



Headcount ratio of impoverishing health expenditure

Abbreviated name	Headcount ratio of impoverishing health expenditure
Indicator name	Headcount ratio of impoverishing health expenditure
Domain	Health systems
Subdomain	HSS
Associated terms	Health financing
Definition	Proportion of the population (or sub-population) facing impoverishing health expenditures.
Numerator	Total number of households with impoverishing 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 publicly 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 impoverishing health expenditure.</p>
Method of estimation	Headcount ratios are the estimated total number of households facing impoverishing health expenditures over the total number of households. A household is identified as facing impoverishing health expenditures when its out-of-pocket health expenditures push it below a poverty line (i.e. a household is above the poverty line when taking its total expenditure gross of out-of-pocket payments but below the poverty line when taking total expenditure net of out-of-pocket payments). The poverty line is defined as subsistence level food expenditure estimated 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, then capacity-to-pay is defined as total expenditures net of actual food spending.
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, Riyadh 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>