

Household Out-of-Pocket Payments

KEY POINTS

- * User fees for immunization services create a barrier to access, especially for poor people, thus jeopardizing the public health goal of achieving high rates of coverage.
- * Officially sanctioned user payments for immunization are now uncommon, but informal charges still occur in some countries. For example, households may be forced to buy injection supplies, such as syringes, out of pocket when a public facility runs out.
- * Best practices include centralized procurement of injection supplies and ensuring that vaccines are bundled with injection devices in the supply chain.

USER FEES FOR immunization are out-of-pocket payments made by households for immunization services. They are sometimes referred to as copayments or cost-sharing requirements. These fees can be formally sanctioned by the health system or occur informally, “off the books.” One example of informal out-of-pocket payments is when a public facility runs out of injection supplies and parents are forced to purchase syringes elsewhere in order for their children to be immunized.

In striving to achieve high immunization coverage, some governments have included user fees as a source of additional revenue. However, experts widely view user fees as an obstacle to immunization, especially for the poorest households. (The exception is when wealthier households choose to opt out of publicly financed services and pay private providers out of pocket.)

CONCERNS ABOUT USER FEES

Evidence suggests that the benefits of revenue from user fees are outweighed by the potential negative impact on immunization coverage because parents might be discouraged from vaccinating their children. Some low- and middle-income countries have not only eliminated user fees for immunization but

have instituted conditional cash transfers to low-income families as an incentive to seek a package of maternal and child health services, including immunization. (See the sidebar on the next page.)

FORMAL USER FEES

Most governments have phased out formal user fees for immunization over the past 20 years. When such fees were more common, they typically took the form of a fee per vaccine or a fee to obtain an immunization card. An email survey by the Pan American Health Organization (PAHO) and UNICEF offices in the late 1990s found that 12 of 78 countries had fees for immunization in public facilities, most of them in Sub-Saharan Africa. Cost recovery was fairly low—less than 5% of total immunization costs.

The phasing out of formal user fees has yielded positive results. For example, hepatitis B is a leading cause of illness and death in China, with infection often occurring in early childhood. The hepatitis B vaccine was first recommended for Chinese infants in 1992, but because local health departments charged high fees for the vaccine, coverage was low. In 2002, the vaccine was added to the National Immunization Programme and, with Gavi funding, the government began supporting free hepatitis B vaccination in

CONDITIONAL CASH TRANSFERS

Conditional cash transfers for health care are the opposite of user fees. Instead of having to contribute to the cost of health services, families receive a cash payment when they use such services.

Conditional cash transfer programs are intended to encourage the use of health services, reduce poverty through cash rewards, improve health, and help break the intergenerational cycle of poverty. Countries including Brazil and Mexico offer conditional cash transfers for low-income families to encourage the use of maternal and child health services, including immunization. Evaluations have shown that these programs can increase use of health services, but evidence on immunization coverage is inconclusive, perhaps in part because immunization coverage rates were already fairly high in the program areas. There is some indication that when conditional cash transfers are weakened or made more complicated, immunization coverage may drop.

China's poorest counties and provinces. In 2005, a government regulation abolished all charges and user fees for all nationally recommended vaccines. Coverage of the three-dose hepatitis B vaccine increased from 60% in 2000 to 84% in 2005 and reached 99% by 2015, according to World Health Organization / UNICEF estimates.

INFORMAL USER FEES

Informal fees persist in some countries. Because they are not officially sanctioned, they are harder to track. Some countries have decentralized responsibility for procuring injection supplies, which has contributed to stock-outs at the facility level. Parents are forced to buy injection supplies elsewhere and bring them to the facility in order to have their children vaccinated. This creates a barrier to access. The cost of injection supplies from local pharmacies is also much higher than the cost to the government through bulk purchasing. WHO and UNICEF recommend that governments centralize purchasing of injection supplies and also bundle vaccines with their required injection devices in the supply chain. When advocates or governments probe whether user fees for immunization occur in publicly financed facilities, they should look into informal as well as formal fees.

SOURCES AND FURTHER READING

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