



Joint Ministerial Committee on Private Healthcare Costs (JBMKKS)
Joint Ministers' Statements Press Briefing
22 January 2026

Opening Remarks by YB Menteri Kesihatan

1. Thank you everyone for your attendance. I would like to specifically acknowledge the breadth of stakeholders present and involved and how this reflects a truly whole-of-nation initiative, including private sector representatives from the insurance and takaful industry, private hospitals, private doctors, academia, and NGOs.
2. We are well aware that Malaysians have voiced legitimate concerns about private healthcare costs and rising insurance and takaful premiums. Malaysians want solutions and action.
3. And we are taking concrete action, as part of a comprehensive, whole-of-nation strategy, to make private healthcare more sustainable, value-based, and accessible, while ensuring the long-term viability of the private sector. JBMKKS and stakeholders from across the government and private sector have worked hard through 2025 – cooperating mainly, but of course and as expected, there have been differences as well.
4. The road has not been an easy one. Meaningful progress has been possible due to a genuine commitment by the government and stakeholders to engage constructively on the many difficult issues involved, with the view that if we can collaborate, real win-win solutions can be implemented instead of indulging in a blame game at the expense of the Rakyat and the long-term sustainability of healthcare in Malaysia. We thank our Consultative Council very much for facilitating this.
5. Over the last 9 months, we have had more than 60 engagements with interest groups, firms, experts and regulators to inform our work. The initiatives under RESET also involve close interlinkages that span more than 12 public and private sector policies and measures.

6. RESET focuses on addressing private healthcare costs in a sustainable manner. The Government is fully committed to the reform agenda and together with our stakeholders, we will continue to improve on the initiatives that we have initiated here.

7. Let me be clear. Health – both public and private – remains an important priority for the MADANI government. **These transformations under RESET complement, but do not replace, our on-going efforts to modernise the public health system.** Reforms in the public sector are ongoing and the public healthcare system will continue to be our mainstay in providing universal health coverage for all Malaysians.

8. With that, let me handover to YB MKII to also share his reflections.

Opening Remarks by YB Menteri Kewangan II

9. Thank you, YB Dr. Dzul. It is important to remember why we started this journey. Over the past few years, we have seen a clear and worrying trend: **medical claims inflation is rising at a pace far above general inflation.** While many countries all over the world are facing this, its impact here is real—higher claims mean higher costs, inevitably forcing premiums up for families and employers.

10. As the Government, we are deeply concerned. If this trend continues unchecked, fewer individuals can afford protection than they do today. We cannot accept a scenario where this choice slips out of reach, becoming a luxury reserved only for the few.

11. Our goal is not just to arrest this decline in access, but to expand access. We want to make **private healthcare coverage accessible to more individuals than we have today.** This is not about forcing anyone into the private sector; we are building a system where a wider segment of the population has the real option to choose private care if they wish to do so.

12. This is the core philosophy behind RESET. We cannot address inflation by looking at insurance in isolation; **we must elevate the entire ecosystem.** Our strategy focuses on the fundamental building blocks: establishing a

sustainable baseline for coverage, empowering consumers with decision-making tools, catalysing investment by reducing barriers to entry, and leveraging technology for a more efficient system.

13. Translating this into reality is a journey, but we are committed to rapid progress. Today, I am pleased to share that we are moving forward on priority areas: specifically, a major milestone on the Base MHIT plan, alongside several 'quick wins' designed to empower consumers and support the community.

Base MHIT Plan by YB Menteri Kewangan II

14. First, the Base MHIT plan. Today, the JBMKKS agreed to publish a White Paper detailing the design of this **standardised plan**. It will serve as a **foundational, voluntary option** for those who can afford and desire private healthcare coverage.

15. Let me clarify at the outset that the **base plan complements the universal coverage provided by the government**. The public healthcare system remains our mainstay, supported by a record RM46.5 billion allocation for public healthcare in 2026.

