

## **'Don't panic, healthcare only a bit pricier with GST'**

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Healthcare costs will go up with the introduction of the Customs Department admits.

However, Customs Department director of GST Subromaniam Tholasy said there is no need to panic as it will not be as high as five percent as claimed by the Association of Private Hospitals of Malaysia (APHM).

This is because there are also savings to be made by hospitals from the tandem abolition of the sales and services tax (SST), Subromaniam said.

"Do not unnecessarily create panic among patients and the general public...

"The net impact is minimal and definitely not by five percent. They (private hospitals) just don't want to pass down the savings from the SST," he said in a text message to Malaysiakini.

Refusing to pass down savings from SST is profiteering and breaches the Price Control and Anti-Profiteering Act, he said.

The GST will be introduced at six percent on April 1, 2015, replacing the SST of five to 10 percent.

While it is true that specialist doctors, considered outsourced contractors, will charge GST for their services, he said other healthcare costs are expected to go down.

### **More medicines to be zero-rated**

The ministry may include more medicines into the zero-rate list, on top of the 2,900 already listed, pending consultation between the ministries of health and finance, Subromaniam added.

Producers and service providers are allowed to claim tax returns on spending on zero-rate items, and cannot pass on the cost to end users.

The areas where private hospitals are expected to make savings are:

Food and room charges (now charged 6 percent SST, but will be GST-exempt);  
Medical supplies (now charged 5-10 percent SST, and will only be charged 6 percent GST);  
and  
Hospital equipment (will be given GST relief).

He added that other services that hospitals charged would remain at the same price with the GST, as they are levied the same SST rate as the GST, at six percent.

They include security services and other professional services, not including medical consultation.

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