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MALAYSIA HEALTH SYSTEM REVIEW:

OVERVIEWS AND OPINIONS

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Abstract

Objective: The aim of this study to describe the institutional framework of healthcare system, the process, content and healthcare expenditure spending within Malaysia.

Methodology: In these articles, all data are collected from books, articles, outlines sources and also from Malaysia National Health Account (MNHA) database.

Abstract: Healthcare in Malaysia was known by all of the country in the world in which healthcare sector plays an important role in giving a health service to all peoples. According to the World Health Organization (WHO), government and the private sector play a crucial role in providing a quality life for its citizen through the good health system. Back to this year 2018, the economic issue became an important role for each of country in order to manage a budget and to spend on citizens. Besides that, Malaysia's national healthcare expenditure was around 4.6 percent of GDP in 2015. In 2018, after the General Election, the new government was analysing all on-going budgets and future projects. The budget allocated is subject to change, in which Malaysia is more concerned on healthcare allocation of budget for these years. In which the Ministry of Health allocated 10.4 percent for the annual national budget and out of this allocation, 3.6 percent is assigned for healthcare expenditure. Regarding this issue, this article starts by introducing Malaysia country, healthcare system and healthcare spending in Malaysia.

Keywords: Government Sector, Private Sector, Healthcare Expenditure

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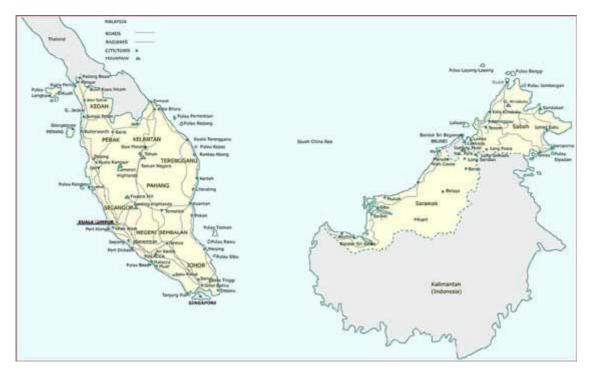
Introduction

1. History of Malaysia

In 1957, Malaysia country achieved an independent country after under British colonization it means that Malaysia country was free from conquering of any country. Malaysia is a federal state located in Southeast Asia and has two main areas separated by the South China Sea. Historically, the peninsula of Malaysia or formerly known as the Malay Peninsula was the main trading centre in Southeast Asia where at that time the state of Johor became a connection to India and China economically and became a stopover for traders from both countries. Malaysia was independent of the British rule on August 31, 1957, as a federal Malaya which is covering 11 states in the Malay Peninsula. In 1963, Sabah and Sarawak joined Malaya and at that time it was known as the Federation of Malaya. Malaysia is still practicing the parliamentary democracy and constitutional monarchy where the Yang di-PertuanAgong is elected every 5 years by the Malay Rulers Council. In 2019, Malaysia's population has become well-developed with 31.67 million. Moreover, healthcare system, good access in clean water and sanitation and programmes to reduce poverty, increase literacy, improve status of women and build a modern infrastructure has become more developed.

Geography and Sociodemographic

Table 1-1 Map of Malaysia



The Malays are divided into four main races namely the Malay-born bumiputras, which is called Malay which comprises 53% East Malaysia, which is also called the Borneo Earths which includes 10 percent, 27 percent of Chinese and Indians 10 percent. Meanwhile, the religion in Malaysia is Islam which covers 59 percent, Buddha 23 percent, Christian 10 percent, Hindu 7 percent, and Sikh 1 percent. If viewed in

terms of a racial and religious composition by society in Malaysia, it is evident that Malaysian society is a multi-racial society and known as a plural society. The unity and harmonious relationship between the races are crucial to the success of the multi-racial Malaysia. Thus, Malaysia's country is a multicultural and state with Sunni-Islam as the official religion. Besides that, according to World Bank classified Malaysia is an upper middle-income country but its society and economy were transformed by rapid economic growth latter half of the 21st century.

