

# Willingness to Pay (WTP) For National Social Health Insurance Scheme in Sarawak, Malaysia: A Contingent Valuation Study

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## Abstract

**Purpose:** Expenditure on healthcare in Malaysia has been increases over the years and brings a challenge not only for the government but also to insurance provider and individual. Thus an alternative to current health financing should be studied to ensure that proactive action have been taken for future. The objective of this study is to determine the willingness to pay for national health insurance scheme among population in Sarawak.

**Design/methodology/approach:** This study is a cross sectional study involving working age group between 18 to 60 years old with total respondent of 930. The selection of respondent was done using Enumeration Block (EB) method where total of 81 EBs were selected involving 6 divisions in Sarawak. The selection of EB and houses were done by Department of Statistics Malaysia and only one respondent was selected from each selected house either the breadwinner or head of family. The respondents selected were interviewed using questionnaire for data collection.

**Findings:** This study found that 62.8% of the respondents have a good knowledge on the health insurance scheme. This study also found majority of the respondents agree to enroll in the National Social Health Insurance Scheme where 92.7%, 91.1% and 92.5% agreed based on Scenario 1, 2 and 3. About 60% of the respondents also willing to pay between RM30 to RM40 per household per month for this scheme across all three Scenarios. Ethnicity (Malay OR: 0.462, 95% CI, 0.257 to 0.832), education ( $p < 0.05$ ), occupation ( $p < 0.05$ ), household income ( $p < 0.05$ , OR:1 95% CI 0.999 to 1.000) and level of knowledge on the insurance scheme ( $p < 0.05$ ) are the significant factors contributing to willingness to pay for this scheme.

**Practical implications:** In order to ensure the acceptance and success of this national policy agenda, we must emphasize on the knowledge of population toward the new health financing system.

**Originality/value:** The lack of study in willingness to enrol and pay for this scheme in east Malaysia is the most important value of this study.

**Keywords:** Willingness to pay (WTP), national social health insurance scheme, enumeration block, knowledge, scenario