



JAWATANKUASA BERSAMA PERINGKAT MENTERI MENGENAI KOS PENJAGAAN KESIHATAN SWASTA

Press Briefing on RESET Initiatives

22 January 2026

Wifi: JBMKKS Press Briefing

Password: Valuebasedhealthcar3



RESET initiatives endorsed by the Joint Ministerial Committee On Private Healthcare Costs (JBMKKS)

Strategic Thrusts

Revamp MHIT

- 1) Develop base MHIT plan to support value-based healthcare services
- 2) Improve aids and tools for consumers to determine health insurance needs and options

Enhance price transparency

- 3) Display of retail drug prices
- 4) Establish a mechanism to consistently produce, monitor and publish key medical inflation measures
- 5) Legislative and regulatory review to strengthen oversight over private hospitals, support price transparency and DRG payments
- 6) Publication of price ranges for common healthcare services
- 7) Establish standards and mechanisms for data collection on private healthcare cost

Strengthen digital health system

- 8) Enhance the interoperability of Electronic Medical Records (EMR) to reduce duplication of diagnostic tests and procedures

Expand cost-effective options

- 9) Implementation and scaling up of Rakan KKM "Premium Economy" services
- 10) Incentivising expansion of affordable private healthcare providers including not-for-profit hospitals

Transform provider payment mechanisms

- 11) Phased implementation of Diagnosis-Related Groups (DRG) to replace existing fee-for-service (FFS) provider payment mechanism

Extensive engagements have provided critical input to RESET initiatives

60+

Engagements with stakeholders

- Working groups
- Consumer focus groups
- Consultations

25+

Entities

- Regulators and Gov't
- Industry groups
- International experts



Four key milestones and quick-wins being announced today



Base MHIT plan concept & design

Publication of white paper on public policy considerations and key design features

Publication of prices for common procedures

Publication of aggregate price ranges for common medical procedures based on insured data

Roll out of aids & decision-making tools for consumer

- “MHIT Made Simple” Guide for Consumers
- Health protection and savings calculator

Tax incentives for cost effective options

Issuance of guidelines on tax exemption for welfare funds established by private hospitals (announced under Belanjawan 2026)

