

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

Strenghen 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



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA



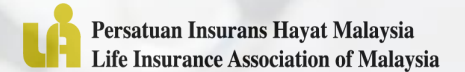
Publication of prices for common procedures

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



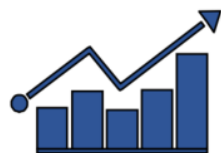
Tax incentives for cost effective options

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



2024 Total Expenditure on Health: RM89,827 million

Source: Malaysia National Health Accounts, MOH (2024)



TEH as % of GDP

Total Expenditure on Health as percentage of Gross Domestic Product

4.7 %



TEH Per-Capita

Total Expenditure on Health per capita

RM2,637



OOP % of TEH

Out of pocket percentage per Total Expenditure on Health

38.8%

Who paid for it?

SOURCE

Public
50.7%
RM45,580million

MOH 43.6%

Other Government Agencies

Private
49.3%
RM44,247million

OOP 38.8%

Other Private Agencies

Where was it spent?

PROVIDER

Hospital
54.2%
RM48,721million

MOH+ Non-MOH 55.7%

Private 44.3%

Ambulatory Providers

Other Providers

What was it spent on?

FUNCTION

Curative Care
63.0%
RM56,554million

Inpatient 48.6%

Outpatient 44.4%

Day care 7.0%

Other Functions

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

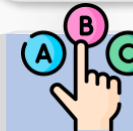
Optional, self-funded preventive care and wellness package offered at MOH-negotiated discounted rates



