

# Clinical & Medical Case Reports & 11<sup>th</sup> Global Healthcare & Fitness Summit

October 16-18, 2017 San Francisco, USA

## Inequality in healthcare costs between residing and non-residing patients: Evidence from Vietnam

Hieu Nguyen

University of Tennessee, USA

**Background:** Place of residence has been shown to impact health. To date, however, previous studies have only focused on the variability in health outcomes and healthcare costs between urban and rural patients. This study takes a different approach and investigates cost inequality facing non-residing patients – patients who do not reside in the regions in which the hospitals are located. Understanding the sources for this inequality is important, as they are directly related to healthcare accessibility in developing countries.

**Methods:** The causal impact of residency status on individual healthcare spending is documented with a quasi-experimental design. The propensity score matching method is applied to a unique patient-level dataset (n=900) collected at public general and specialist hospitals across North Vietnam.

**Results:** Propensity score matching shows that Vietnamese patients who do not reside in the regions in which the hospitals are located are expected to pay about 15 million Vietnamese dong (approximately 750 USD) more than those who do, a sizable gap, given the distribution of total healthcare costs for the overall sample. This estimate is robust to alternative matching specifications. The obtained discrepancy is empirically attributable to the differences in three potential contributors, namely spending on accompanying relatives, courtesy funds, and days of hospitalization.

**Conclusions:** The present study finds that there is significant inequality in healthcare spending between residing and non-residing patients at Vietnamese hospitals and that this discrepancy can be partially explained by both institutional and non-institutional factors. These factors signal practical channels through which policymakers can improve healthcare accessibility.

hieu.nguyen@utk.edu