2. Historical Background of Healthcare System

The history of healthcare in Malaysia began before the time of independence. The construction of the hospital was there in order to treat workers that work in the tin mining industry. Each mine worker must pay 50 cents a year for treatment. In the 19th century, the tin mining industry flourished in Perak. Due to good achievement in the mining industry, the number of hospitals in the Perak's state was growing and number of hospitals become expanding until all the states in Malaysia.Healthcare in Malaysian has been characterized as a strong healthcare sector that everyone can access health services in Malaysia. One of the most things that accessible because of in here, the healthcare sector is governed by the public sector and the private sector. In other words, people here can access the health service by going to a public hospital or private hospital in getting treatment.Actually, there are three types of ownership distinguish hospitals in Malaysia. There are public hospitals, privately owned hospital and also non-profit private hospital.

3. Health Status

According to the Department of Statistics Malaysia, Malaysia had made great additions in life expectancy for its people; an increase year from 2011 to 2017 for male 72.1 to 72.7 years. However, life expectancy for women from 2011 to 2017 is 76.8 to 77.4 years. Thus, this figure reveals that there is an increasing number with 0.6 year for both male and female from years 2011 to 2017. Nevertheless, as Malaysia is a multicultural country, so there is figure life expectancy for all ethnicity. For example, the highest life of expectancy at birth for a male in 2017 is recorded by Chinese with 75.0 years while the lowest is recorded by Indians with 67.8 years. Then for females, the Chinese recorded the highest life expectancy at birth with 80.2 years while Bumiputra recorded with lowest in 76.2 years. Besides, for the mortality rate of in Malaysia now are come from communicable diseases to non-communicable diseases. According to from Department of Statistics of Malaysia, ischaemic heart diseases was the principal cause of death in 2016 of 13.2 percent, followed by pneumonia (12.5%), cerebrovascular diseases (6.9%), transport accidents (5.4%) and malignant neoplasm of trachea, bronchus & lung (2.2%).Then as statistics reveal that ischemic heart disease for the deaths.So, all the statistics can refer to Table 3-1 and Table 3-2.



Table 3-1 Statistics for Health Status

Malaysia 330,713 sq. kr	n Sc			Source :	Source : Department of Survey & Mapping, Malaysia				
Population and Vital Statistics	2016		2015			2014			
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total Population ^(a) ('000)	31,660.7	16.362.5	15.298.2	31,186.1	16.112.1	15.074.0	30,708.5	15,867.8	14.840.7
Population Density (per sq.km)		95.7			94.3			92.9	
Population by Age Group: ⁽⁰⁾ (number & percentage)									
Below 15 years (1000)	7.763.3 (24.5%)	3.999.5 (24.4%)	3.763.8 (24.6%)	7,775.8 (24.9%)	4.002.1 (24.8%)	3.773.7 (25.0%)	7,773.6 (25.3%)	4.000.8 (25.3%)	3.772.8 (25.4%
 15 – 64 years ('000) 	21.983.3 (69.4%)	11.436.0 (69.9%)	10.547.3 (68.9%)	21,589.0 (69.3%)	11.228.2 (69.7%)	10.360.8 (68.8%)	21,200.8 (69.0%)	11.028.0 (69.4%)	10,172.((68.6%
 65 years & above ('000) 	1.914.1 (6.1%)	927.1 (5.7%)	987.0 (6.5%)	1,821.4 (5.8%)	881.8 (5.5%)	939.6 (6.2%)	1.734.1 (5.7%)	838.9 (5.3%)	895.) (6.0%
Annual Population Growth Rate (%)	1.5	1.5	1.5	1.5	1.5	1.6	1.6	1.7	1.
Crude Birth Rate (per 1,000 population)	16.1	1ó.1	16.1	16.7	16.7	16.7	17.2	17.2	17.
Crude Death Rate (per 1,000 population)	5.1	5.7	4.5	5.0	5.ó	4.4	4.9	5.5	4.
Stillbirth Rate (per 1,000 births)	5.2	5.2	5.2	4.4	4.7	4.1	4.3	4.6	3.
Perinatal Mortality Rate (per 1,000 births)	8.3	8.5	8.1	7.7	8.3	7.1	7.4	8.1	ó.
Neonatal Mortality Rate (per 1,000 live births)	4.2	4.4	3.9	4.3	4.7	3.9	4.2	4.6	3.1
Infant Mortality Rate (per 1,000 live births)	6.7	7.1	ó.2	ó.9	7.3	ó.4	6.7	7.3	ó.
Toddler Mortality Rate (per 1,000 population aged 1 – 4 years)	0.4	0.4	0.3	0.4	0.4	0.3	0.4	0.4	0./
Under – 5 Mortality Rate (per 1,000 live births)	8.1	8.ó	7.6	8.4	9.0	7.7	8.3	8.9	7.
Maternal Mortality Ratio (per 100,000 live births)	29.1	:	29.1	23.8	:	23.8	22.3	:	22.
life Expectancy at Birth (in years)	74.7 ^p	72.5 ^p	77.2 ^p	74.ó	72.5	77.1	74.5	72.4	77.
Distribution of Live Births by Birthweight (%): • under 2.5 kg • 2.5 kg and over • unknown	11.41 88.45 0.14	10.45 89.40 0.15	12.43 87.43 0.14	11.53 88.31 0.16	10.55 89.28 0.17	12.58 87.27 0.15	11.20 88.62 0.18	10.27 89.55 0.18	12.1 87.6 0.1
 unknown 2014-2016: Current Population Estimates 2014 The added total differ due to rounding. 					0.17 (P) Preliminary ; Not applice	data		0.18 artment of Sta	-

Table 3-2 Statistics Causes of Death For Male

· The five principal causes of death for males unchanged

Ischaemic heart diseases recorded the highest percentage of 16.0 per cent, followed by Pneumonia (11.8%), Transport accidents (6.5%), Cerebrovascular diseases (6.4%) and Malignant neoplasm of trachea, bronchus & lung (2.7%).





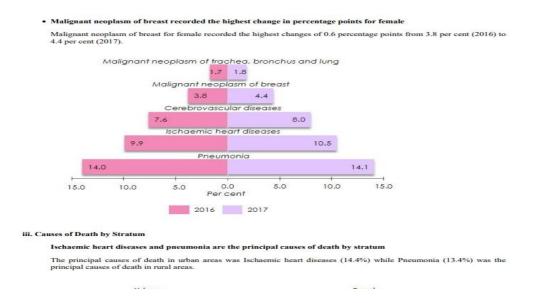


Table 3-3 Shows About Percentage of Pneumonia That Recorded by Female as The Highest Diseases Caused Death

4. Healthcare System in Malaysia (Organization and Governance)

The Malaysian healthcare system was governed under threegroups, which means three types of ownership distinguish hospitals in Malaysia such as government public hospitals, privately owned hospitals and non-profit private hospitals (Rasiah,R, Abdullah, R, &Tumin, M, 2011). In addition to, the Malaysian health care system consists of tax-funded and full government-run universal services and fast-growing private sector. Generally, public-sector health services are organized under a civil structure and centrally administered by the Ministry of Health (MOH). Other than that, Ministry of Health also regulates about the pharmaceutical industry and food safety. Meanwhile, private sector tax-funded, ownership funded, self-paying fee and also through third-party paying like as health insurance.

Public sector (MOH) provides comprehensive range of services such as health promotion, disease prevention, curative and rehabilitative care delivered through clinics and hospitals.

The private health sector provides health services that focus on urban areas, through physician clinics and private hospitals with special treatment for curative care. The table above address on contribution of the public sector and private sectors in healthcare system.

Table 4-1 Public Health Sectors

Government		
 Ministry of Health 	NO.	OFFICIAL BEDS
Hospitals and Special Medical Institutions	144	41,995
- Hospitals	135	37,293
- Special Medical Institutions ¹	9	4,702
	NO.	TEAMS
Health Clinics		
- Health Clinics ²	1,060	
 Community Clinics (Klinik Desa) 	1,803	
 Mobile Health Clinics (Teams) 	-	204
- Flying Doctor Services (Teams)	6 (Holicoptors)	12

Healthcare Facilities, 2016 (as of 31 December)			
Government (contd.)			
Ministry of Health	NO.	DENTAL CHAIRS	
Dental Clinics			
- Standalone Dental Clinics	56	503	
- Dental Clinics in Health Clinics ¹	587	1,486	
- Dental Clinics in Hospitals	67	376	
 Dental Clinics in Other Institutes 	19	18	
- School Dental Clinics ²	925	813	
 Mobile Dental Clinics² 	35	55	
Dental Mobile Teams			
- Pre-School	136		
- Primary & Secondary School	446 >	2,739ª	
- Elderly/Special Children	4)		
Includes Dental Clinics in Maternal & Child Health Cli Includes Dental Clinics in primary and secondary sch Refers to partable dental chairs.			

Healt	ncare Fo	acilities,
2016	(as of 3	1 Decen

2016 (as of 31 December)			
Government (contd.)			
 1Malaysia Clinics 	NO.	TEAMS	
- 1 Malaysia Clinics	357		
 1 Malaysia Mobile Clinics (Bus) 	7	12	
 1 Malaysia Mobile Clinics (Boat) 	4	8	
	NO.	DENTAL	
- 1 Malaysia Dental Clinics (UTC)	18	34	
- 1 Malaysia Dental Clinics (RTC)	3	4	
 1 Malaysia Mobile Dental Clinics (Bus) 	1	19	
- 1 Malaysia Mobile Dental Clinics (Boat)	2	0'	
Non Ministry of Health	NO.	OFFICIAI	
Hospitals ^b	9	3,683	

Table 4-2 Private health sectors

Healthcare Facilities, 2016 (as of 31 December)				
Private				
• Licensed	NO.	OFFICIAL BEDS		
Hospitals	187	13,957		
Maternity Homes	10	30		
Nursing Homes	17	615		
Hospice	2	17		
Ambulatory Care Centre	73	131		
Blood Bank	4	25 ¹		
Haemodialysis Centre	423	4,529 ²		
Community Mental Health Center	1	-		
Combined Facilities ³	2	73/29 ²		
Registered				
Medical Clinics	7,335	-		
Dental Clinics	1,992	-		
1 Refers to Banks/Tanks				

2 Refers to dialysis chairs

Release Calaysis Cristing
 Combination of Ambulatory Care and Haemodialysis Centre

Source: Medical Practice Division, MoH

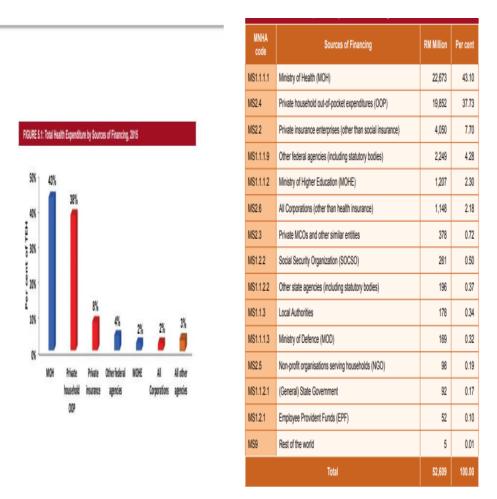
Moreover, nongovernment organizations also provide some health services for particular groups such as Chinese and Malay. These groups are usually finding services for traditional medicine which be a choice for them in getting a healthy lifestyle.

5. Healthcare Expenditure

Health expenditure became more important for the Malaysia budget in 2018. Spending on healthcare (at 4.6 GDPs in 2016) remains below the average for upper-middle-income countries. Generally, the health system in Malaysia is financed thoroughly general revenue and taxation collected by the federal

government, while the private sector is funded through private health insurance and out-of-pocket payments from consumers. Sources for financing in healthcare expenditure comes from multiple public and private sector agencies. Among public-sector sources of financing are the federal government, state government, local authorities, and social security funds. At the same time, for private-sector sources of financing comes from private insurance enterprises, managed care organizations, private household OOP, non-profit institutions, and private corporations (*Malaysia National Health Records, 1997-2015*). In 2015, the Ministry of Health had the highest expenditure to RM 22,673 million (5,535,868 USD) or 43 percent share of total healthcare expenditure. This followed by private household Out-of-Pocket (OOP) spending of RM 19,852 million or 38 percent share of total expenditure.

