

**COMPARISON OF OUT-OF-POCKET EXPENDITURE  
ON HEALTH IN RURAL AND URBAN AREA-A CASE  
STUDY IN MYSORE DISTRICT**

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**ABSTRACT:**

Purpose of the present study is to investigate the impact of out-of-pocket health expenditure on households in rural and urban area in Mysore district. The data used in this study were collected through by issuing the structured questionnaire to the households in Mysore district. Analysis includes descriptive statistics, cross tabulation and chi-square tests which are done with the help of SPSS 14.00 software. Findings of the research reveal that out-of-pocket health expenditure has a significant effect on the standard of living of households in both rural and urban area.

**Key words:** Out-of-pocket health expenditure, cross tabulation, chi-square test,

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## **Introduction**

Health is an important indicator of human welfare. Human health is not only a wealth but also capital. Better health provides both mental and physical abilities of an individual's to achieve development and welfare of the society. Poor health is one of the most important causes for impoverishment among households. That is why economists such as Amartya K Sen and Mahbub ul Haq considered health as one of three important parameters of human development. Health care is the prevention, treatment and management of illness and also prevention of mental and physical well being through the services offered by medical, nursing and allied health profession.

Total health expenditure is the sum of public and private health expenditure. Public expenditure consists of expenditure on health care incurred by public funds namely state, regional and local government bodies and social security schemes. Private expenditure includes direct household (out-of-pocket) spending, private health insurance, charitable donations and direct service payment by private corporations.

Increasing cost of health care such as consultation fees of the doctors, cost of medicines, diagnosis and laboratory fees etc are more in India, which restricts the people to seek health in one side and on the other side. It causes severe disruption in the standard of living of households, which indicates prosperity and quality of life of the people.

### **Need for the study:**

The growth of health expenditure has become a great concern for both households and governments. Out-of-pocket health expenditure is increasing in the households in India. Health care services, health care expenditure and effect of health expenditure on household are not same in rural and urban area and also there is only few studies were conducted in the area. In this context present study would make an attempt to analyze how health expenditure affects households' standard of living in rural and urban area.

### **Objectives:**

1. To compare health expenditure and status of health in rural and urban area in Mysore district.

2. To analyze the affect of health expenditure on household standard of living in rural and urban area in Mysore district.

### Methodology:

The paper mainly depends upon the primary data. The study is conducted in Mysore district of Karnataka state. For the study 350 households are selected as sample respondents from two taluks of the district, namely, Nanjangud taluk and Mysore taluk, The data was collected through by issuing the structured questionnaire to the households in the study area. Among 350 sample households, 220 households were selected from rural area and 130 households were collected from urban area. To analyse data descriptive statistics, cross tabulation and chi-square test were used. For this SPSS 14.00 software has been used.

### Result and Discussion

In this section results of the study are presented and discussed with reference to the aim of the study, i.e. comparison of out-of-pocket expenditure on health in rural and urban area and its effect on the standard of living has been discussed.

### Household Income

Household income is the total income earned by all member of a household. Household Income is one of the important economic factors of the households which determined the household standard of living of the people.

**Table 1: Monthly Household Income in Rural and Urban Area**

Location	<Rs 10000	Rs 10000- 25000	Rs 25000- 50000	> 50000	Rs Total	$\chi^2$ value
<b>Rural</b>	141 54.9%	99 38.5%	12 4.7%	5 1.9%	257 100.0%	Chi-square value: 24.561
<b>Urban</b>	37 39.8%	33 35.5%	12 12.9%	11 11.8%	93 100.0%	
<b>Total</b>	178 50.9%	132 37.7%	24 6.9%	16 4.6%	350 100.0%	P. Value: 0.000

The table -1 shows the results of the comparison between location and monthly income of the respondents in the study area. As per the result 54.90 percent of rural respondents have less than Rs 10,000, 38.50 percent of respondents have between Rs 10,000-25,000, 12.90 percent of respondents have Rs 25,000-50,000, and only 11.80 percent of respondents have more than Rs 50,000 of average monthly income. But in urban area 39.80 percent of respondents have less than Rs 10,000, 35.50 percent of respondents have between 10,000-25,000, 12.90 percent of respondents have Rs 25,000-50,000 and only 11.80 percent of respondents have more than Rs 50,000 average monthly income.

