

EDITORIAL

Out-of-Pocket Expenditure and Patient Satisfaction in Developed vs. Least Developed Societies: Shifting the Balance towards Patients

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Health is a fundamental human right, yet the way healthcare is financed around the world reveals sheer inequalities. Out-of-pocket (OOP) expenditure is the payments made directly by individuals at the time of receiving a service. OOP is a critical determinant of healthcare access, financial protection, and patient satisfaction. While developed nations have largely succeeded in shielding their citizens from the financial strain of healthcare, least developed societies continue to struggle heavily under the pressure of high OOP costs, with grave consequences for both health and economic well-being.

OOP Spending: A Global Contrast

In high-income countries, OOP expenditure typically accounts for less than 15% of total health care expenditure, owing to comprehensive insurance coverage and strong public financing mechanisms. For instance, in the United Kingdom, where the National Health Service (NHS) provides publicly funded care, OOP spending was only 9.4% of total health expenditure in 2020.¹ In contrast, in many low-income and least developed countries (LDCs), OOP payments exceed 40–60%, and in some cases, as much as 70% of total health expenditure.^{2, 3} WHO Global Health Expenditure Database reports OOP in Bangladesh and Nigeria, to be approximately 67% and 77%, respectively.⁴

The consequences of such disparities are dire. In least developed societies households frequently face catastrophic health expenditures, which often exceed 10% of household income.⁵ These expenses force families to sell assets, reduce essential consumption, or fall into deeper poverty. Such financial shocks also discourage timely care-seeking, leading to delayed diagnosis, worsened outcomes, and decreased patient satisfaction.⁶

Impact on Patient Satisfaction

In healthcare, patient satisfaction is increasingly recognized as a core indicator of quality and system responsiveness. Affordability is a major pillar of satisfaction, particularly in resource-constrained settings. When patients must choose between healthcare and basic necessities, dissatisfaction is almost inevitable even when care quality is technically adequate.⁷ Studies in sub-Saharan Africa and South Asia show that high OOP spending correlates with lower healthcare utilization, more negative perceptions of the system, and increased rates of treatment discontinuation.^{8, 9} By contrast, in countries where patients face minimal direct financial barriers such as Canada or Germany satisfaction scores tend to be higher, and health-seeking behavior is more proactive and preventive.¹⁰

Shifting the Balance toward Patients

Addressing high OOP costs in least developed societies requires a combination of financial reform, service redesign, and community empowerment. The following strategies can offer a path forward:

1. Universal Health Coverage through Public Financing. Expanding tax-based or social health insurance schemes is the most direct way to reduce OOP spending. Thailand's Universal Coverage Scheme, launched in 2002, and reduced OOP from 33% in 2000 to 11% by 2019, significantly improving access and patient trust.¹¹
2. Targeted Subsidies for the Poor and Vulnerable. Identifying the most vulnerable populations and providing direct health subsidies or vouchers for services and medicines can improve affordability without overburdening national budgets.¹²
3. Strengthening Primary Healthcare Systems. Investing in free or low-cost primary care reduces the reliance on expensive tertiary services. Community-based interventions, such as integrated outreach and preventive care, also reduce long-term costs.¹³
4. Affordable Medicines and Diagnostics. A significant share of OOP spending goes toward medications and lab tests. Governments can control these costs by promoting generic drug use, bulk procurement, and essential medicine lists.¹⁴
5. Community-Based Health Insurance (CBHI). In contexts where national insurance is not yet feasible, CBHI programs, Rwanda's Mutuelles de Santé for example have been effective in reducing financial barriers and improving satisfaction through community engagement.¹⁵
6. Digital Health Solutions. Telemedicine and mobile health (mHealth) platforms offer low-cost access to consultations, especially in remote or underserved areas, reducing both direct and indirect OOP expenses.¹⁶
7. Health Literacy and Patient Engagement. Empowering patients with knowledge about services, entitlements, and preventive practices can reduce unnecessary costs and improve the perception of care.¹⁷

Conclusion

The chasm in OOP spending between developed and least developed societies is both a symptom and cause of broader health inequities. High out-of-pocket costs undermine not just access but also the dignity and satisfaction of patients. To shift the balance in favor of the patient, governments must prioritize financial protection, responsive service delivery, and community participation.

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