

## **Abstract**

People take treatments for illnesses from various treatment modalities. Majority take services of Allopathic treatment and curative services are provided through different levels of hospitals. It has been found that a large proportion of services of the state sector institutions are utilized by the lowest stratum of society. A part of the health expenditure is borne by the government (public expenditure) and the balance by the private sector (private expenditure). The private expenditure on health is provided by health insurance, employers, non-profit institutions and out-of-pocket expenditure by the patient or family. More than 50% of the total expenditure on health is private expenditure and out-of-pocket expenditure constitutes almost 90% of the private expenditure. This indicates that Sri Lankan state medical service, even though not officially announced, is slowly moving into a cost-sharing arrangement where part of the cost, especially for medicines and investigations, are required to be borne by the patient, family and friends.

The study was carried out at the Base Hospital Homagama during November 2010 with interviewer administered questionnaire.

The mean direct cost borne by the patients seeking in-patient care at Homagama Base Hospital was SLR 1181 per patient per month and this cost amounted to 8.0% of the monthly income. With the existing expenditure on medical care, the total cost for medical care will go up to SLR 3137 which will constitute 16.0% of the household expenditure.

The findings also indicate notable differences in the cost breakdown of out-of-pocket expenditure associated with in-ward medical care. Two more important ones are high cost for investigations in medicine (SLR 783) and gynaecology (SLR 669) and high proportion of travelling cost in obstetrics (83.3%).

When the total cost incurred by the patient is considered, There were significant associations with. number of visits by relatives, number of days in hospital, distance from the hospital. monthly income and age. There were no significant associations with, the

perception on the ability to bear the cost, i.e. monthly income, owning a vehicle, number of admissions during the last six months, education and receiving 'Samurdhi' benefits.

The total direct cost increases with increasing income of the household and lower income groups are required spend less and higher income groups are required to spend more. There is significant correlation between the income and cost for drugs and investigations. The direct cost, when considered as a proportion of income, decreases with increasing income.

In conclusion, it can be stated that the out-of-pocket expenditure that the patients have to bear at Base Hospital Homagama is too high when considering the income level of the patients who patronize the hospital. Due to the unavailability of drugs and investigations, the staff is compelled to prescribe them to be purchased outside.