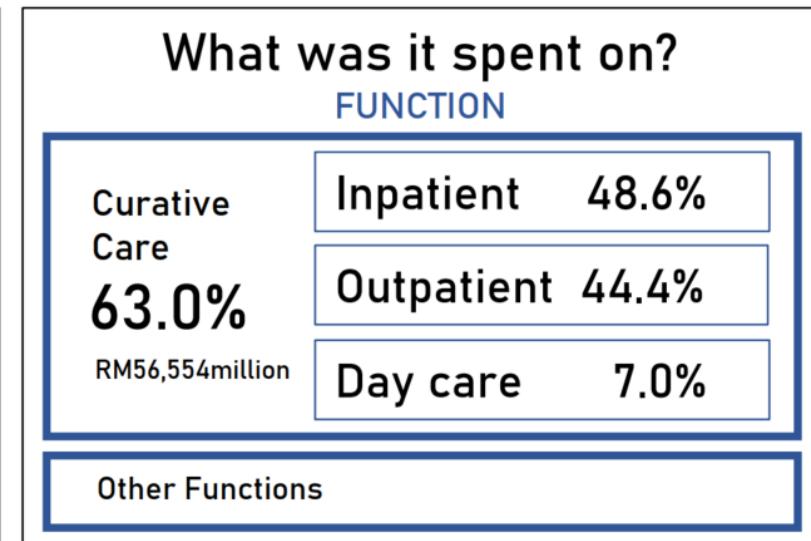
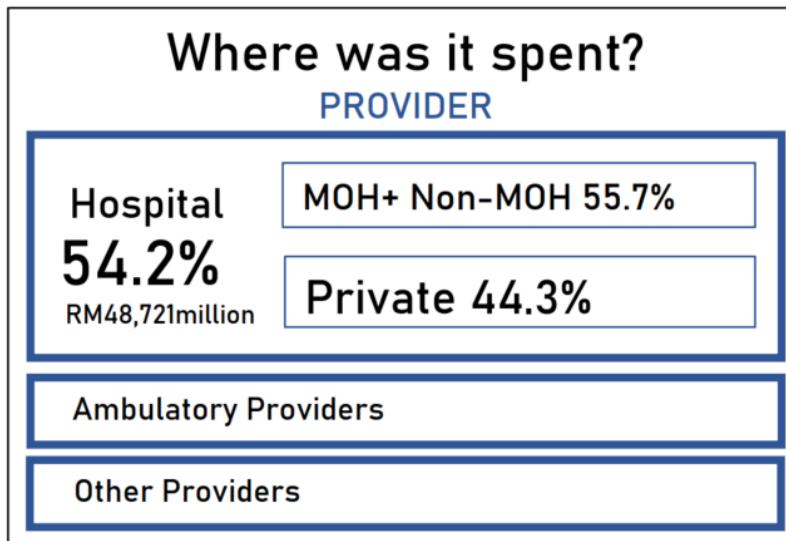
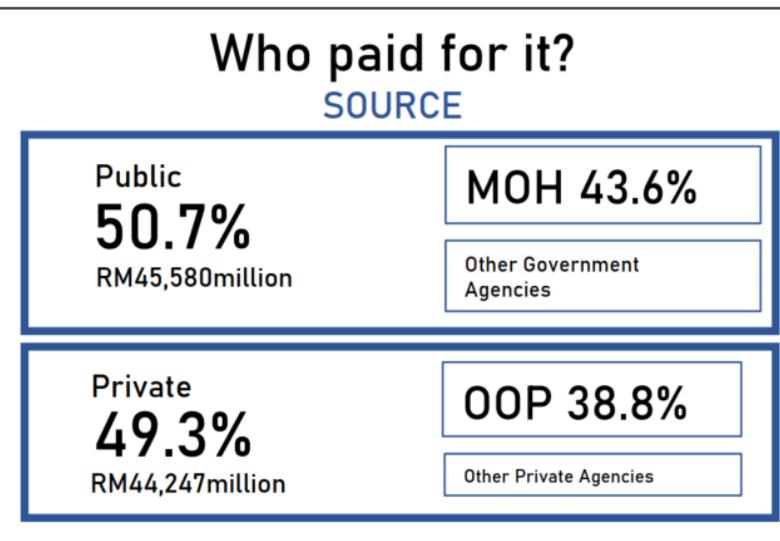
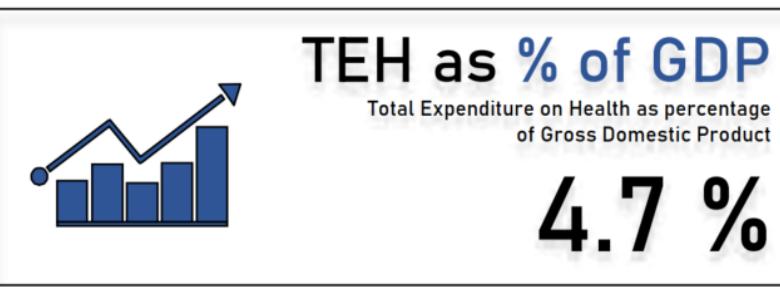


Persatuan Insurans Hayat Malaysia
Life Insurance Association of Malaysia



2024 Total Expenditure on Health: RM89,827 million

Source: Malaysia National Health Accounts, MOH (2024)



Private insurance makes up:

- 7.9% of total expenditure
- 16.1% private expenditure

Out of pocket makes up:

- 38.8% of total expenditure
- 78.7% of private expenditure

Development of the base MHIT plan is a policy-led initiative to address rising private healthcare costs in a way that balances affordability with adequate protection, and supports broader healthcare system goals

