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Research progress

Title

Research on Social (health) Protection and the Household Economy: Benefits and costs of the *Sehat Sahulat* card for poor households in Pakistan

Research institution

Sustainable Development Policy Institute (SDPI), Islamabad

Principal investigators

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Timeframe

01 Nov 2023 till 31st Aug 2024

Objectives

- To evaluate the impact of *Sehat Sahulat* Program (SSP) on savings capacity of households

- To understand the attitude of beneficiaries towards willingness to pay for health insurance

Main research questions

- What would be the welfare impact of SSP on the saving capacity of beneficiaries in Punjab?

- What is the behaviour of the beneficiaries towards willingness to pay (WTP) for health insurance?

Benefits & Costs of the Sehat Sahulat Card for Poor Households in Pakistan

The impact of SSP on Savings Capacity of Households & Willingness To Pay (WTP)

There is a need to develop a coherent picture through Impact Evaluation (IE) of the Sehat Sahulat Program (SSP) to evaluate its real impact, with a view to deriving the optimal design of SSP, its potential for leveraging co-contributory health insurance by investigating saving & WTP behaviour and scaling up of innovation to other provinces.

Introduction/ Background/ Policy context

The SSP program is in its 9th year and an impact evaluation study is essential to evaluate the impact of the program on the Savings capacity and Willingness To Pay (WTP) of the enrolled families of the lowest income brackets in the program in comparison to the non-utilisers of the program. This will give understanding of the:

- *Impact of the program so far on the beneficiaries in Punjab*
- *Flaws and strengths of the program in Punjab*
- *Areas for improvement in the program.*

Study approach

Impact evaluation:
Impact evaluation technique of Propensity Score Matching (PSM) is employed to derive the control and treatment group individuals to be assessed for the outcome variables.

Data Collection

The field survey was conducted across six districts of Punjab – Rawalpindi, Jhelum, Lahore, Faisalabad, Bahawalnagar & Dera Ghazi Khan. Through structured questionnaires, 1584 respondents in total, comprising both beneficiaries and non-beneficiaries, were interviewed. Qualitative tools of focus group discussions (FGDs) and stakeholders' interviews were also administered in these districts, for deeper insights.

The quality of the data collection was ensured by employing CAPI (Computer Assisted Personalized Interview) application, following an international protocol of Quality Assurance checks and maintaining a Live Data Dashboard.

Observations

The Sehat Sahulat Program (SSP) significantly improves financial stability for low-income households by reducing out-of-pocket health expenditures and enhancing their saving behaviours.

Both beneficiaries and non-beneficiaries have also shown WTP for a potential co-contributory health insurance model that covers not only in-patient services but OPD as well. This WTP is higher in better-off income groups.

Key Findings

Impact of Savings using PSM

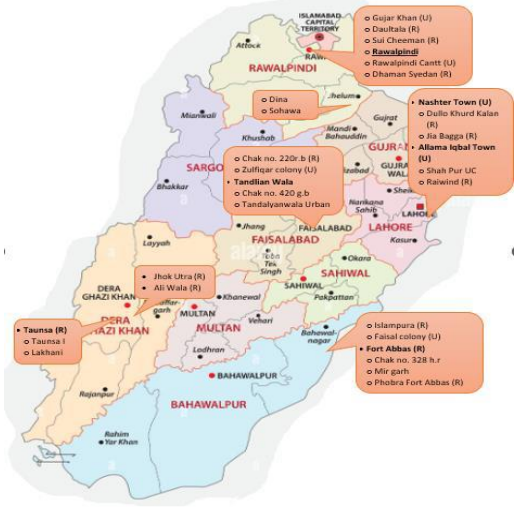
ESTIMATION OF TREATMENT EFFECTS: Impact on Saving Behavior

Table 2.1. Differences in the saving behaviors between treated individuals and control individuals

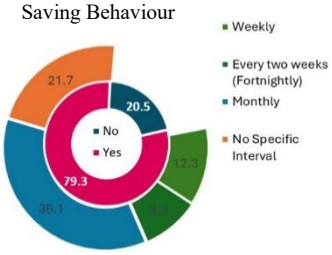
Saving behavior	Treated	Controls	Difference	S.E.	T-stat
Unmatched	2.318	1.984	0.334	0.054	6.170
ATT	2.318	2.008	0.310	0.076	4.090

Note: S.E. does not take into account that the propensity score is estimated

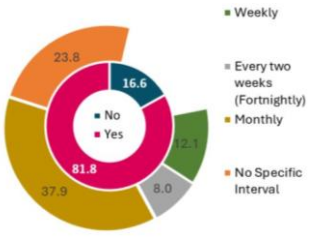
SSP utilization leads to an increase in saving behaviour!