16. However, the **funding mix in the private sector is unbalanced**. The Malaysian National Health Accounts (2011-2024) reported that in 2024, "cash" spending makes up 39% of total expenditure on health, while insurance contributes less than 8%. This shows a heavy reliance on personal savings, a situation compounded by the fact that **only about 22% of the population is currently insured**.

17. Against this backdrop, the Base MHIT plan is designed to achieve three key objectives:

- Firstly, to provide a base level of financial protection, offering an affordable option for individuals to help fund private healthcare.
- Secondly, to complement the public system by giving the rakyat choices on where they want to get treatment while remaining financially protected.
- Thirdly, to drive value-based health outcomes, ensuring high-quality care is delivered with disciplined cost management.

18. A critical design feature is the phased introduction of a **Diagnosis-Related Group (DRG) payment mechanism**. This shifts the model towards greater transparency and predictability, rewarding efficient and high-quality care rather than volume. Additionally, we are making **more options available for pre- and post-hospitalisation and outpatient care**. This is not just about convenience; it is about reducing unnecessary hospital admissions and aligning incentives so that the system works better for everyone—patients, providers, and payers alike.

19. **Affordability is a key consideration.** This means it cannot, nor is it intended to, cover everything. Instead, we have strived for meaningful coverage of common conditions and treatments. This approach keeps premiums accessible while preserving competition, allowing insurers and takaful operators to offer more comprehensive products for different market segments. Individuals requiring additional coverage will continue to have a wide range of options beyond the base plan.

20. We have tested this extensively, with **87% of consumers surveyed finding the plan meaningful and attractive**. We have incorporated their feedback to refine specific features, carefully balancing necessary trade-offs to keep premiums affordable.

21. With the introduction of the base plan, **Bank Negara Malaysia will also strengthen regulations for all medical insurance products**. By aligning market offerings with the base plan's principles, we will further enhance consumer protection and support long-term premium sustainability.

22. We plan to pilot this in the second half of 2026, with a full rollout in early 2027 to coincide with the expiry of BNM's interim measures. Crucially, policyholders facing repricing will have the **option to switch seamlessly to this base plan with their current insurer**—without new medical underwriting.

23. This is just the beginning. We will need to be dynamic and adaptable in bringing the base MHIT plan to maturity over the years, remaining realistic about what can be achieved on day one.

Tax Measures by YB Menteri Kewangan II

24. Before I hand back over to YB Dr. Dzul on initiatives to empower consumers, let me briefly address a key community initiative. In 2024, we introduced tax exemptions for non-profit hospitals, with four institutions already benefitting.

25. Budget 2026 now expands this framework, allowing **private hospitals to establish tax-exempt Welfare Funds for underprivileged patients**, in accordance with guidelines.

26. This encourages providers to scale up impactful work—such as IHH's 'Life Renewed' programme, which has sponsored critical surgeries for over 2,000 patients.

27. We are finalising the operational details with APHM by Q1 2026, and I look forward to all the major hospitals taking up this mechanism so that we do our part to serve the underprivileged.

28. With that, I will handover to YB Dr Dzul to talk through initiatives designed to empower consumers.

MHIT Consumer Guide, Health Insurance/Takaful Calculator and Publication of Costs of Common Procedures by YB Menteri Kesihatan

29. Thank you YB MKII. Under RESET, we're putting **tools in the hands of Malaysians to make better healthcare decisions**. Individual choices affect not just personal finances and health, but also drive up overall healthcare costs and premiums.

30. **Many people don't know what questions to ask** insurance agents when buying medical and health insurance/takaful (MHIT) products, or how to navigate the claims process. The Financial Education Network or FEN has published the "**MHIT Made Simple**" Guide to help consumers purchase products and make claims with confidence.

