

# Plan to keep insurance premium hike in check

**KUALA LUMPUR:** Prime Minister Datuk Seri Anwar Ibrahim announced yesterday that Bank Negara Malaysia (BNM) and the Health Ministry will implement measures to ensure that medical insurance premiums do not rise excessively, burdening the public or contributing to increased inflation.

He said BNM and the finance and health ministries are currently working on strict guidelines for medical and health insurance providers, *takaful* operators and insurers to consider multiple factors when adjusting premiums.

"The inevitable increase is due to the lower threshold in Malaysia, with high medical costs and expensive services, according to explanations from insurance companies.

"However, the Health Ministry and BNM are collaborating closely to ensure that any

increase is reasonable and does not burden the people," he said during Minister's Question Time at the Dewan Rakyat yesterday.

Anwar was responding to Suhaizan Kaiat (PH-Pulai), who asked about government measures to address the reported rise in medical insurance premiums by 40% to 70%, and the 12.6% inflation rate in medical costs in 2023, which is more than twice the global average of 5.6%.

Anwar attributed the increase in medical costs to the rising prices of medicines, advanced medical equipment and escalating remuneration rates.

"For decades, there has been a lack of control and a monopoly in the procurement of medicines. We will cancel several commitments to one or two companies," he said.

Giving an example, Anwar highlighted a large company selling medicines to Malaysia for RM5,000 due to monopoly and lax control, while the same drug is sold in Thailand for only RM1,500.

To address these issues, the government plans to introduce cost standardisation guidelines known as diagnosis-related groups to set reasonable charges for procedures such as magnetic resonance imaging and computerised tomography scans.

Additionally, amendments to the Private Healthcare Facilities and Services Act 1998 will be made.

Anwar also announced the implementation of the Rakan KKM programme, a collaboration with government-linked investment companies, enabling patients to access additional facilities at minimal cost. - Bernama