Osong Public Health Res Perspect 2016 7(1), 26–31
http://dx.doi.org/10.1016/j.phrp.2015.11.002
pISSN 2210-9099 eISSN 2233-6052

ORIGINAL ARTICLE

Are Free Maternity Services Completely Free of Costs?

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Received: November 7, 2015
Revised: November 11, 2015
Accepted: November 11, 2015

KEYWORDS:
cost,
delivery,
free maternity services,
Nepal

Abstract
Objectives: The Government of Nepal revised free maternity health services, "Aama Surakshya Karyakram", beginning at the start of Fiscal Year 2012/13, which specifies the services to be funded, the tariffs for reimbursement, and the system for claiming and reporting on free deliveries each month. This study was designed to investigate the amount of monetary expenditure incurred by families using apparently free maternity services.
Methods: Between August 2014 and December 2014, a hospital-based cross-sectional study was conducted at Manipal Teaching Hospital and Western Regional Hospital. Nepalese women were not involved with family finances and had very little knowledge of income or expenditures. Therefore, face-to-face interviews with 384 postpartum mothers with their husbands or the head of the family household were conducted at the time of discharge by using a pre-tested semi-structural questionnaire.
Results: The average monthly family income was 19,272.4 NRs (189.01 US$), the median duration of hospital stay was 4 days (range, 2–19 days), and the median patient expenditure was equivalent to 13% of annual family income. The average total visible cost was 3,887.07 NRs (38.1 US$). When the average total hidden cost of 27,288.5 NRs (267.6 US$) was added, then the average total maternity care expenditure was 31,175.6 NRs (305.76 US$), with an average cost per day of 7,167.5 NRs (70.29 US$). The mean patient expenditure on food and drink, clothes, transport, and medicine was equivalent to 53.07%, 9.8%. 7.3%, and 5.6% of the mean total maternity care expenditure, respectively. The earnings lost by respondent women, husbands, and heads of household were 5,963.7 NRs (58.4 US$), 7,429.3 NRs (72.9 US$), and 6,175.9 NRs (60.6 US$), respectively.
Conclusion: The free maternity service in Nepal has high out-of-pocket expenditures, and did not represent a system completely free of costs. Therefore, arrangements should be made by hospitals free of cost to provide medicine that is not included as essential during the hospital stay and at discharge time. Similarly, arrangements for liquid, food, and hot water, as well as clothes for mothers and newborns, should be made by the hospital in order to enhance hospital attendance.

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1. Introduction

In order to remove financial barriers and improve access to delivery services, the Government of Nepal introduced free maternity health services, "Aama Surakshya Karyakram", in 2005 that were revised at the start of Fiscal Year 2012/13, specifying the services to be funded, the tariffs for reimbursement, and the system for claiming and reporting on free deliveries each month. After revision, the *Aama* program had four components: 1) the Safe Delivery Incentive Program (SDIP), a cash-incentive scheme that was initiated in July 2005; 2) free institutional delivery care, which was launched in mid-January 2009; 3) incentives for health workers for home delivery; and 4) incentives for women for 4 ANC visits in 2011 [1−3].

Free-market economic theory demonstrated that free-market economies consist of a pricing system based on individuals engaging in trades with one another [4,5]. Similarly, price systems influence utilization of free maternity services, either directly or indirectly, because the law of supply and demand indicates that if demand increases, then prices also increase, but when supply increases, then the price of goods decreases [6]. A study was conducted in Kathmandu, Nepal, showing that the total cost associated with hospital stays varied from NRs 1,200−20,000 (ranging from €13.40 to €223.10), depending on the length of the stay and whether there were complications [7]. Likewise, a study conducted in eight districts of Nepal in 2006 estimated that the cost of normal newborn delivery was US$ 71, while a cesarean section (C-section) cost US$ 152 [8]. Studies from a large public hospital in Bangladesh [9] showed that free maternity services imposed median total per-patient expenditures of $65 (range $2−$350), equivalent to 7% (range 0.04% to 225%) of annual household income. Likewise, in the study conducted in Lao People's Democratic Republic [10], health care expenses for delivery care services were significantly higher for cesarean sections (270 US$) than for vaginal delivery (59 US$). These results indicated that external costs still exist in free maternity services. The cost of health services and the ability of household to pay for health services (economic factors) were the major obstacles in the utilization of facility-based delivery [11].

Lack of equity in utilization of health services, negative externality, inflation, reductions in the efficiency of strategies to meet changing demands, reductions in fiscal accountability, and poor allocation of resources are problems that will be seen if market equilibrium does not exist. Similarly, If the services are priced too low or provided free of charge, the consumer may perceive it as being low in quality. However, if the price is too high, some will not be able to afford the service at all [12]. Therefore, this is a public health challenge that prompted design of this study to investigate the amount of monetary expenditure incurred by families using apparently free maternity services.

2. Materials and methods

Between August 2014 and December 2014, a hospital-based cross-sectional study was carried out in Manipal Teaching Hospital (MTH) and Western Regional Hospital (WRH), where the "Aamma Surukshya" Program has been launched. This study protocol received ethical approval from the Department of Public Health of La Grandee International College. Additionally, written permission was obtained from each hospital authority, and informed verbal consent was obtained from each respondent. The respondents were also ensured that the participation was voluntary and that they could leave at any point during the 20-min interview.

During the hospital stay, the husband of the post-partum mother and/or the head of the household was directly involved in payment for care. Similarly, Nepalese women were not involved in the family finances, and had very little knowledge of income or expenditure. This was why 384 post-partum mothers were interviewed with their husband or head of the household (284 samples from WRH and 100 samples from MTH) at the time of discharge. Samples from each health institution were calculated using probability-proportionate-to-size sampling techniques, which were conveniently utilized in order to allow women to be interviewed with their husband or head of household. Post-partum mothers were excluded if there delivery did not occur at the hospital, but were admitted for complications.

The data were collected using a pre-tested semi-structured questionnaire with face-to-face interviews. Costs of maternity services were classified as visible expenses (cost of registration, medicine, medical supplies, laboratory tests, video X-ray, and birth certificate), hidden expenses (expenses of transportation, food and drink, communication, laundry, fuel, child care, clothes for the baby or mother, bed linens, loss of earnings during hospital stay, and accessory expenses, i.e., costs of thermos flasks, buckets, mugs, soap, mats, toothpaste, oil, and toilet paper), and loss of earnings (opportunity cost) during the hospital stay. Visible expenses of delivery services were reviewed from medical records and receipts of payments. Cost was presented in local currency with US dollar equivalents (the prevailing exchange rate at the time of this study was 101.96 Nepalese rupees to 1 US dollar, with this rate used throughout the study). Here, the average cost per day was calculated by dividing the total cost by the length of stay (LOS) [13].