Obstacles to improving healthcare
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The past few months have brought a rash of healthcare issues into the spotlight - 1Malaysia clinics, the recent extension of the full-paying patient scheme in public hospitals, announcement of better promotional exercises for government healthcare workers especially for doctors, pharmacists and dentists, extending public sector clinical services to GPs, ensuring healthcare quality issues, etc.

While the government is determined to improve access to healthcare for more and more Malaysians, underlying logistical problems and manpower constraints appear to hamper the smooth implementation of a more comprehensive and cohesive system.

Perhaps one issue, which has not been adequately addressed or debated, is that of healthcare costs. Improving and modernising healthcare systems and enhancing remuneration benefits as above, incur huge costs. How to find the funding needed, will pose a serious problem if not now, then surely in the near future.

Budget constraints

NONEThe Budget 2010 for the very first time in years, allowed for greater cuts in public spending on healthcare than previously anticipated, i.e. a modest reduction of 4.8 percent from RM13.8 to 13.1 billion.

The private sector has been extolled to rise to the occasion by expanding its contribution, to help stanch the shortfall from public spending. But, this is most unlikely to happen due to the just recovering economy.

Reports of outflows of human and fiscal capital disturb the confidence of those who might otherwise have contributed. Most Malaysians however have adopted a 'watch-and-see' approach, which essentially stalls the forward movement of real growth.

The MMA is keenly aware that there are several planned programs that are raring to be implemented. But because of cost constraints, limited financing options, and perhaps political correctness and lack of political will, many of these would need greater tweaking and feedback before these are acceptable to the rakyat.

Importantly, the MMA believes that more stakeholders need to be consulted so that adequate input can help bring about the best consensual reform that is needed to elevate our healthcare system to the highest level yet. Whether one likes it or not, populist sentiments continue to dominate any debates on healthcare issues.

Globally, healthcare costs have been escalating. There appears to be no exception for any country. This is because of costly technology-driven and relentless medical advances, and rising expectations of better-informed patients, who demand for these created supply side tests and therapies.

The USA is the singular example of where runaway healthcare costs have stymied national growth, and caused great inequities of healthcare access. This humongous healthcare spending has now exceeded 16 percent of its GDP—a staggering US$ 2.3 trillion!

Despite this, some 46 million Americans are uninsured. Worse, this enormous cost does not appear to justify the benefits in terms of well-documented health measures, meaning that there is a lot of wastage. Not enough bang for the buck, so to speak.

US president Barack ObamaPresident Obama (right) just recently won a hard-fought battle to mandate that more Americans be insured, so that more can be entitled to easier, more affordable access to its huge healthcare resources, while at the same time curbing overutilisation and wastages of its finite means. But, such a drastic healthcare reform seems to be meeting great resistance form all quarters.

Healthcare spending issues

What about Malaysia? Is our healthcare spending adequate or at par with the developed world?

In 2008, healthcare spending was still suboptimum in Malaysia, the government spending just 6.9 percent of its total expenditure on healthcare services (i.e. 2.2 percent of the GDP). The private sector came up with 2.6 percent of the GDP spending on healthcare. In 2008, Malaysians spent just under US$400 per person per year (RM35 billion for 27 million population; RM1296 per person).

This compares with US$1156 for Singapore, US$2244 for Japan, US$1074 for South Korea, US$ 2874 for Australia, US$ 2389 for the United Kingdom and US$ 5711 for the United States of America (for the year 2003).

As can be seen, although we pride ourselves as becoming more developed than many other nations around us, we have yet to emulate those with better and arguably more advanced healthcare services. Can we expect six star services and comfort levels from limited three star spending?

NONESurprisingly, Malaysians remain disbelieving that we cannot expect the same level of healthcare services, when we have a subsidy mentality, we remain steadfast and unwilling to spend more, or to be taxed more. This is not to imply that our less endowed and poor should be left to the winds of survival for the fittest and the rich. We do have in place a great social safety net, perhaps much too abused by too many.

It is true that many detractors complain about the wastages and the leakages from corrupt political and rent-seeking practices so inherent in our Malaysian society, and urge that these be eradicated. They are adamant that money thus saved can then be rechanneled to such much-needed social and health services. But surely, this radical mindset change cannot be expected anytime soon!