Saving Behaviour

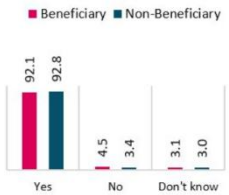


Beneficiaries



Non-Beneficiaries

Willingness to participate in a contributory health insurance program



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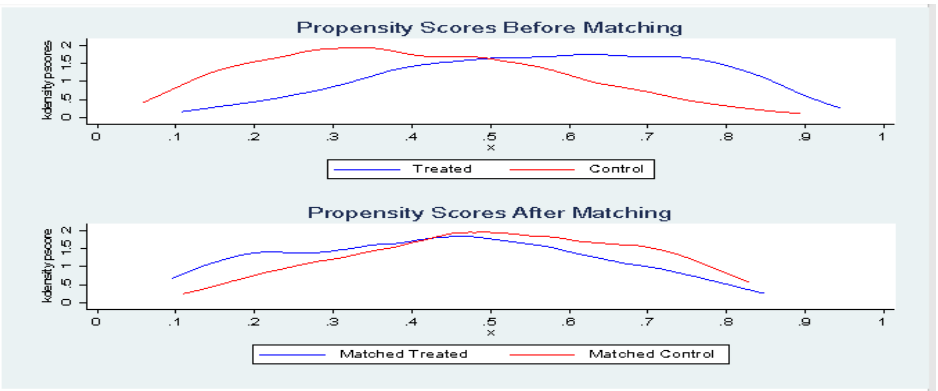
The Average Treatment Effect on the Treated (ATT) indicate that individuals who utilized the SSP card (treated individuals) exhibit higher average saving behavior compared to those who did not (control individuals), both in unmatched and matched samples.

Density Curves



Key Results for WTP (Monthly Premium)

- ✓ For co-contributory percentage contribution insurance, **education level, employment status, saving behaviour** and **financial literacy** are all found to be significant determinants in both models.
- ✓ Respondents from all districts are willing to pay for a Combined OPD and IPD insurance plan is instead of only IPD insurance.
- ✓ Lastly, **age, marital status and all program related factors** are found to have no significant impact on the willingness to contribute to either of the plans.

Income-wise Willingness to Contribute

- ✓ **80.8%** individuals of lowest income group and **83%** individuals of higher income group are willing to **contribute 30%** to the insurance scheme.

Table 3.3: Income-wise Willingness to Contribute

Average Family Monthly Income (Rs.)	Maximum percentage willing to contribute			
	30%	40%	50%	Total
Under 10,000	47	2	0	49
10,000 to 20,000	159	11	0	170
20,001 to 30,000	300	15	2	317
30,001 to 40,000	241	12	4	257
40,001 to 50,000	136	21	5	162
50,001 to 75,000	154	66	16	236
750,001 to 100,000	94	44	17	155
100,001 to 125,000	22	18	16	56
125,001 to 150,000	18	9	9	36
150,001 and above	5	9	3	17
Total	1176	207	72	1455

Potential Implications for Policy

- ➢ Policymakers should capitalize on the existing saving behavior and WTP of the population of interest for leveraging co-contributory social/health insurance programs for providing holistic health services.

- ➢ SSP policies must be tailored to regional economic conditions and healthcare access, ensuring that underserved areas benefit from region-specific adjustments.

The Research Hub for Pakistan

The Research Hub project aims to bring policymakers and researchers together to ensure that social protection and social health protection initiatives in Pakistan are based on robust evidence. The project is coordinated by the German GFA Consulting Group and Pakistan's Institute of Social and Policy Sciences (I-SAPS) and funded by Germany's Federal Ministry for Economic Cooperation and Development (BMZ) through the Support to Social Protection-Social Health Protection (SP-SHP) project of the *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ). The Research Hub project works with the provincial governments of Khyber Pakhtunkhwa and Punjab, the federal government, civil society organisations and the private sector.