The calculated value of chi square is 24.56 and its p value is 0.000 which is less than the significance level at 0.01. It means that there is a significant an association between location and average monthly income of the household. It indicates that the monthly incomes of the household affected by the location of the respondents and monthly income is higher in urban area.

### Household Expenditure

Household expenditure include food expenses, children related expenses, healthcare expenses, educational expenses, transportation expenses and other expenses (Gifts for special occasion, donation etc). Household expenditure is one of the indicators of standard of living of the people. To analyze the standard of living of the respondents this data was collected.

Location	< Rs 5000	Rs 5000- Rs 10000	Rs 10000- Rs 15000	>Rs 15000	Total	$\chi^2$ value
Rural	101	119	30	7	257	Chi-square value: 26.860
	39.3%	46.3%	11.7%	2.7%	100.0%	
Urban	22	42	13	16	93	P. Value: 0.000
	23.7%	45.2%	14.0%	17.2%	100.0%	
Total	123	161	43	23	350	
	35.1%	46.0%	12.3%	6.6%	100.0%	

**Table 2: Monthly Expenditure of the Households in Rural and Urban**

. The table-2 compares the monthly expenditure of the household between rural and urban in the study area. As per the result 39.3 percent of rural household spend less than Rs 5,000, 46.3 percent of household spend between Rs 5,000-10,000, 11.7 percent of household spend Rs 10000-15000, and only 2.7 percent of household spend more than Rs 15,000 per month. In urban area 23.7 percent of household spend less than Rs 5,000, 45.2 percent of household spend between Rs 5,000-10,000, 14 percent of household spend Rs 10,000-15,000, and 17.2 percent of household spend more than Rs 15,000 per month. In the comparison it can be notice that the monthly expenditure of the household vary with the location of the household.

Calculated chi- square value is 26.860 and its probability value is 0.000 which is less than the significance level at 0.05, implies that the location and monthly expenditure of the households are related, which means that the location of the households affect on the expenditure of the households.

**Table.3: Heads of Household Expenditure in Rural and Urban Area**

Location	Food	Medicine	Clothing	Recreation	Education	Other	Total	$\chi^2$ value
<b>Rural</b>	155	8	1	3	2	88	257	Chi-square value: 19.141 P.Value:0.002
<b>%</b>	60.3%	3.1%	.4%	1.2%	.8%	34.2%	100.0%	
<b>Urban</b>	33	3	1	2	0	54	93	
<b>%</b>	35.5%	3.2%	1.1%	2.2%	.0%	58.1%	100.0%	
<b>Total</b>	188	11	2	5	2	142	350	
<b>%</b>	53.7%	3.1%	.6%	1.4%	.6%	40.6%	100.0%	

The table-3 compares the heads of expenditure of the households in rural and urban area. As per the outcome, in rural area majority i.e. 60.3 percent of respondents spends on food, 3.1 percent of respondents spends on medicine, 0.4 and 1.2 percent of respondents spends on clothing and recreation respectively only 0.8 percent of respondents spends on education and 34.2 percent of respondents spends on other expenditure. In urban area 35.5 percent of respondents spend their income on food, 3.2 percent of respondents spend on medicine, few respondents spends on clothing and recreation, 58.1 percent of respondents spend on other expenditure and very less

percent of respondents spends on education. As per data medical expense in rural and urban are almost same in the study area.

Calculated value of chi- square is 19.141 and probability value is 0.002 which is less than the significance level at 0.01, implies that the location and heads of expenditure of the households are associated, which means that the location of the respondents affect on the heads of expenditure of the household.

**Table 4: Purpose of Borrowings in Rural and Urban Area**

Location	To meet consumption expenditure	To meet educational expenditure	To meet health expenditure	To construct house or purchase home appliances	For agriculture input	Total	$\chi^2$ value
Rural	25	61	15	15	46	162	Chi-square value: 10.676
%	15.4%	37.7%	9.3%	9.3%	28.4%	100.0%	
Urban	5	17	6	11	6	45	P. Value: 0.030
%	11.1%	37.8%	13.3%	24.4%	13.3%	100.0%	
Total	30	78	21	26	52	207	
%	14.5%	37.7%	10.1%	12.6%	25.1%	100.0%	

In the table-4 it is noticed that in rural area 15.4 percent of respondents take loan to meet consumption expenditure 37.7 percent of respondents to meet educational expenditure, 9.3 percent are to meet health expenditure and the same percentage is to construct house or purchase of home appliances and 28.4 percent of respondents take loan to purchase agriculture inputs. In urban area 11.1 percent of respondents take loan to meet consumption expenditure, 37.8 percent of respondents to meet educational expenditure, 13.3 percent of respondents to meet health expenditure, 24.4 percent of respondents take loan to construct house or home appliances and 13.3 percent of respondents take loan to purchase agriculture inputs. In this table mainly notice

that education expenditure is all most same in both rural and urban in the study area. But remaining purposes are differs.

Calculated chi- square value is 10.676 and its probability value is 0.030 which is less than the significance level at 0.05, implies that the location and purpose of loan are associated, which means that the purpose of loan is affected by the location of the respondents.

### Smoking and Alcoholic Habits

Smoking and drinking are two lifestyle habits which have harmful effect on health and economic conditions of the people. The previous studies (Dr Chia Stanley, 2017) noted that smoking and alcoholic habits injure not only the smokers, but also affects second hand smoker's health. According to Physician's Desk Reference, Smoking is responsible for 80 to 90 percent of all cases of emphysema. According to National Cancer Institute smoking is one of the leading risk factor for lung cancer. These bad habits lead to many diseases like skin diseases, carcinomas, cardiovascular disease, respiratory diseases and metabolic syndrome, high blood pressure, high cholesterol and cirrhosis of the liver etc.

**Table 5: Smoking and Alcoholic Habits in Rural and Urban Area**

Location	Smokers			Alcoholic		
	Yes	No	Total	Yes	No	Total
<b>Rural</b>	53	204	257	65	192	257
<b>%</b>	20.6%	79.4%	100.0%	25.3%	74.7%	100.0%
<b>Urban</b>	24	69	93	25	68	93
<b>%</b>	25.8%	74.2%	100.0%	26.9%	73.1%	100.0%
<b>Total</b>	77	273	350	90	260	350
	22.0%	78.0%	100.0%	25.7%	74.3%	100.0%

The table-5 shows the smoking and alcoholic habits of the respondents in rural and urban in the study area. As per the result in rural area 20.6 percent of respondents are smokers and 25.3 percents are alcoholics. In urban area 25.8 percent of respondents are smokers and 26.9 percents are alcoholics. The result reveals that compare to rural, more urban respondents are addicted to smoking and alcoholic.

**Table 6: Average Amount Spent for Smoking and Alcoholic Habits per Month in Rural and Urban Area**

Location	< Rs 500	Rs 500-1000	Rs 1000-1500	Rs 1500-2000	Above Rs 2000	Total	$\chi^2$ value
<b>Rural</b>	50	24	6	4	2	86	Chi-square value: 9.902
	58.1%	27.9%	7.0%	4.7%	2.3%	100.0%	
<b>Urban</b>	12	17	5	0	0	34	P. Value: 0.042
	35.3%	50.0%	14.7%	.0%	.0%	100.0%	
<b>Total</b>	62	41	11	4	2	120	
	51.7%	34.2%	9.2%	3.3%	1.7%	100.0%	

Amount spent for smoking and drinking will affect the economic status of the household. To measure the effect of economic burden on household these data was collected. Result shows that, majority i.e. 58.1 percent of rural respondents spend less than Rs 500 per month on smoking and alcohol and 50 percent of urban respondents spend between Rs 500-1000 per month on smoking and alcohol. It indicates that compare to rural, urban respondents spend more on smoking and alcohol.

