

## OUT OF POCKET EXPENDITURE FOR CAESAREAN SECTION DELIVERIES IN SOUTH INDIAN STATES: A STUDY OF EFFECT OF INSURANCE AND ECONOMIC RANK RELATED INEQUALITY

Paul John Philip\*; Gyana Ranjan Panda\*\*

\*Research Scholar,  
Department of Public Policy,  
Law and Governance, Central University of Rajasthan,  
NH-8, Bandarsindari, Kishangarh, Ajmer, Rajasthan, INDIA  
Email id: paulpolicy77@gmail.com

\*\*Senior Assistant Professor,  
Department of Public Policy,  
Law and Governance, Central University of Rajasthan,  
NH-8, Bandarsindari, Kishangarh, Ajmer, Rajasthan, INDIA  
Email id: gyana\_pplg@curaj.ac.in.  
Email: paulpolicy77@gmail.com

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### ABSTRACT

**Background:** The World Health Organization (WHO) has championed the adoption of prepayment health financing systems, such as public health insurance to address the escalating out-of-pocket expenditure for different healthcare services. This study aims to assess the effectiveness of public health insurance in providing financial risk protection for c-section deliveries and examine the concentration of out-of-pocket expenses across different wealth levels. Furthermore, the study seeks to identify the factors driving inequality in out-of-pocket expenditure.

**Methods:** The study makes use of survey results of 1000 women who had C section delivery history. The study employs Ordinary Least Square regression and Propensity Score Matching to analyze the relationship between insurance coverage and out-of-pocket expenses. Additionally, the Concentration index and its regression-based decomposition are utilized to investigate socioeconomic rank-related inequalities and determine contributing factors.

**Results:** The findings reveal that public-funded health insurance does not significantly reduce out-of-pocket expenses for c-section deliveries. Moreover, the study highlights that out-of-pocket expenditure is concentrated among the wealthier population. The analysis identifies the type of healthcare provider, whether public or private, as the primary driver of inequality in out-of-pocket expenditure, and the only significant predictor of such expenses.

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**Conclusions:** *The presence of supply-side moral hazards, including double billing, unnecessary care provision, and induced demand in the private facilities, underscores the necessity for comprehensive measures beyond revenue collection, risk pooling and strategic purchasing. This study emphasizes the crucial role of effective regulation of the private sector to improve healthcare outcomes and achieve comprehensive financial risk protection.*

**KEYWORDS:** *Caesarean Section Delivery, Out Of Pocket Expenditure, Inequality, Supplier Induced Demand, Regulation.*

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