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

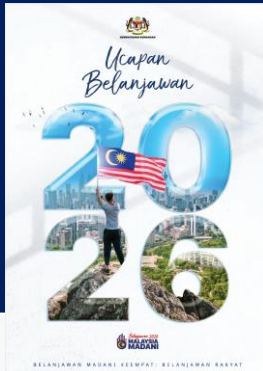


Additional option for consumers

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



Medical equipment



Medication



Visits to welfare homes



Health screenings and other related welfare programmes

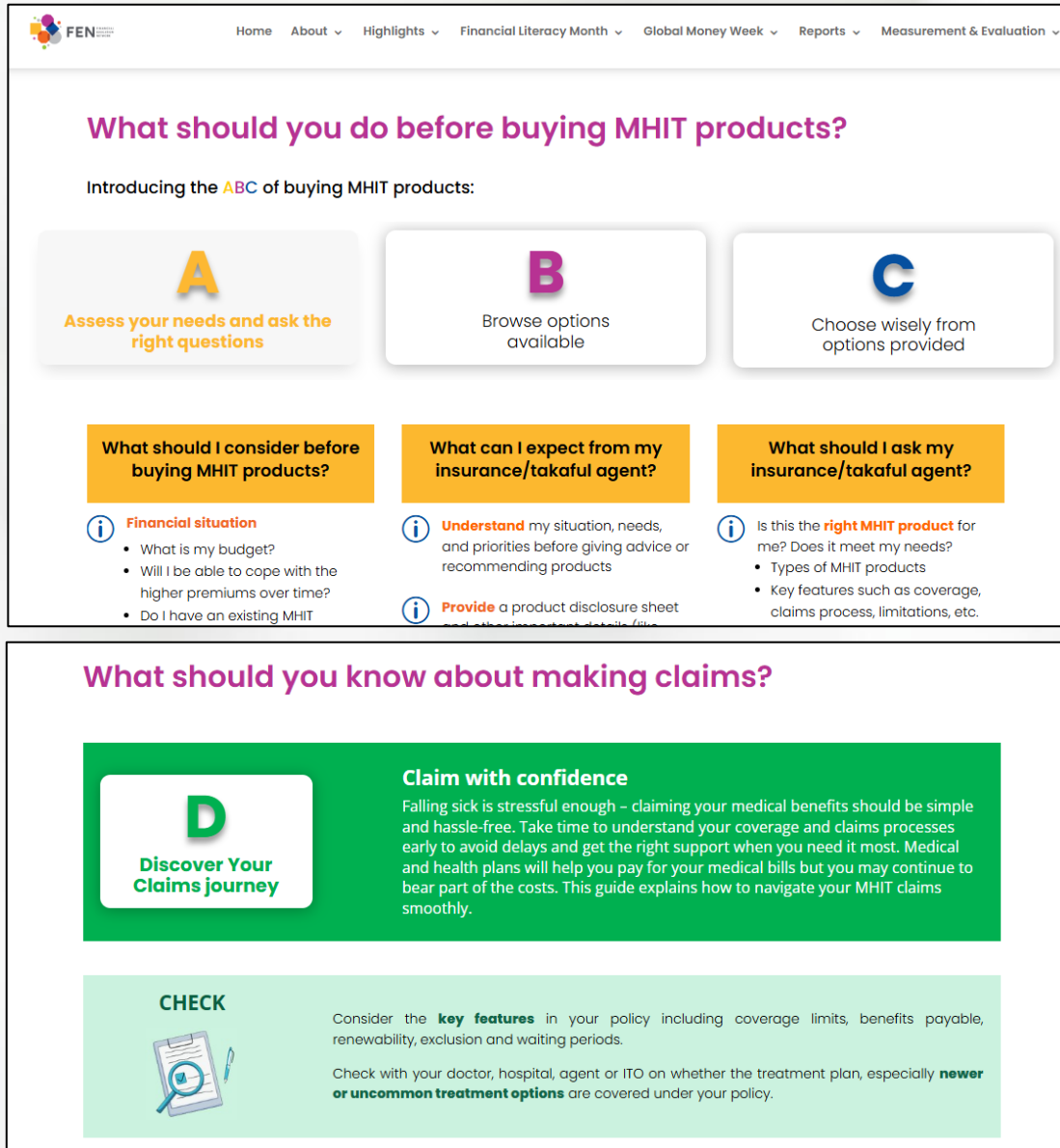
Timeline



- Receiving feedback from APMH
- 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/>



What should you do before buying MHIT products?

Introducing the **ABC** of buying MHIT products:

- A** Assess your needs and ask the right questions
- B** Browse options available
- C** Choose wisely from options provided

What should I consider before buying MHIT products?

- Financial situation**
 - What is my budget?
 - Will I be able to cope with the higher premiums over time?
 - Do I have an existing MHIT?

What can I expect from my insurance/takaful agent?

- Understand** my situation, needs, and priorities before giving advice or recommending products
- Provide** a product disclosure sheet and other important details (fine print)

What should I ask my insurance/takaful agent?

- Is this the **right MHIT product** for me? Does it meet my needs?
 - Types of MHIT products
 - Key features such as coverage, claims process, limitations, etc.

What should you know about making claims?

Claim with confidence

Falling sick is stressful enough – claiming your medical benefits should be simple and hassle-free. Take time to understand your coverage and claims processes early to avoid delays and get the right support when you need it most. Medical and health plans will help you pay for your medical bills but you may continue to bear part of the costs. This guide explains how to navigate your MHIT claims smoothly.

Discover Your Claims journey

CHECK

Consider the **key features** in your policy including coverage limits, benefits payable, renewability, exclusion and waiting periods.

Check with your doctor, hospital, agent or ITO on whether the treatment plan, especially **newer or uncommon treatment options** are covered under your policy.

