

ADJUSTMENTS BEING MADE

PM: MEDICAL PREMIUMS HIKE UNDER REVIEW

Firms say it is based on a lower threshold and high cost of medicines, services

HANA NAZ HARUN
AND FAHMY A. ROSLI
KUALA LUMPUR
news@nst.com.my

BANK Negara Malaysia, the Treasury Department and Health Ministry are reviewing the increase in medical insurance premiums, said Datuk Seri Anwar Ibrahim.

The prime minister told the Dewan Rakyat yesterday that strict guidance would be issued for medical and health insurance and takaful (MHIT), as well as insurers and takaful operators (ITO).

Anwar said based on the explanation from insurance companies, the increase was based on a lower threshold in Malaysia, and the high cost of medicines and services.

"However, the Health Ministry and Bank Negara are in the process of adjusting (this) so the increase (of medical insurance premiums) is reasonable and not burdensome," he said during Prime Minister's Question Time in Parliament.

Anwar said this in response to a question from Suhaizan Kaiat (Pakatan Harapan-Pulai), who wanted to know of the government's measures to address the proposed increase in medical insurance premiums of between 40 and 70 per cent.

Suhaizan also wanted the government to explain the country's medical cost inflation of 12.6 per cent last year, which was a two-fold increase in comparison to the global rate of 5.6 per cent.

Anwar stressed that he did not agree to the sharp increase in medical insurance premiums and said he only agreed to a slight increase that was deemed reasonable.

"We know that the reason (for the hike) is medical costs, particularly for medications.

"Currently, there is no control

and, in fact, the purchase of these medications has been under a monopoly for decades.

"That is why we will cancel some commitments with one or two companies and request the Health Ministry to obtain cheaper, more affordable generic medicines," Anwar added.

He said generic medicines were more commonly found in countries such as Brazil, India and China. The government, he said, would also come up with a diagnosis-related group to standardise specialist fees, by early next year.

Anwar said this would ensure that the costs for services, such as magnetic resonance imaging and CT scans, were reasonable and under control.

He also said the Health Ministry would introduce the "Rakan

KKM" initiative where patients could choose additional facilities at a minimal cost. This, he said, would be a collaboration between government-linked investment companies and the Health Ministry.

Anwar added that the government would also look into amending the

Private Healthcare Facilities and Services Act Schedule 13.

Bank Negara, meanwhile, has pledged to find interim solutions to address the increase in medical insurance premiums.

Bayan Baru member of parliament Sim Tze Tzin said: "The government explained several factors behind the medical insurance premium hike.

"Among them, Malaysia has recorded a rise in non-communicable diseases, making it the highest in Asia, (along) with increasing health claims, rising medical inflation, and issues such as salaries for healthcare workers like nurses and doctors.

"Whatever the case, we await the government's decision. The engagement this morning was commendable."