Public policy objectives for the base MHIT plan



Enable more Malaysians to obtain a base level of financial protection against essential, high-impact healthcare expenditure through a voluntary national MHIT plan that is affordable, sustainable, meaningful and easy to understand



Channel private healthcare spending more efficiently to better complement universal access to public healthcare services



Accelerate progress towards value-based health outcomes by creating structural conditions that promote high quality care and disciplined cost management

Overview of Base MHIT Plan



Hospitalisation policy with more options for care

Pays for large hospital bills based on shared room costs, with more options for pre- and post hospitalisation care, including consultations/follow up at GP clinics, physiotherapy and home nursing care



No “lifetime” limits, reasonable annual limit

Annual limit sufficient to cover treatment costs for most common conditions (representing 99% of hospitalisation bills). Renewal is guaranteed for coverage up to age 85.



High cost treatments aligned with cost effectiveness assessment

Both inpatient and outpatient cancer treatments and drugs covered based on cost effectiveness, as determined by Health Technology Assessments



Standardised benefits and premiums

Supports broader risk pooling and portability across ITOs as well as consistent approach to underwriting and claims assessments. Benefits and premiums will be reviewed and set by authorities moving forward



Setting the benchmark

Establish a baseline for ITOs to improve MHIT products, ensuring market offerings align with the principles of the base plan.



Additional benefits for policyholders

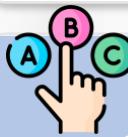
Optional, self-funded preventive care and wellness package offered at MOH-negotiated discounted rates



Cost containment aligned with value-based care

Tiered co-payment structure with wide coverage of hospitals. Lower co-payments applied for treatment at cost-effective network hospitals.

Phased introduction of DRG payments to manage costs while improving transparency, predictability, and efficiency in line with value-based healthcare

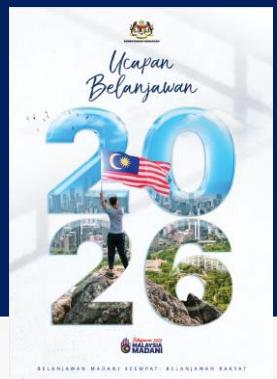


Additional option for consumers

A standard-plus base MHIT plan that offers a higher annual limit with higher deductible at significantly lower premiums. It is designed for individuals who are already covered by their employers or who can bear a higher share of hospital bills

Establishing Hospital Welfare Funds under Section 44(6) of Income Tax Act 1967

**“Hospital swasta
dibenar menubuhkan
Tabung Kebajikan
Hospital yang diuruskan
oleh SBMJ... pendapatan
diterima oleh tabung **diberi
pengecualian cukai** dan
penyumbang kepada
tabung tersebut **turut layak
mendapat potongan
cukai”****



Objectives



- To help **underprivileged patients** obtain healthcare treatment at private hospitals
- To **encourage private hospitals** to expand CSR programmes that provide healthcare services to the underprivileged

Mechanism



- Guidelines previously applied to public hospitals, university teaching hospitals and private hospitals (CLBG, non-profit)
- Extended to **private hospitals registered as CLBS**

