



PRESS RELEASE

MINISTRY OF FINANCE
MINISTRY OF HEALTH

JOINT MINISTERIAL COMMITTEE ON PRIVATE HEALTHCARE COSTS ENDORSES KEY INITIATIVES TO WIDEN HEALTHCARE ACCESS AND CHOICE

The Joint Ministerial Committee on Private Healthcare Costs (JBMKKS), co-chaired by Finance Minister II YB Senator Datuk Seri Amir Hamzah Azizan and Health Minister YB Datuk Seri Dr Haji Dzulkefly Ahmad, today endorsed four key initiatives to manage rising private healthcare costs.

The initiatives announced today are part of the RESET strategy, a collaborative effort by the Ministry of Finance, Ministry of Health, Bank Negara Malaysia, academia and key stakeholders from the private sector to address medical claims inflation and strengthen Malaysia's healthcare system for wider access, choice, and sustainability.

YB Datuk Seri Dr Haji Dzulkefly Ahmad stated, "RESET represents a milestone in our whole-of-nation approach. By prioritising value-based healthcare, these efforts ensure that strong health outcomes remain central to our efforts to reduce inflation and safeguard affordability. These private sector initiatives complement our public healthcare system, ensuring that quality care remains accessible to all Malaysians, regardless of setting, for the long term."

YB Senator Datuk Seri Amir Hamzah Azizan added, "The base MHIT plan is a pivotal step towards widening access to sustainable protection. However, the RESET strategy recognises that addressing medical claims inflation requires elevating the entire ecosystem—addressing protection while modernising delivery. By working together, we can make lasting change that better protects individuals and strengthens the Malaysian healthcare system. "

These four initiatives include:

1. **Publication of a white paper on the Base Medical and Health Insurance/Takaful (MHIT) plan:** This is a standardised, affordable plan (base MHIT plan) that aims 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. It is also expected to drive improvements towards more sustainable MHIT offerings by insurers and takaful operators (ITOs) by providing a common and accessible baseline for coverage and premium pricing, as well as underwriting and claims practice;
2. **Launch of consumer decision aids:** To empower individuals in planning their healthcare finances, new tools are being introduced, including the **MHIT Made Simple Guide** and the **Hospitalisation and Surgical Insurance/Takaful (HSIT) Preparedness Calculator** for assessing insurance needs, navigating claims and planning personal budgets;
3. **Publication of medical treatment costs:** To improve market transparency, benchmark cost ranges for common medical procedures at private hospitals have been published to provide a clear reference point for treatment expenses; and
4. **Tax incentives for private hospital welfare funds:** Private hospitals are now eligible to apply for tax incentives to establish Welfare Funds, a move designed to encourage and fund charitable healthcare services for underprivileged patients.

The JBMKKS also expressed support for measures being taken by the Healthcare Partners Protocol & Solutions Committee (HPPSC) (formerly known as the Grievance Mechanism Committee) to establish clear claims protocols that will address disputes. Additionally, the Committee noted the progress of a World Bank study on medical inflation, scheduled for publication in February 2026.

Looking to 2026, JBMKKS is continuing measures to streamline licensing for affordable care models, revamp hospital billing for better transparency, and drive Electronic Medical Records (EMR) interoperability.

For more information about RESET and JBMKKS, visit mof.gov.my/reset or hq.moh.gov.my/reset_moh

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About RESET

RESET is a collaborative effort by the Ministry of Finance, Ministry of Health, Bank Negara Malaysia, and key stakeholders to address medical inflation and strengthen Malaysia's healthcare system for greater accessibility and sustainability, with a greater focus on value-based healthcare in improving patient outcomes, optimising cost-effective healthcare services and enhancing access to quality care. It encapsulates five strategic thrusts to address challenges in Malaysia's private healthcare system through 11 initiatives.

The five strategic thrusts are:

- Revamp the medical and health insurance/takaful (MHIT)
- Enhance price transparency
- Strengthen digital health systems
- Expand cost-effective options
- Transform provider payment mechanism

About JBMKKS

The Joint Ministerial Committee on Private Healthcare Costs (*Jawatankuasa Bersama Peringkat Menteri Mengenai Kos Penjagaan Kesihatan Swasta*, JBMKKS) was established on 25 June 2025 by the Ministry of Finance and Ministry of Health to address rising private healthcare costs and medical inflation. Co-chaired by Finance Minister II YB Senator Datuk Seri Amir Hamzah Azizan and Health Minister YB Datuk Seri Dr Haji Dzulkefly Ahmad, the Committee includes representatives from the Ministry of Finance, the Ministry of Health, and Bank Negara Malaysia. JBMKKS plays a central role in driving and monitoring initiatives under the RESET framework through continuous engagement and collaboration. To ensure comprehensive support, the Committee is guided by a Consultative Council whose members comprise key stakeholders from private hospitals, insurers and takaful operators, medical doctors, consumer groups and academia.

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 25th, 50th, 75th 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, tax-exempt 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.