

Lodging And Food In Medical Wards Exempt From GST

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PUTRAJAYA, March 26 (Bernama) -- The cost of inpatient care in private hospitals (admitted to the ward) will be lower when the goods and services tax (GST) is implemented.

Customs Senior Assistant Director II Norazura Hashim said the current service tax of six percent which is imposed on lodging and meals provided to patients in the ward will not be subject to GST when implemented.

"When GST is implemented, both these services will be exempted, patients will not be taxed the six per cent," she said in a media briefing pertaining to GST and health here today.

The implementation of GST (at the rate of six per cent) from April 1 is to replace the sales and services tax (SST) which is rated at 16 per cent overall.

Norazura gave an example if a patient was in the hospital during the transitional period of GST implementation, that is March 30 and 31 and April 1 and 2, the cost of treatment would involve two bills which would reflect the difference.

"(The patient) will only be taxed for two days at the current rate (on March 30 and 31), but not for the other two days (on April 1 and 2), because it (GST) has taken over the service tax, and this service tax has been repealed and exempted (from GST)," she said.

She said the cost of the overall treatment of patients when GST is implemented will be 'about the same' or perhaps slightly higher depending on doctor consultation services used.

Norazura explained that only the services of private physicians earning more than RM500,000 per annum and registered with GST will be charged the tax.

"The doctor's service if the doctor is a staff of a registered hospital (under the Private Healthcare Facilities and Services Act 1998) will not involve anything (tax).

"If the doctor is an independent who is visiting, the services provided by those doctors will be at the standard rate (of six percent)," she said.

She said patients will know if they are charged GST on doctors services when the invoice is issued, which will display the doctor's GST registration number.

It is an offense if a doctor who is not registered imposes GST tax on a patient, she said.

Norazura also explained that health services which are registered under the Private Healthcare Facilities and Services Act 1998 are GST exempt.

"If the healthcare premises is not registered under the Act, the services provided will be (rated) standard," he said.

Regarding medication, Norazura said more than 4,200 brands of medicines for the treatment of 30 kinds of illnesses such as heart disease, high blood pressure, diabetes and cancer would be zero rated when GST is implemented.

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