### Health Problems

People face different health problems. Some are chronicle like asthma, heart disease, stroke, diabetes and arthritis. And some are non-chronicle or communicable diseases like fever, cough, cold etc caused by germs transmits through peoples, animals, food and air. Chronicle diseases need continues treatment, so expenditure on these diseases is more burden than non-chronicle



diseases. Thus, to identify the kind of health problems and to analyze the burden on this, these data was collected.

**Table 7: Comparison of Health Problems in Rural and Urban Area**

Location	Chronicle	Non-chronicle	Total	$\chi^2$ value
Rural	74	183	257	Chi-square value: 6.285
%	28.8%	71.2%	100.0%	
Urban	40	53	93	P. Value: 0.009
%	43.0%	57.0%	100.0%	
Total	114	236	350	
%	32.6%	67.4%	100.0%	

The table-7 presents the comparison of the kind of health problem faces by households in rural and urban area in the study area. Result shows that 28.8 percent of the rural respondent suffers from chronicle diseases and more respondents i.e. 71.20 percent of the respondents suffer from non-chronicle diseases. In urban area 43 percent of respondents suffer from chronicle diseases and 57 percent of respondents suffer from non-chronicle diseases. In the comparison we noticed that non-chronicle patients are more in rural and chronicle patients are more in urban.

The calculated  $\chi^2$  value is 6.285; its p value is 0.009 which is less than the significance level at 0.01. It implies that the location and kind of health problem are associated. This means that the diseases are affected by the location.

### Condition of Illness

Health problems faces by the people are not in same condition. Some are very serious, some are serious and some are not serious. Depend on the condition of the health problem treatment and medication is required and burden on these also unlike. Hence, to analyze the burden on health the data regarding condition of illness was collected.

**Table 8: Condition of Illness in Rural and Urban Area**

Location	Very serious	Serious	Not serious	Total	$\chi^2$ value
<b>Rural</b>	19	59	179	257	Chi-square value: 3.704
<b>%</b>	7.4%	23.0%	69.6%	100.0%	
<b>Urban</b>	4	30	59	93	P. Value: 0.157
<b>%</b>	4.3%	32.3%	63.4%	100.0%	
<b>Total</b>	23	89	238	350	
	6.6%	25.4%	68.0%	100.0%	

In the table-8 it can noticed that in rural area 7.4 percent respondents opined that their health condition is very serious, 23 percent respondent's conditions is serious and 69.6 percent respondent's condition is not serious. In urban area 4.3 percent respondents health condition is very serious 32.3 percent respondent's condition is serious and 63.4 percent respondent's condition is not serious.

The calculated chi square value is 3.704 and its P value is 0.157 which is more than the significance level at 0.10 which indicates that location and health condition of the respondents are independent. It means that location does not affect on health condition of the respondents.

**Table 9: Opinion about Medicine Consumption between Rural and Urban respondents**

Location	Yes	No	Total
<b>Rural</b>	226	31	257
<b>%</b>	87.9	12.1	100.0
<b>Urban</b>	81	12	93
<b>%</b>	87.1	12.9	100.0
<b>Total</b>	307	43	350
<b>%</b>	87.7	12.3	100.0

Some of the people suffering from health problems but they are not taking medicines due to lack of income and other reasons. Thus, to identify the reason for not taking medicine these data was collected. The result shows that consumption rate of medicine is almost same in both rural and urban in the study area. It means that, there is no association between location and medicine consumption.

**Table 10: Reasons for not Taking Medicine by the Respondents in Rural and Urban Area**

<b>Location</b>	<b>Lack of money</b>	<b>of Lack of time</b>	<b>of Lack of medical facilities</b>	<b>of Any other reasons</b>	<b>Total</b>	<b><math>\chi^2</math> value</b>
<b>Rural</b>	17	13	10	22	62	<b>Chi-square value: 1.643</b>
<b>%</b>	27.4	21.0	16.1	35.5	100.0	
<b>Urban</b>	5	6	5	5	21	<b>P. Value: 0.650</b>
<b>%</b>	23.8	28.6	23.8	23.8	100.0	
<b>Total</b>	22	19	15	27	83	
<b>%</b>	26.5	22.9	18.1	32.5	100.0	