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

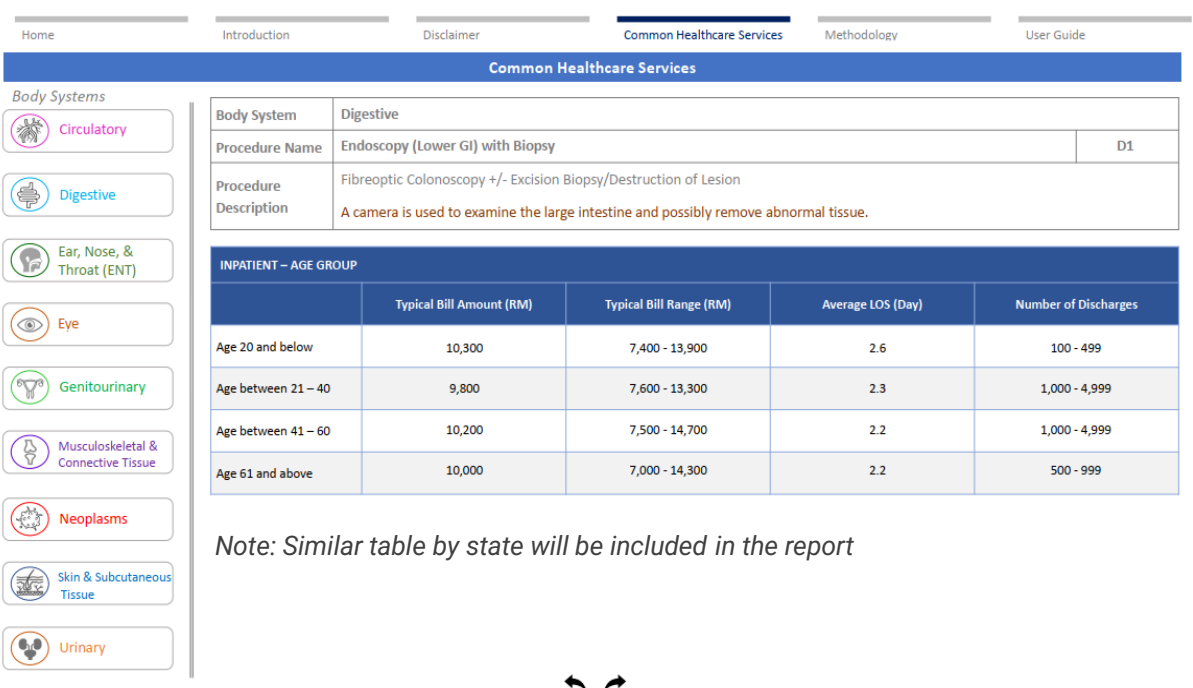
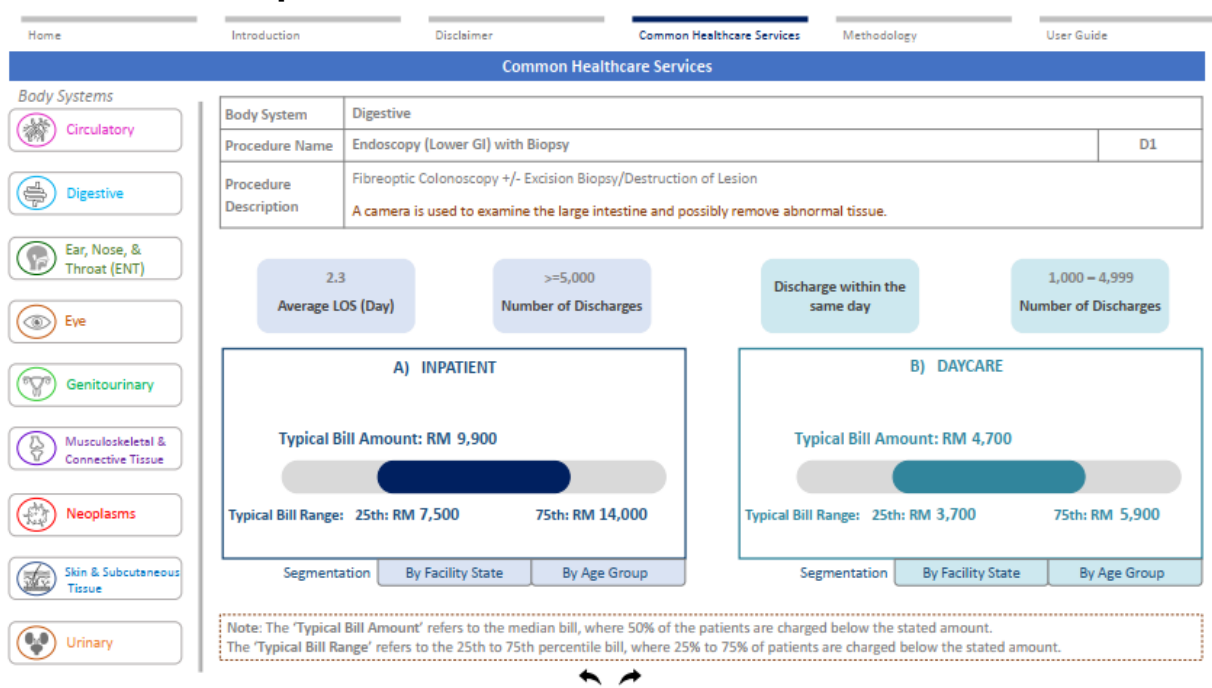


MALAYSIAN TAKAFUL
ASSOCIATION



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Illustrative Sample



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