31. In February, the insurance and takaful associations will launch a **health insurance/takaful calculator** (developed with BNM and EPF support) to help

Malaysians plan monthly savings for premiums and co-payments throughout their coverage period, thus avoiding financial stress.

32. These resources will be available on the FEN website, mobile apps, and industry association platforms.

33. Further, to increase transparency, the industry has published price ranges for 26 common medical procedures at private hospitals, showing ranges of prices by location and age group, plus average length of stay. **This helps you compare prices and understand potential expenses before seeking treatment.**

34. These initiatives **empower consumers to make informed choices** that support sustainable, value-based healthcare. We encourage media support in raising awareness of these tools and welcome feedback for continuous improvement.

Next Steps by YB Menteri Kesihatan

35. As co-chairs of JBMKKS, YB MKII and I recognise that today marks a significant milestone. Yet, we must return to the fundamental point YB MKII made at the start: **we cannot fix medical inflation by looking at insurance in isolation. We must elevate the entire ecosystem.** With the White Paper on the Base MHIT plan and the launch of these consumer tools, we have taken major steps to fix *how we pay for healthcare* while empowering consumers to make informed choices.

36. However, while these are vital, **they are not sufficient on their own.** To ensure Malaysians have real, sustainable choices, **we must modernise healthcare delivery and ensure innovations remain patient-centric.**

37. In 2026, in addition to progressing on the pilot for the base MHIT plan, we will advance three critical initiatives to lower barriers and drive this modernisation:

38. First, we are **unlocking the market for affordable care.** We are reviewing private healthcare licensing to ensure regulations and processes are fit-for-purpose—cutting red tape without compromising safety. Our goal is to

trigger investments into cost-efficient models like ambulatory care centres, bringing affordable services closer to the rakyat.

39. Second, we are **revamping hospital billing structures**. I am pleased to note that private hospitals and insurers have come together on this major exercise. This is not about increasing the total bill; but about creating cost-reflective, fair, and transparent bills so that patients know exactly what they are paying for.

40. Third, we are **digitalising for connectivity**. We are prioritising the interoperability of Electronic Medical Records. The ultimate goal is a seamless ecosystem where data follows the patient—whether moving from public to private sectors, or between private hospitals—reducing the need for costly and duplicative diagnostics.

41. Before I hand over to YB MKII to close, I wanted to reinforce again our intent. These reforms are about **widening access and expanding choice**. The public healthcare system remains the bedrock of our nation, and **we will never waver in our commitment to universal access**. By modernising the private sector, we ensure it remains a realistic, affordable option for those who choose it. This secures a future where our national healthcare ecosystem remains sustainable, robust, and capable of delivering the best care for every Malaysian family.

42. With that, may I invite YB MKII to share his closing reflections.

Closing remarks by YB Menteri Kewangan II

43. Thank you, YB Dr. Dzul. Realising that future requires execution. Today's announcements show that **we are no longer just planning; we are moving**. We have growing momentum on our side, and with our collective effort, Insya-Allah, we will see this through in the long term interests of the public.

44. We all have a role to play. This is a shared national mission that reflects a truly whole-of-nation initiative.

- **To all consumers:** We urge you to be aware of your rights and utilise the new tools and transparency aids being made available.

- **To the ITOs and private hospitals:** We need you to maintain this newfound spirit of collaboration. Continue to bridge your historical divides; the progress we see today proves that cooperation yields better results than conflict.
- **Importantly, to our doctors:** We rely on you to ensure that amid these structural changes, patient care remains the heartbeat of everything we do.

45. Before we end, I would like to once again take the opportunity to commend our agencies, industry partners, and the members of the Consultative Council for the progress we have made together.

46. Through this platform, we have mobilised effective collective action, bringing together stakeholders who have historically sat on opposite sides of the table. Like YB Dr. Dzul, I have been heartened to see that when we move beyond public rhetoric and simply roll up our sleeves, we are able to bridge our differences. I look forward to continuing our journey together in this spirit. Thank you.