Note: N=350, Source: Primary data

The table-10 demonstrates the comparison of reasons for not taking medicine by the respondents in rural and urban in the study area. The result shows that in rural area 27.4 percent of respondents are not taking medicine due to lack of money, 21 percents due to lack of time , 16.10 percent of respondents due to lack of medical facilities and majority respondents 35.5 percent of respondents do not take medicine due to some other reasons. In urban area 23.8 percent of respondents are not taking medicine due to lack of money, 28.60 percents due to lack of time, 23.80 percent of respondents not taking medicine due to lack of medical facilities and 23.8 percent of respondents are not due to some other reasons. The calculated chi square value is 1.643 and its P value is 0.650 which is more than the significance level at 0.10, which indicates that location and reason for not taking medicine are independent. It means reasons are not differ due to location of the respondents.

### Amount Spent for Medical Treatment

Health expenditure is an important determinant of the health status and economic development of the country. In poor and developing countries households have to spend more on health. This out-of packet expenditure on health may burden to households. Amount spent for medical treatment and monthly expenditure to purchase medicine by the households measures the burden of health expenditure on households. Hence, to measures the burden of health expenditure these data was collected.

**Table 11: Annual Amount Spent for Medical Treatment in Rural and Urban Area**

Location	Below Rs 10000	Rs 10000-50000	Rs 50000-100000	Above Rs 100000	Total	$\chi^2$ value
<b>Rural</b>	203	42	4	8	257	Chi-square value: 7.932
<b>%</b>	79.0%	16.3%	1.6%	3.1%	100.0%	
<b>Urban</b>	63	26	3	1	93	P. Value: 0.047
<b>%</b>	67.7%	28.0%	3.2%	1.1%	100.0%	
<b>Total</b>	266	68	7	9	350	
<b>%</b>	76.0%	19.4%	2.0%	2.6%	100.0%	

The table-11 compares the amount spends for medical treatment by the rural and urban respondents in the year. As per the result in rural area majority i.e. 79 percent of respondents spend less than Rs10,000 per year for medical treatment, 16.3 percent of respondents spend Rs 10,000-50,000, 1.6 percent of respondents spend between Rs 50,000-1,00,000 and only 3.1 percent of respondents spend more than one lakh for their medical treatment in year. In urban area also majority.e.67.7percent of respondents spend less than 10,000 per year, 28 percent of respondents spend between Rs 10,000-50,000, 3.2 percent of respondents spend between Rs 50,000-1,00,000 and only 1.1 percent of respondents spend more than one lakh for their medical treatment in the year.

The calculated chi square value is 7.932 and its P value is 0.047 which is more than the significance level at 0.05 which indicate that location and amount spent for medical treatment are not related. It means amount spent for medical treatment is not affect by the location of the respondents.

**Table 12: Monthly Expenditure to Purchase Medicine in Rural and Urban Area**

Location	> Rs 1000	Rs 2000-3000	Rs 3000-4000	< Rs 5000	Total	$\chi^2$ value
<b>Rural</b>	188	60	7	2	257	Chi-square value: 4.963
<b>%</b>	73.2%	23.3%	2.7%	.8%	100.0%	
<b>Urban</b>	58	31	2	2	93	P. Value: 0.175
<b>%</b>	62.4%	33.3%	2.2%	2.2%	100.0%	
<b>Total</b>	246	91	9	4	350	
<b>%</b>	70.3%	26.0%	2.6%	1.1%	100.0%	

Table-12 shows the results of monthly expenditure to purchase medicines by rural and urban respondents in the study area. As per the result in rural area 73.2 percent of respondents spend less than Rs 1,000 per month to purchase medicine, 23.3 percent of respondents spend between Rs 2,000-3,000, 2.7 percent of respondents spend Rs 3,000-4,000, and only 0.8 percent of respondents spend more than 5,000 rupees per month to purchase medicine. In urban area also majority i.e. 62.4 percent of respondents spend less than Rs 1,000 per month, 33.3 percent of respondents spend between Rs 2,000-3,000, 2.2 percent of respondents spend between Rs 3,000-4,000 and the same percentage of respondents spend more than Rs 5,000 per month to purchase medicine. The result shows that majority respondents both in rural and urban spend between Rs 1,000-3,000 per month to purchase medicine.

