Pros and cons of the health transformation program in Iran: evidence from financial outcomes at the household level

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ABSTRACT

OBJECTIVES: The health transformation program was a recent reform in the health system of Iran that was implemented in early 2014. Some of the program’s important goals were to improve the equity of payments and to reduce out-of-pocket (OOP) payments and catastrophic health expenditures (CHE). In this study, these goals were evaluated using a before-and-after analysis.

METHODS: Data on household income and expenditures in Guilan Province were gathered for the years 2013 and 2015. OOP payments for outpatient, inpatient, and drug services were calculated, and the results were compared using the propensity score matching technique after adjusting for confounding variables. Concentration indices and curves were added to quantify changes in inequity before and after the reform. The incidence of catastrophic expenditures was then calculated.

RESULTS: Overall and outpatient service OOP payments increased by approximately 10 dollars, while for other types of services, no significant changes were found. Inequity and utilization of services did not change after the reform. However, a significant reduction was observed in CHE incidence (5.75 to 3.82%).
CONCLUSIONS: The reform was successful in decreasing the incidence of CHE, but not in reducing the monetary amount of OOP payments or affecting the frequency of health service utilization.

KEY WORDS: Health care reform, Health expenditures, Health equity, Financial statements, Catastrophic illnesses, Iran’s health transformation program