

Assessment of Catastrophic Health Expenditure among Malaysia's Lower Income Population (B40): Pre-pandemic Exploration.

Adilius Manual, Awatef Amer Nordin, Jabrullah Ab Hamid, Sarah Nurain Mohd Noh, Fathullah Iqbal Ab Rahim, Elina Abdul Mutalib, Dinash Aravind, Premila Devi Jeganathan, Ellyana Mohamad Selamat

Centre for Health Equity Research, Institute for Health Systems Research, National Institutes of Health, Ministry of Health Malaysia; National Health Financing Section, Planning Division, Malaysia National Health Accounts Section, Planning Division, Ministry of Health Malaysia

ABSTRACT:

Introduction: Health systems have developed specifically to allow people to use the health services they need while protecting them against the adverse financial consequences of paying for care. This goal is widely known as universal health coverage (UHC). UHC is associated with a concept of financial hardship due to out-of-pocket payments (OOP), or the absence of financial risk protection that is catastrophic health expenditure. The incidence of catastrophic health expenditure in Malaysia was the lowest reported for any Asia-Pacific economies. Despite these developments, the burden imposed by OOP health payments still results in financial hardship especially those struggling with poverty. These households face unavoidable costs to maintain subsistence, such as food, minimal clothing, and shelter. The COVID-19 pandemic introduced a public health and economic crisis unlike we have ever seen which could make more people experience severe catastrophic due to OOPE. The MOH's role in protecting people from financial hardship when they are ill should be safeguarded, by ensuring that public spending on health is adequate to meet health needs. This study is therefore important to bridge evidence on exploring pre-pandemic's catastrophic impact due to healthcare payment among the poorest 40% of the population or B40.

Methods: The Household Income and Expenditure Survey (HIES) 2019 was used. The HIES is a nationally representative household survey carried out twice every five years by Department of Statistics Malaysia (DOSM). The survey collects comprehensive data on the expenditures by households including health expenses. In design and purpose, the HIES is like household budget surveys conducted routinely in almost all countries. Incidence of catastrophic health expenditure was measured when large expenses for health is made as a share of the total household expenditures in relation to a household's capacity to pay (CTP). CTP is defined as effective income remaining after basic subsistence needs have been met. 40% CTP was used as threshold in this analysis.

Results & Discussion: In any given month, 5.5% (CI=5.2,5.8) or 175,311 of B40 households in Malaysia had a catastrophic health expenditure in 2019. Sabah has the highest incidence with more than one-fifth of its B40 population had a catastrophic health expenditure, followed by Labuan (17.4%, CI=9.9,24.9) and Perak (5.8% CI=4.9,6.8). Significantly high incidences were found in rural areas (7.5%, CI=7,8); larger households size with 5 members of more (15.6%, CI=14.8-16.5); households that has no member with post-secondary education (6.1%, CI=5.8,6.4); Other ethnicities (12.2%, CI=10.6,13.8); those households with working adults and children (10.4%, CI=9.7,11) and household with female head of household (4.6%, CI=4.1,5.2). Although the Malaysian health systems is an exceptional performer in reaching out to provide health services to the most disadvantage groups including the B40 population, the financial hardships caused by a public health outbreak such as COVID-19 recession were endured mostly by lower-income families.

Conclusion: Comprehensive profiling on a pre-pandemic catastrophic health incidence among the B40 is important to provide decision-makers timely and policy-relevant information on impacts and the effectiveness of policy responses so they can effectively protect households from the social and economic impacts of COVID-19 or other outbreaks in the future.

KEYWORDS: