Health Spending: The Malaysian Experience

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Ministry of Health Malaysia
Malaysia Socio-Economic Indicators

2013 Total Population: 29,714,700
  Age 0-14 years: 26.1%
  Age 15-59 years: 65.4%
  Age ≥ 60 years: 8.6%

Life expectancy (2014)
  Male: 72.5 years
  Female: 77.2 years

Aging society by 2019 (WHO definition)
  Age ≥ 60 years: 10.3%

Urban: 71% (2010 Census)

Multi-cultural & multi-religious

Citizenship: 92% are Malaysians

Real GDP Growth: 5.6% (2012)
Per capita gross national income (2012): MYR 30,809 (USD 9,974)
but High GINI coefficient – 0.431, more than Thai, Indo, India

Overall national incidence of poverty has reduced significantly from 49.3% in 1970 → 1.7% in 2012

The estimated labour force for 2012 is 12.9M (44% of the total population or 66% of the total working age population).

Unemployment – 3%

Source: Department of Statistics, Malaysia
International Acknowledgment

Malaysia health care system is a successful, modern government-regulated health system that provides effective health services.

- 2013 Bloomberg - Malaysia is among the world’s top 20 countries with the most efficient healthcare system

- 2014 International Living, US Magazine - Rated the third best system (after France and Uruguay) out of 24 countries in its Global Retirement Index 2014 - boost for Health Tourism and Malaysia My 2nd Home
Selected Vital Statistics, Malaysia
1957- 2012

IMR  - Infant Mortality Rate
NMR  - neonatal Mortality Rate
CDR  - Crude Death Rate
TMR  - Toddler Mortality Rate

<table>
<thead>
<tr>
<th>Country</th>
<th>*Health Spending as % of GDP (2013)</th>
<th>**Infant Mortality Rate (2013)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>10.3</td>
<td>2</td>
</tr>
<tr>
<td>Singapore</td>
<td>4.6</td>
<td>2</td>
</tr>
<tr>
<td>Australia</td>
<td>9.0</td>
<td>3</td>
</tr>
<tr>
<td>France</td>
<td>11.7</td>
<td>4</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>9.1</td>
<td>4</td>
</tr>
<tr>
<td>Poland</td>
<td>6.7</td>
<td>5</td>
</tr>
<tr>
<td>Chile</td>
<td>7.7</td>
<td>7</td>
</tr>
<tr>
<td>Malaysia</td>
<td>4.0</td>
<td>7</td>
</tr>
<tr>
<td>China</td>
<td>5.6</td>
<td>11</td>
</tr>
<tr>
<td>Thailand</td>
<td>4.6</td>
<td>11</td>
</tr>
<tr>
<td>Philippines</td>
<td>4.4</td>
<td>24</td>
</tr>
<tr>
<td>Indonesia</td>
<td>3.1</td>
<td>25</td>
</tr>
</tbody>
</table>

Source: Department of Statistics, Malaysia, & Health Fact, HIC, MOH, M’sia
*World Bank: WHO GHED
**World Bank: Estimates developed by the UN Inter-agency Group for Child Mortality Estimation
Malaysia’s Vision for Health

A nation working together for better health

**Health System**
- Consumer centered
- Equitable
- Affordable
- Efficient
- Technologically appropriate
- Environmentally adaptable
- Innovative

**Emphasis**
- Caring, professionalism & teamwork
- Respect for human dignity
- Community participation

**Empower the people**
- Take individual responsibility & positive action for their health
- Appreciate health as a valuable asset
- Attain their full potential in health
Primary health care is the thrust of Malaysian health care system, supported by secondary care services which are devolved & regionalized tertiary care services.
Targeting of Public Spending

Ratio of Public & Private Expenditures 2011

Health Expenditures (1997 – 2013)

Source: MNHA Health Expenditure Report 1997-2012
Challenges in Improving Health Outcomes

**Hypertension**
- Total Hypertension: 32.3
- Recognised Hypertension: 38.8
- Blood Pressure Controlled: 32.7

**Diabetes**
- Total Diabetes: 15.0
- Recognised Diabetes: 47.2
- Blood Sugar Controlled: 41.4

**Hypercholesterolemia**
- Total Hypercholesterolemia: 34.8
- Recognised Hypercholesterolemia: 23.5
- Cholesterol Level Controlled: 47.3
<table>
<thead>
<tr>
<th>Category</th>
<th>2011</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health clinics (with doctors) (2013)</td>
<td>9%</td>
<td>91%</td>
</tr>
<tr>
<td></td>
<td>664</td>
<td>6,801</td>
</tr>
<tr>
<td>Outpatient visits (NHMS 2011)</td>
<td>49%</td>
<td>51%</td>
</tr>
<tr>
<td></td>
<td>58,775,194</td>
<td>62,349,900</td>
</tr>
<tr>
<td>No. of Hospitals (2013)</td>
<td>41%</td>
<td>59%</td>
</tr>
<tr>
<td></td>
<td>149</td>
<td>214</td>
</tr>
<tr>
<td>Hospital Bed (2013)</td>
<td>76%</td>
<td>24%</td>
</tr>
<tr>
<td></td>
<td>43,437</td>
<td>14,033</td>
</tr>
<tr>
<td>Bed Days (NHMS 2011)</td>
<td>82%</td>
<td>18%</td>
</tr>
<tr>
<td></td>
<td>11,947,836</td>
<td>2,590,606</td>
</tr>
<tr>
<td>Doctors(excl. Houseman) (2013)</td>
<td>68%</td>
<td>32%</td>
</tr>
<tr>
<td></td>
<td>25,247</td>
<td>11,697</td>
</tr>
<tr>
<td>Health Expenditure RM Billion (2013)</td>
<td>52%</td>
<td>48%</td>
</tr>
<tr>
<td></td>
<td>23.3</td>
<td>21.5</td>
</tr>
</tbody>
</table>

Source: Health Informatics Center (HIC), Family Health Development Division, NHMS 2011, Mesy J/K Pemandu MNHA Bil 2/2014, Human Resource MOH
Financing of current health expenditures (~2009)

Health Expenditure by Functions of Health Care (2011)

Addressing needs of the People

• In general, current public health system is good, reasonably priced and good service.

• However - long waiting time, insufficient staff, crowded waiting area and problems with accessibility, need to spend additional money for their travel.

• The private sector plays a complementary role but the concern - high cost of private health care.

• Public wants improved healthcare system and higher quality.

• Expanding and strengthening of scope, increased number of equipment and facilities, increased number and quality of health workforce.

• They also want lower cost of care.
3 Areas of Improvement

**Service Delivery Reforms**
- Increase quality of care
- Public & Private healthcare delivery
- Family doctor for each individual
- Gatekeeper to higher level
- Clear benefits package

**Financing Reforms**
- Mixed financing
- Purchaser Provider Split
- Relevant PPM
- Pay for Performance
- Supply and Demand side incentives

**Organisational Reforms**
- Public private integration
- Public sector autonomy
- Streamlining MOH
  - Stewardship
  - Governance
  - Public health services
  - Research
  - Training
Thank You