

Thesis Title	Economic Factors Influencing The Demand For Elderly Out-Patient Services at Private For-Profit Hospital in Chiangmai
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ABSTRACT

The objective of the research was to study the economic factors influencing the demand for elderly out-patient services at private for-profit hospitals (70 beds and over) in Chiangmai province.

The research also estimated the price and income elasticity of demand. The target group consisted of out-patients of both genders aged 60 years and above. Multiple Classification Analysis was used to analyze the socio-demographic factors influencing the demand for health services. The Ordinal Least Squares (OLS) method was used to estimate the economic factors and elasticity.

The findings of this study are summarized as follows:

The socio-demographic factors (i.e., sex, education level, marital status, number of family members, residence area and health status) had no significant effect on demand, but economic factors (i.e., having medical benefits or family support, medical expense and income) were significantly related to demand for elderly out-patient services.

Four demand function equations were calculated for elderly out-patient services. The first 3 demand functions examined the effect of income, medical expense and the three possible means of payment by analyzing one at a time through the OLS method. The 3 means of payment were (a) personal medical expenses fully paid by self, (b) family financial support, and (c) personal medical expenses partially paid by self and some medical benefit coverage. The fourth demand function examined income and medical expense while controlling for other related factors.

The results reveal that having family financial support was the most important economic factor affecting demand for elderly out-patient service at private for-profit hospitals. The elderly who had family financial support visited private hospitals more frequently than those who did not.

All of the demand functions show that income elasticities of demand for elderly out-patient services were less than 1 and positive. Thus, from this survey, it would appear that there is a need for private hospital services for elderly out-patients in Chiangmai.

According to the estimates of elasticities of demand in the 4 demand functions, price elasticities were low (inelasticity). This suggests that changes in demand for out-patient services are more responsive to various other factors than costs of services.

Recommendations:

This study found that factors influencing demand for out-patient services at private for-profit hospitals were inelastic. However, the most important factor influencing the demand is having medical benefits or family support. The government should therefore encourage the establishment of sources of financial support and/or subsidization schemes for the elderly in order to enable them to have greater access to services. Private hospitals could be an additional resource for providing out-patient medical care for the elderly.