APPENDIX 1. INITIATIVE DETAILS

1. Publication of white paper on the base MHIT plan to support value-based healthcare services

The base MHIT plan is a key component of the RESET strategy to expand meaningful protection for more Malaysians through a voluntary standardised health insurance and takaful plan that is value-based, sustainable, and easy to understand.

This product is designed to provide meaningful coverage for individuals who desire private healthcare coverage and individuals seeking additional options due to the repricing or changes in their existing plans. The development of the base MHIT plan strives to balance affordability and coverage over the life course, while ensuring space for competition between ITOs to offer more comprehensive products that cater to different needs and market segments.

By setting a common and accessible baseline for coverage and premium pricing, as well as underwriting and claims practices, it is also expected to strengthen current MHIT offerings by ITOs and improve confidence in the private health insurance and takaful market, pool risks more broadly, and reduce out-of-pocket expenditures.

The product design has taken into account feedback and input from over 60 engagements with key stakeholders, consumer focus groups and extensive analyses of available datasets to ensure the product is aligned with reform goals and market needs.

Importantly, the base MHIT plan does not replace but complements the public healthcare system, which will continue to provide Universal Health Coverage for all Malaysians. In fact, the government has recently increased the public healthcare budget to strengthen and expand services. The Base MHIT plan is designed to preserve patient choice. By keeping private coverage affordable, it ensures that more Malaysians have the option to seek private treatment, reinforcing the complementary roles of the public and private sectors.

BNM and MOH are working closely with the insurance/takaful industry as well as associations representing the private healthcare sector to finalise implementation details and operations. The base MHIT plan is expected to be made available to the public from early 2027.

To access the white paper on the base MHIT plan, visit bnm.gov.my/MHIT

2. Launch of enhanced aids and tools to help consumers determine their health insurance needs and options

MHIT Made Simple Guide, published by Financial Education Network (FEN), is a consumer guide that helps consumers navigate the journey of purchasing an MHIT product and making claims. The guide walks consumers through key considerations and processes involved to ***Assess*** *their needs,* ***Browse*** *available options,* ***Choose*** *wisely, and* ***Discover*** *their claims journey*).

Together with the guide, Malaysian Takaful Association (MTA), Life Insurance Association of Malaysia (LIAM), and General Insurance Association of Malaysia (PIAM) will be launching a **Hospitalisation and Surgical Insurance/Takaful (HSIT) Preparedness Calculator** in February - a tool developed to help consumers manage and plan their financial needs for healthcare expenditures.

3. **Publication of price ranges for common healthcare services**

Consumers play an important role in supporting sustainable private healthcare through their active participation in healthcare choices that are reinforce a focus on value-based care. To this end, the insurance and takaful industry has published the range of costs paid to private hospitals in Malaysia for common medical procedures. The published range provides public access to information on costs at the 25^{th}, 50^{th}, 75^{th} percentiles for individual procedures, along with typical costs by location and age group as well as information on average length of stay. This represents part of efforts to increase transparency to consumers and support their ability to anticipate, compare costs and make informed decisions about their care when seeking treatment.

As a starting point, the published price ranges are based on available claims data from insurers and takaful operators, providing an initial point of reference for the public. These benchmarks will continue to be refined and expanded over time as more comprehensive datasets become available, ensuring progressively better visibility into healthcare costs across the system.

The published price ranges for common procedures are available at bnm.gov.my/MHIT, liam.org.my, takaful4all.org and www.piam.org.my.

4. **Expansion of tax-exempt welfare funds to private hospitals**

The Hospital Welfare Fund (*Tabung Kebajikan Hospital*) is a Budget 2026 initiative designed to encourage private healthcare providers to expand their charitable contributions to society. The fund's primary objective is to finance the costs of diagnosis, treatment, rehabilitation equipment, and medication for underprivileged patients, particularly for emergency or chronic cases. It may also support charitable activities such as free health screenings and public health education.

Income received by the fund will be tax-exempt, while cash donations made to the fund are eligible for a tax deduction of up to 10% of aggregate income of the donor. Previously, taxexempt status for hospital welfare funds was limited to public hospitals, university teaching hospitals, and private hospitals registered as Companies Limited by Guarantee (CLBG). Under this expanded framework, private hospitals registered as Companies Limited by Shares (CLBS) and licensed under the Private Healthcare Facilities and Services Act 1998 [Act 586] may now establish a Welfare Fund. To ensure proper governance, the fund must be managed by a dedicated Company Limited by Guarantee (CLBG) and is approved under Subsection 44(6) of the Income Tax Act 1967.

This policy is designed to scale up the impactful work already evident on the ground. By formalising these efforts under a tax-exempt Welfare Fund, hospitals can expand their reach and ensure more underprivileged Malaysians receive necessary care.

Following engagements between MOF, Inland Revenue Board Malaysia (IRB), and the Association of Private Hospitals Malaysia (APHM), operational guidelines are being finalised. These guidelines are targeted for release in Q1 2026 and all eligible hospitals are encouraged to apply.