Healthcare Spending Inequality: Evidence from Hungarian Administrative Data

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Introduction

- New evidence on the distribution of healthcare spending in Hungary
  Sample: full-time workers
- Universal health insurance, but
  - Health varies with income
  - Geographic inequalities in the availability of healthcare services
Data

- Administrative data, covering years 2003-2011 on a random 50% sample of the 2003 population aged 5-74
- Health expenditures are observed on the annual level
- Location is observed in 2003
- Sample restrictions: individuals aged 18-55, earning at least the minimum wage each month and not receiving any public transfers
Methods

- Maps of healthcare spending for 3 types of spending (outpatient, inpatient, prescription drugs)
- Heterogeneity by income:
  - Relate the current year’s healthcare expenditures to the previous year’s income
  - Calculate income percentiles (deciles)
  - Income of those who spent zero days on sick-leave the previous year
  - Adjustment for age and gender
Outpatient expenditures

77% difference between highest and lowest spending counties
Inpatient expenditures

27% difference between highest and lowest spending counties
Prescription drug expenditures

37% difference between highest and lowest spending counties
Outpatient expenditures

34% difference between the 90th and 10th percentile
Inpatient expenditures

33% difference between the 90th and 10th percentile
Prescription drug expenditures

27% difference between the 90th and 10th percentile
If we eliminated cross-county variation, variance in spending would be reduced by 71%
If we eliminated cross-county variation, variance in spending would be reduced by 47%
If we eliminated cross-county variation, variance in spending would be reduced by 43%
Discussion

Next steps: explanations

- Health factors? – Next wave of linked administrative data
- Access to care?
  - Number of hospital beds, physicians, pharmacies?
  - Distance to healthcare facilities?
  - Information, connections, informal payments?