Table 5-1 Total Health Expenditure by Sources of Financing, 2015



Refer to the table above, after MOH and OOP, the next higher spending is private insurance which is 8 percent, other federal agencies which is 4 percent and followed by the Ministry of Education (MOHE). Then remaining sources is 2 percent of the total healthcare expenditure. Besides, the table below shows about total expenditure on healthcare financing by public and private sector.

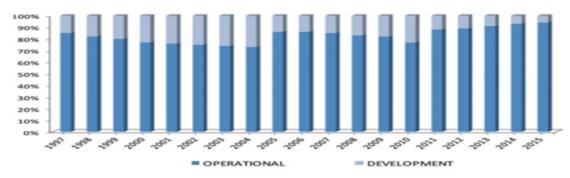


Table 5-2 Total Health Expenditure by Sources of Financing (Public vs. Private), 1997-2015

This table starts by comparing the health spending of the public and private sector. In the 2015 year, the public and private spending are 6,610 million in USD and 6,232 million in USD. During this period, both public and private sector spending shows an upward trend with the public sector share the highest contribution in healthcare sector.

5.1 Ministry of Health (MOH)

In Malaysia, MOH dominating all the healthcare expenditure in giving the best services for the citizens, which ranges between 40-49 percent. The allocation is used in health-related services provided by hospitals, clinics, public health labs, research training, and others. Besides, MOH put allocation for purchasing outsources services such as hospital maintenance.



5.1-1 Ministry of Health (MOH) Recurrent and Development Allocation, 1997-2015

5.2 Out-of-Pocket Health Expenditure

Out-of-pocket (OOP) payments are the primary means of financing health care throughout all country in Asia include Malaysia. In 1997-2015, time series data shows that the household Out-of-pocket health expenditure is the largest source of funding in the private sector which 38 percent from total of healthcare expenditure.

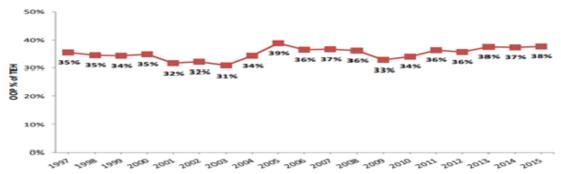


Table 5.2-1 OOP Share of Total Health Expenditure, 1997-2015 (percent, %)

The 1997- 2015 timeline shows that the private sector still spends which is equivalent to about 30-40 percent of total healthcare expenditure. Regarding the table, usually, people with medical coverage was provided through the government, employers or private insurance funds were better to use private health care and had higher household expenditure.



Table 5.2-2 OOP Health Expenditure and percent GDP, 1997-2015 (RM Million, Percent %)

In Malaysia, private healthcare expansion began during Mahathir Mohamed era, in which he also becomes two times Prime Minister and now he is our seventh Prime Minister of Malaysia. For high demand for the getting excellent, faster and quality in healthcare services, most of the people or patients seek treatment in private sector, in which they are often liberty to buy these services or products separately and the patient had the freedom to choose in what they want to get services. The private sector provides several categories of private facilities such as private hospital, private medical clinics, providers of medical appliances, traditional, and complementary care providers, private dental clinic, private pharmacies and private laboratories.

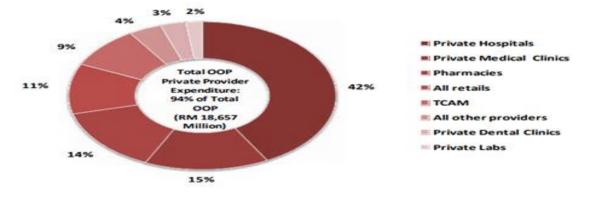


Table 5.2-3 OOP Health Expenditure by Functions of Health Services, 2015 (percent, %)

The table above shows the contribution of private sector in healthcare services. So, the most contribution in healthcare expenditure is from Private Hospital which is 42 percent, then private medical clinics are 15 percent, then pharmacies are 14 percent and the other remains is 29 percent. Thus, from 1997 till 2015, time series data shows private sectors are very crucial because of getting a lot of contributions to healthcare expenditure.