Coverage



Treatment costs



Visits to welfare homes



Medical equipment



Health screenings and other related welfare programmes



Timeline



- Receiving feedback from APHM
- Guidelines to be issued by Q1 2026

"MHIT Made Simple" Guide to Assist Consumers

Available at: <https://www.fenetwork.my/medical-and-health-insurance-takaful/>

The screenshot shows the 'MHIT Made Simple' guide website. At the top, there is a navigation bar with links: Home, About, Highlights, Financial Literacy Month, Global Money Week, Reports, and Measurement & Evaluation. The main content area has a pink header: 'What should you do before buying MHIT products?'. Below it, a sub-section titled 'Introducing the ABC of buying MHIT products:' lists three steps: A (Assess your needs and ask the right questions), B (Browse options available), and C (Choose wisely from options provided). Each step has a yellow box with a question and a list of tips. Step A: 'What should I consider before buying MHIT products?' includes tips on financial situation, understanding, and providing disclosure. Step B: 'What can I expect from my insurance/takaful agent?' includes tips on understanding needs and providing disclosure. Step C: 'What should I ask my insurance/takaful agent?' includes tips on right product, types, and features. Below this is another pink header: 'What should you know about making claims?'. It features a green box with a white 'D' and 'Discover Your Claims journey' text, and a green box with 'Claim with confidence' text. The 'Claim with confidence' box contains a paragraph about navigating claims smoothly. At the bottom, there is a 'CHECK' section with a magnifying glass icon, containing text about policy features and treatment options.

Hospitalisation and Surgical Insurance/Takaful Preparedness Calculator



Objective

To help consumers plan for and manage expenditures on healthcare



How it works

- The health calculator will recommend monthly savings needed to meet future premiums and co-payments
- Projections will be based on:
 - Inputs for age, gender and their current MHIT premiums and co-payment levels; and
 - Assumptions on medical inflation and savings growth rate



Available soon on Financial Education Network website

Publication of price ranges of common healthcare procedures by insurance/takaful associations to support more informed decision making and cost benchmarks

Available at:

<https://www.liam.org.my/>
<https://takaful4all.org/ms/>
<https://piam.org.my/>



Persatuan Insurans Hayat Malaysia
Life Insurance Association of Malaysia



MALAYSIAN TAKAFUL
ASSOCIATION



Illustrative Sample

Common Healthcare Services				
Body System	Digestive			
Procedure Name	Endoscopy (Lower GI) with Biopsy			D1
Procedure Description	Fibreoptic Colonoscopy +/- Excision Biopsy/Destruction of Lesion A camera is used to examine the large intestine and possibly remove abnormal tissue.			
	2.3 Average LOS (Day)	>5,000 Number of Discharges	Discharge within the same day	1,000 – 4,999 Number of Discharges
A) INPATIENT Typical Bill Amount: RM 9,900 Typical Bill Range: 25th: RM 7,500 75th: RM 14,000		B) DAYCARE Typical Bill Amount: RM 4,700 Typical Bill Range: 25th: RM 3,700 75th: RM 5,900		
Segmentation By Facility State By Age Group				
<small>Note: The 'Typical Bill Amount' refers to the median bill, where 50% of the patients are charged below the stated amount. The 'Typical Bill Range' refers to the 25th to 75th percentile bill, where 25% to 75% of patients are charged below the stated amount.</small>				

Common Healthcare Services				
Body System	Digestive			
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INPATIENT – AGE GROUP				
	Typical Bill Amount (RM)	Typical Bill Range (RM)	Average LOS (Day)	Number of Discharges
Age 20 and below	10,300	7,400 - 13,900	2.6	100 - 499
Age between 21 – 40	9,800	7,600 - 13,300	2.3	1,000 - 4,999
Age between 41 – 60	10,200	7,500 - 14,700	2.2	1,000 - 4,999
Age 61 and above	10,000	7,000 - 14,300	2.2	500 - 999

Note: Similar table by state will be included in the report

Looking ahead in 2026



Implementation of MHIT reform

Through base MHIT plan, development of DRG system and enhanced standards for base-plus products



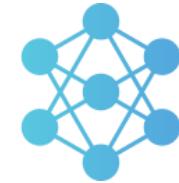
Unlocking the market for affordable access to healthcare

Reviewing private healthcare licensing act to ensure regulations are fit for purpose



Revamping hospital billing structures

Through the standardisation of billing categories and billing items to more accurately reflect healthcare costs



Digitalising for connectivity

Through interoperable electronic medical records to enhance efficiency (e.g. minimise duplicative tests)

Thank you