The calculated chi square value is 4.963 and its P value is 0.175 which is more than the significance level at 0.10 which implies that location and amount spent to purchase medicine are not related. It means that the location of the respondents dose not effect on the amount spend to purchase medicine.

### Sources to Meet Health Expenditure

To meet health expenditure households have to depend on their income. But some of the households do not have sufficient income to meet health expenditure. So they have to borrow money from other sources like friends, relatives, money lenders and banks and also by selling asset. Some are meet their health expenditure through health insurance. Sources to meet health expenditure measure the burden of health expenditure.

**Table 13: Sources to Meet Health Expenditure in Rural and Urban Area**

Location	Family income	Borrowings from relatives	Loan from money lenders	Loan from banks	By selling assets	Health insurance	Total	$\chi^2$ value
<b>Rural</b>	198	34	10	11	1	3	257	Chi-square value:5.130
	77.0%	13.2%	3.9%	4.3%	.4%	1.2%	100.0%	
<b>Urban</b>	67	10	7	6	0	3	93	P. Value: 0.400
	72.0%	10.8%	7.5%	6.5%	.0%	3.2%	100.0%	
<b>Total</b>	265	44	17	17	1	6	350	
	75.7%	12.6%	4.9%	4.9%	.3%	1.7%	100.0%	

Table-13 interprets the association between sources of health expenditure and location in the study area. As per the result, in rural area 77 percent of respondents meet their health expenditure from their family income, 13.2 percent of respondents meet their health expenditure by taking loan from relatives, 3.9 percent respondents meet through loan from money lenders, 4.3 percent respondents take loan from the banks as personal loan which can be used for medical expenditure, 0.4 percent of respondents meet their health expenditure by selling their assets and 1.2 percent of respondents meet their expenditure through health insurance. In urban area 72 percent of respondents meet their health expenditure from their family income, 10.8 percent of respondents meet their health expenditure by taking loan from relatives, 7.5 percent of respondents meet their health expenditure by taking loan from money lenders, 6.5 percent of the respondents take loan from the banks, and only 3.2 percent of respondents meet their expenditure

through health insurance. The result shows that majority respondents in both rural and urban area meet their health expenditure from their family income.

The calculated chi square value is 5.130 and its P value is 0.400 which is more than the significance level at 0.10 which implies that location and sources of health expenditure are independent. It means that sources of health expenditure are not affect by the location of the respondents.

### Special Diet

Special diets are the meal plan which is the one of the important therapy for health problems. Some disease like diabetes, sugar, blood pressure and heart dieses etc are required special diet. So this expenditure also includes in health expenditure.

**Table 14: Monthly Expenditure Spend on Special Diet Related to Particular Diseases in Rural and Urban Area**

Location	< Rs 1000	Rs 1000-2000	Rs 2000-3000	Total	$\chi^2$ value
<b>Rural</b>	80	26	6	112	Chi-square value: 2.780
%	71.4%	23.2%	5.4%	100.0%	
<b>Urban</b>	9	17	4	30	P. Value: 0.061
%	30.0%	56.7%	13.3%	100.0%	
<b>Total</b>	89	43	10	142	
%	62.7%	30.3%	7.0%	100.0%	

The table-14 compares the amount spends on special diet related to particular diseases between rural and urban respondents in the study area. As per the result 71.4 percent of rural respondents spend less than Rs 1000, 23.2 percent of respondents spend between Rs 1000-2000, and only 5.4 percent of respondents spend Rs 2000-3000 on their special diet per month. In urban area 30 percent of respondents spend less than Rs1,000, majority i.e. 56.7 percent of respondents spend between Rs 1000-2000, and 13.3 percent of respondents spend between Rs 2000-3000 for their special diet per month. Compare to rural, urban respondents spend more money for special diet related particular diseases.

The calculated chi square value is 2.780 and its P value is 0.061 which is less than the significance level at 0.10 which implies that location and amount spend for special diet are dependent. It means amount spend for special diet affected by location of the respondents.