6. International Comparison

Policy makers also make a comparison with other countries in making a big decision. Thus, in order to get cooperation among these countries, World Health Organization (WHO) will convinceall these countries to use System Health of Accounts (SHA)for standardizing and analysing healthcare expenditure data that comparable and reliable international health expenditure data. However, Malaysia also produces health expenditure data based on Malaysia National Health Accounts (MNHA) and SHA, butGlobal Health Expenditure Database (GHED) had been used in order to get standardize data in the same year. In this section, comparison on healthcare expenditure made that consist 3 European countries (France, Germany, and United Kingdom), seven countries in Asia (Sri Lanka, India, Bangladesh, China, Japan, Republic of Korea and Philippines), three countries neighbouring Malaysia (Singapore, Indonesia and Thailand) and Australia. Based on GHED database, health spending in Malaysia is 4.2 percent of GDP (Table 6-1). India, Philippines, Singapore, China, Thailand, and the Republic of Korea spent more than Malaysia but lower than European countries such as France, Germany, United Kingdom and Australia which they spent more than 9 percent GDP.

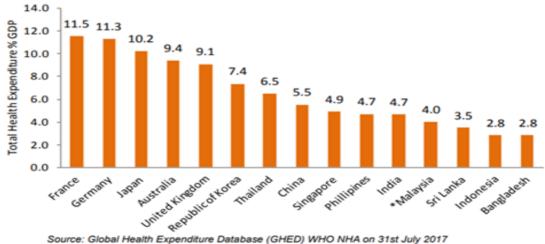
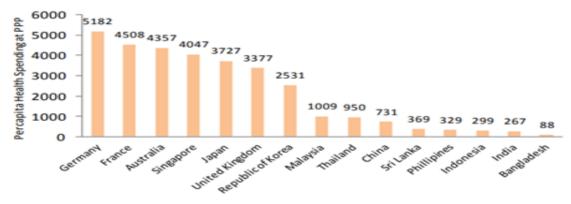
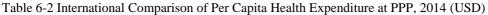


Table 6-1 International Comparison of Total Health Expenditure as Percent GDP, 2014

Source: Global Health Expenditure Database (GHED) WHO NHA on 31st July 2017





Source: Global Health Expenditure Database (GHED) WHO NHA on 31st July 2017

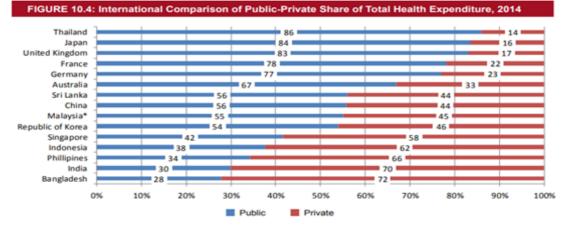


Table 6-3 International Comparison of Public-Private Share of Total Health Expenditure, 2014

Source: Global Health Expenditure Database (GHED) WHO NHA on 31st July 2017

However, the regional countries like Thailand, Philippines, India, Bangladesh similar to Malaysia GDP spending, in which they have much lower per capita spending ranging from USD 88 in Bangladesh to USD 950 in Thailand. However, the regional countries like Thailand, Philippines, India, and Bangladesh with similar to Malaysia GDP spending has a much lower per capita spending ranging from USD 88 in Bangladesh to USD 950 in Thailand compared to Malaysia spending USD 1,009 (Table 6-2). Thus, it can conclude that the population of a country affects the per capita spending value as countries with a large population.

Discussion and Conclusion

Malaysia offers impressive health gains for its population with a low-cost health care system that provides universal and comprehensive services by funding through general revenue. Based on this article, Malaysia has formed a much-admired model in terms of the public sector and the private sector that implements lots of alternatives to delivering excellent health services to the population. Besides, in Malaysia the healthcare system 75% from the public sector and highly subsidized by the public sector, thus residents can enjoy getting health services and ought good financial risk protection from ill health.

Nevertheless, there are challenges that will arise in the future. First of all, the equity challenges are that growth of out-of-pocket payments, in which its affect fundamental of Malaysia's healthcare principle address for the access of quality healthcare, residents not should depend on the ability to pay. Then, as Malaysia approaches developed nation status, and as technology become expands, the possibilities for intervention and demand for health care by population continue to rise. Pressures are continually rising up for health reform in Malaysia looking towards the year 2020 and beyond.

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