

**RARE**

**THE IMPACT OF AGEING POPULATION ON  
DEMAND FOR HEALTH CARE SERVICES IN SRI  
LANKA**

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## ABSTRACT

Among other issues related to population ageing, changing the demand patterns for health care services has become an important concern in developing countries including Sri Lanka. Therefore, in order to evaluate the impact of ageing population on demand for health care services, the study examines the factors influencing the demand for healthcare of the elderly population in Sri Lanka. Grossman Model of Health Demand is based largely in the study with some refinements to explain the healthcare demand of the elderly population. The study uses a mixed methodology based on a sample of 300 elderly people with self-reported health information and then the analysis of the study was performed with the use of Grossman's economic model for the demand of health where healthcare is treated as an input for the production of health.

This study revealed that expenditure on drugs, cost per visit for medical consultation, health status, cost of drugs per visit, distance to the medical institute and the method of the treatment are the most influential factors that determine the demand for health care services in Sri Lanka. Most importantly, the study found that the health status depreciates when older people move from young-old to old-old status. It is also imperative to remark, that the study found the health status being regarded as an important predictor of the demand for healthcare. Although health status or 'health stock' is treated as an outcome variable in Grossman's model, the study use health status as an exogenous variable which can have a significant influence in determining healthcare utilization. Therefore, the study adds another dimension to the Grossman Model by treating health status of the elderly and associated healthcare costs as two major significant variables that affect their demand for healthcare services. Conceptually, this explains that when the price of drugs increases, stock of health of the elderly decreases because the demand for healthcare services mainly depend on the cost of drugs prescribed by the healthcare providers. Moreover, financial factors play a crucial role in seeking for health care in the backdrop of poverty of the elderly individuals and their families. The results suggest the presence of a strong financial barrier to health care access. It is expected that the study will help to necessitate policy actions that promote good health in old age.

Key words: *Elderly population, Demand for health care, health seeking behavior, non-communicable diseases, Grossman model*