However, our most recent Malaysian National Health Accounts show that we have steadily increased our healthcare spending to around RM35 billion per year. In 2008, private sector outpaced public sector healthcare spending: RM18.8 billion vs. RM16.2 billion, or 53.8 percent vs. 46.2 percent, respectively.

Malaysian private household out-of-pocket (OOP) spending, forms the largest component of the private healthcare expenditure. OOP spending takes up 57.09 percent (RM 10.8 billion) of the total; with some form of private prepaid plans (e.g. insurance) contributing 11.9 to 15.7 percent over the years from 1999 to 2008.

NONEThis OOP is disproportionately high, and that is why many people in Malaysia complain

about 'high' healthcare costs, although this is relatively true only in the private sector when compared with that in the hugely subsidised public sector. (Social security expenditure as a percentage of spending on health hovers only around 0.8 percent, mostly from withdrawals from the Employee Providence Fund savings).

Public aversion

Because of the ingrained norm of having to pay so little or not at all in public hospitals and clinics (i.e. almost totally subsidised!), the Malaysian public does not feel that it has to budget for health or medical care, and this is reflected in many of our pensioners complaining of costly unplanned-for medical care. This is also reflected in our government's tentative allocation toward healthcare spending in our national budget.

There has been flip-flopping ambiguity from the MOH, as whether to allow market forces to dictate healthcare costs, but overall, there has been no public will to enact what could be unpopular.

Suggestions to end free treatment at public hospitals and highlighting that rising healthcare cost is too heavy a burden for the government, had not been too well-received by the citizens.

These plans have always been scuppered after public protests. Instead to cater to the urban and rural poor, more health clinics with very basic amenities and sparing personnel have been set up to cater for easier if perhaps less sophisticated access for those who are poor or less endowed—hence, the 1Malaysia clinics.

NONEInterestingly, when he was first appointed , our health minister Dato Sri Liow Tiong Lai (left) admitted that the public hospital services are heavily subsidised by the government: RM12.9 billion or 98 percent of the entire budget, while patients pay only 2 percent!

But, Dato' Sri Liow reiterated his views that government subsidies for patients utilising public healthcare facilities would continue (RM1 for outpatients clinic visits, RM5 for specialist clinic visits, and maximum RM50 for third-class ward hospitalisation costs), and pledged the populist view that such a quantum would continue, despite this being unchanged since the 1970s!

There is great expectation that the government of the day should not jeopardise this status quo, by instituting any mechanism that can bring about the 'unknown'—hence there is relatively little public or open debate on these issues.

Stop gap factors

But concerns as to failures in access continue to pop up sporadically in the mass media. Poorer patients have resorted to the mass media appealing for financial assistance to help defray medical costs, especially for some costly or tertiary specialist care—almost weekly and sometimes daily, we get newspaper appeals for financial help.

Thus, this has prompted some stopgap measures such as setting up a Medical Assistance Fund (MAF) of RM 25 million, by the Health Ministry. However, this fund can only be utilised at public or quasi-governmental healthcare facilities, and appeals have to be vetted stringently to ensure need and priority, which had drawn sharp criticisms of this being too bureaucratic and slow, even unfair.

Yet another Emergency Fund (D'tik, an acronym for Dana Talian Insan Kritikal Yayasan Kebajikan Negara) has been set up. This fund of RM5 million, provides critically ill patients access to treatment within 24 to 72 hours, but is currently only available at Kuala Lumpur Hospital as its pilot medical facility. These two programmes seem to have become dormant of late with little news as to whether this are still functioning.

ong tee keat lauch mca mobile clinic 051009 02.jpgClearly, such setbacks and failure of access imply that our healthcare system needs a revamp to enhance its capacities. Providing such public sector services at huge or near-total subsidy appears untenable and unsustainable, and still left gaps, which had to be filled by creation of some extra mechanism to expedite access (predominantly by offering extraneous funds and/or donations).

Thus, this explains in some way the government's tacit encouragement for the private sector to flourish and develop, in order to cater to the more willing, more discerning, paying citizens, and leaving the public sector to look after the less endowed. But attempts to regain some co-payments from more affluent patients attending public healthcare facilities have been made.

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