### **Burden of Out-Of-Pocket Health Expenditure**

Out-of-pocket health expenditure is a payment made by individuals to health care providers at the time of service use. Out-of-pocket expenditure on health increase the burden of households by reduces of savings and consumption and also affected on education level of children and investment activities of the households. To analyze the effect of out-of-pocket expenditure on economic status of the households these information was collected.

**Table 15: Opinion about Burden of Out of Pocket Health Expenditure on Households in Rural and Urban Area**

<b>Location</b>	<b>Yes</b>	<b>No</b>	<b>Total</b>
<b>Rural</b>	223	34	257
<b>%</b>	86.8	13.2	100.0
<b>Urban</b>	74	19	93
<b>%</b>	79.6	20.4	100.0
<b>Total</b>	297	53	350
<b>%</b>	84.9	15.1	100.0

The table-15 compares the opinion of respondents regarding burden of out-of-pocket health expenditure in rural and urban respondents in the study area. As per the result 86.8 percent of rural respondents and 79.6 percent of urban respondents opined that out-of-pocket health expenditure really burden to them, and only few respondents from both rural and urban opined that out-of-pocket health expenditure is not burden to their families. As per the result both rural and urban respondents opined that health expenditure is really burden to their families.



**Table 16: Effect of Out-Of-Pocket Expenditure on Economic Status of the Respondent's In Rural and Urban Area**

<b>Location</b>	<b>It reduces the consumption level</b>	<b>Reduction in savings</b>	<b>Unable to spent on education for children</b>	<b>Unable to invest on other purpose</b>	<b>Lose of property</b>	<b>Total</b>	<b><math>\chi^2</math> value</b>
<b>Rural</b>	131 56.7%	81 35.1%	11 4.8%	6 2.6%	2 .9%	231 100.0%	<b>Chi-square value: 31.497</b>
<b>Urban</b>	18 22.5%	46 57.5%	12 15.0%	2 2.5%	2 2.5%	80 100.0%	
<b>Total</b>	149 47.9%	127 40.8%	23 7.4%	8 2.6%	4 1.3%	311 100.0%	<b>P. Value: 0.000</b>

Table-16 compares the reasons regarding how out-of-pocket health expenditure seriously effect on households economic status between rural and urban respondents in the study area. As per the result 56.7 percent of rural respondents opined that it reduces the consumption level, 35.1 percent of respondents opined that it reduces the savings, 4.8 percent respondents opined that it unable to spent on education for their children, 2.6 percent of respondents say that it unable to invest on other purpose and only 0.9 percent of respondents says that it leads to lose of the property. In urban area 22.5 percent of rural respondents opined that it reduces the consumption level, 57.5 percent of respondents opined it reduce the savings, 15 percent of respondents says that it is unable to spend on education for their children, 2.5 percent of respondents says that it unable to invest in other purpose and the same precept of respondents opined that it leads to lose of property. As per the result in rural area out-of-pocket health expenditure is the main reason to reduce the consumption of the respondents and in urban it is the main reason to reduce of savings.

The calculated chi square value is 31.497 and its P value is 0.000 which is less than the significance level at 0.01 which implies that location and effect of out-of-pocket health expenditure of the households are highly significant. It means that effects of out-of-pocket health

expenditure on economic status of the respondents are affected by the location of the respondents.

### **Conclusion:**

The study compared health expenditure and health status of households in rural and urban area of Mysore district and measures the effect of out-of-pocket expenditure on household standard of living. The results of the study reveal that there is a significant difference in household's income and also in amount spent on health expenditure between rural and urban area of Mysore district. Further, it is found that some of the households suffering from health problems but they are not taking medicines due to lack of income and other reasons. The result also shows that to meet health expenditure the respondents borrow money from relatives, money lenders and few of them meet health expenditure by selling assets. The study indicates that due to because of out-of-pocket expenditure on health problems reduced the consumption level, savings, and also affected on education level of children and investment activities of the households in the study area. Based on these results the study suggested that the out-of-pocket expenditure on health should be reduced by increase in public expenditure by government.

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