Annals of Global Health
VOL. 83, NO. 3–4, 2017

ISSN 2214-9996/$36.00
https://doi.org/10.1016/j.aogh.2017.10.002

WHITE PAPER

Ability to Pay for Future National Health Financing Scheme among Malaysian Households

Azimatun Noor Aizuddin, MD, MCommMed, PhD, Syed Mohamed Aljunid, MD, MSc, PhD
Kuala Lumpur, Malaysia; and Kuwait City, Kuwait

Abstract

BACKGROUND Malaysia is no exception to the challenging health care financing phenomenon of globalization.

OBJECTIVES The objective of the present study was to assess the ability to pay among Malaysian households as preparation for a future national health financing scheme.

METHODS This was a cross-sectional study involving representative samples of 774 households in Peninsular Malaysia.

FINDINGS A majority of households were found to have the ability to pay for their health care. Household expenditure on health care per month was between MYR1 and MYR2000 with a mean (standard deviation [SD]) of 73.54 (142.66), or in a percentage of per-month income between 0.05% and 50% with mean (SD) 2.74 (5.20). The final analysis indicated that ability to pay was significantly higher among younger and higher-income households.

CONCLUSIONS Sociodemographic and socioeconomic statuses are important eligibility factors to be considered in planning the proposed national health care financing scheme to shield the needed group from catastrophic health expenditures.

KEY WORDS ability to pay, ability to pay for health care, health financing, health financing scheme, national health financing scheme.

INTRODUCTION

Health is an internal need of humans and it is also the main input in reducing the poverty rate in the socioeconomic development of a country.[1] Financing health care has become very challenging as health care expenditure has continued to rise in spite of presenting health care as equitable, affordable, and efficient as possible for all. In light of this, Malaysia is no exception to the phenomenon of globalization.

Spending on health services is affecting various groups at various levels in the health service funding scheme. Furthermore, health care services are not often accessible and made available to all people in a country, especially by those who are less fortunate and cannot afford to pay for such services. This is especially true in rural communities, where it is apparent that there have been extensive years of struggle to be able to gain affordable access to quality health care services, especially from private health care organisations.[2]

Funding Source: This research received grants from the Medical Faculty, University Kebangsaan Malaysia under grant no. FF 331-2012 and the University Kebangsaan Malaysia under grant GGPM-TKP-050-2010.
Conflicts of Interest: The authors declare that there is no conflict of interest.
All data and materials are available on request. All authors had access to the data. AAN and ASM participated significantly in designing the study, formulated the questionnaire and drafted the manuscript. AAN conveyed the data collection and analysis. All authors read and approved the final manuscript.
From the Department of Community Health, Faculty of Medicine, Universiti Kebangsaan Malaysia Medical Centre, Kuala Lumpur, Malaysia (ANA); International Centre for Casemix & Clinical Coding, Universiti Kebangsaan Malaysia Medical Centre, Kuala Lumpur, Malaysia (SMA); and Department of Health Policy and Management, Faculty of Public Health, Kuwait University, Kuwait City, Kuwait (SMA). Address correspondence to A.N.A. (azimatunnoor@ppukm.ukm.edu.my).

With the differences in living conditions of people coming from rural and urban populations, it is also apparent that they have significant differences when it comes to their ability to pay (ATP) for different health care services, especially private health care. In view of these differences, strategies have been pursued by several sectors calling for equality in access to such services. It is essential to preserve health services as equitable and affordable for all, including the poor, as well as retaining quality services. Furthermore, something to consider in analyzing the government approach is to place an emphasis on the individual responsibility of health care and the ability to lighten the burden of the disease.

In many developing countries, people are expected to contribute to the cost of health care from their own resources. As a result, ATP for health care has become a critical policy issue in developing countries. Households face combined user fee burdens from various essential service sectors. Households may have no choice but to pay for their health care services. As a result, such households might try to mobilize the resources they need by sacrificing other basic needs.[3]

The Malaysian total expenditure on health was 2.9% of the gross domestic product (GDP) in 1997, which increased to 4.2% of GDP in 2006 and 4.5% of GDP in 2012.[4] The Malaysia National Health Accounts in 2012 reported that from 1997-2005, the proportions of health spending between the public and private sector were almost equal at 53% and 47%, respectively. However, in 2005, the public and private sector's proportion of health spending has become equal at 50%.[4] Further, it was found that the private households in the country spend vast amounts on out-of-pocket (OOP) expenditures to fund their health care services. OOP payments contribute to 37% of the total health expenditure. This is followed by a public expenditure of 51%.[4] With the present situation regarding health care financed by the government, it has been reported in previous years that the private-public health expenditure gap is closing, with private households spending vast amounts of OOP expenditures. Therefore, Malaysia needs one health care financial scheme to solve these problems. By assessing the ability of an individual to pay for health care, the present study will help policymakers to identify the groups of individuals and methods to allow the sharing of these financial burdens. The study's objective is to identify the ATP for households in the Malaysian Peninsula to contribute to the proposed national health financing scheme (NHFS).

METHODS

Study Design. This is a cross-sectional study using multistage random sampling employing a sampling frame maintained by Malaysian Statistic Department. Four states representing the east, west, south, and central regions of Peninsular Malaysia were selected in the first stage. In the second stage, 1154 households were selected from 2 districts in each state. This study is a part of a bigger study to assess the ability and willingness to pay for health care and their influencing factors among Malaysian population.

Study Tools. Face-to-face interviews were conducted from February until September 2014 using a structured questionnaire that was constructed and adopted from the questionnaire used by Al Junid et al[5] and Aizuddin et al.[6] The questionnaire was pretested to check for reliability and validated by health financing experts from both academic institution and the Ministry of Health in Malaysia through a focus group discussion. The experts were invited to review, examine, and give comments in improving the content of the questionnaire.

The questionnaire has a few questions focusing on sociodemographics, socioeconomics, household health care usage, and health insurance. ATP for health care was measured by the household monthly expenditure on health care as a proportion of the monthly household total income. ATP was then divided into "able to pay" and "not able to pay," according to the World Health Organization (WHO) definition of those able to pay as having a health care budget of <5% of their total income.

Data Analysis. Data were initially entered into an Excel (Microsoft Inc., Redmond, WA) spreadsheet before being exported and analyzed using STATA Version 13 (StataCorp, College Station, TX). All variables were explored descriptively, and we then proceeded with simple logistic and multiple logistic regressions to examine the determinant factors ATP for NHFS.

Ethics Approval. The research proposal was reviewed and approved by the Medical Research Ethic Committee, Faculty of Medicine, Universiti Kebangsaan Malaysia with Ethic Number FF 331-2012 for commencing the study and publishing the study results. All participants provided informed consent before interviews commenced.

RESULTS

Descriptive Analysis. A total of 774 respondents gave consents and managed to be interviewed. This gives