection indicators are based on information collected from population-based household expenditure surveys implemented by or in close collaboration with national statistical bureaus. Datasets from these surveys are typically obtained through technical contacts in-country but may also be available publically or for direct purchase. The two most common surveys are Household Budget Surveys and Living Standards Measurement Surveys.</p> <p>Such surveys include questions that elicit information on a household's total consumption expenditure (i.e. monetary and in-kind payments on all goods and services, plus the monetary value of the consumption of home-made products). The main components of the consumption aggregate include expenses on food, non-food (clothing, household articles etc.), utilities (gas, telephone, electricity, etc.), education, health, and housing. Survey data allows for construction of the three key variables (i.e. total expenditure, food expenditure and out-of-pocket health expenditure) needed for the calculation of the headcount ratio of catastrophic health expenditure.</p>
Method of estimation	<p>Headcount ratios are the estimated total number of households facing catastrophic health expenditures over the total number of households. A household is identified as facing catastrophic health expenditures when its out-of-pocket health expenditures represent 40% or more of its capacity-to-pay. Capacity-to-pay is estimated as total expenditure net of a subsistence level of food expenditure. The latter is calculated as the average food expenditure per equivalent adults of households in the 45th–55th food budget share distribution. When actual food spending falls below this amount, capacity-to-pay is defined as total expenditures net of actual food spending.</p>
Measurement frequency	Every 1–5 years depending on implementation of population-based household expenditure surveys led by national statistics offices
Monitoring and evaluation framework	Impact
Preferred data sources	Population-based household expenditure surveys
Other possible data sources	Health surveys with a module collecting expenditure data
Further information and related links	<p>Analyzing health equity using household survey data. Washington, DC: World Bank Group; 2008 (http://www.worldbank.org/en/topic/health/publication/analyzing-health-equity-using-household-survey-data, accessed 06 May 2015).</p> <p>Ke Xu, David B Evans, Kei Kawabata, Riadh Zeramdini, Jan Klavus, Christopher J L Murray. Household catastrophic health expenditure: a multicountry analysis. <i>Lancet</i>. 2003;362:111–7 (http://www.who.int/entity/health_financing/documents/lancet-catastrophic_expenditure.pdf, accessed 06 May 2015)</p> <p>Ke Xu. Distribution of health payments and catastrophic expenditures: methodology (discussion paper EIP/HSF/DP.05.2). Geneva: World Health Organization; 2005 (http://www.who.int/entity/health_financing/documents/dp_e_05_2-distribution_of_health_payments.pdf, accessed 06 May 2015).</p>