



# Upward spiral of healthcare cost

**A PRIVILEGE OR A RIGHT?:** The increasing cost of healthcare has caught many Malaysians in a bind, especially those in the low-income group. We often read heartwrenching stories of people with serious illnesses losing all they own trying to cure themselves or their loved ones. Why is this happening when public healthcare is available at minimal cost to all Malaysians? Tan Choe Choe, Arman Ahmad and Audrey Vijaindren find out

**M**ORE Malaysians are finding it hard to get the medical treatment they need at an affordable price.

Datuk Paul Selvaraj, chief executive officer of the Federation of Malaysian Consumer Associations, said private healthcare costs have been increasing rapidly in recent years.

He said the No. 1 reason people fell into debt was because of medical expenses, according to last year's statistics from the Credit Control and Counselling Agency, AKPK.

He opined that this was also because many did not view public healthcare as an option — whether they could afford private healthcare or not.

"But for survival, people need to consider government hospitals, even though I agree that there's still a lot that government hospitals need to improve on."

He advised the public to weigh the consequences of costs involved and to go to government hospitals if possible.

Indeed, the oft-spoken catchphrase whenever the issue of rising cost of private healthcare is raised is: "You can always go to a government hospital if you can't afford private".

However, there are very real, legitimate reasons why people are choosing private healthcare over public, even when they can ill afford it.

Published academic studies carried out by local universities have long noted that poor people were driven to private healthcare facilities because they needed immediate treatment, said Prof Dr Nik Rosnah Wan Abdullah, deputy dean at Universiti Tun Abdul Razak's Tun Abdul Razak School of Government (TARSOG).

For example, in a 1995 study, she said 49 per cent of private healthcare users were actually not well off, which suggested that patients preferred private care for the simpler reason of prompt service.

She pointed out that many did not even have medical insurance

and had to pay out-of-pocket.

This was evident, she said, in the National Health and Morbidity Survey II that was done in 1996, where it stated that while 21 per cent of private facility users paid through third parties (employer or insurance), the remaining 79 per cent had to fork out their own money.

But a shorter waiting time is not the only reason why Malaysians are choosing private over public.

Some treatments are actually only provided by specialists who have joined the private sector.

"Sometimes, the public cannot get the service because the service is just not there. There is a shortage of specialists, for example, nephrologists and senior orthopaedic surgeons, in public hospitals," said Prof Dr Rajah Rasiah, dean of Universiti Malaya's Faculty of Economics and Management.

The root of the present day conundrum can be found in policies laid out in the past few decades, said Nik Rosnah, particularly those that drive the expansion of private healthcare.

"Malaysia was doing very well in the 1950s and 1960s. The state played a predominant role in health. Many western researchers often quoted Malaysia as an exemplary state, although its expenditure in healthcare wasn't that high," said Nik Rosnah.

The government played a big role until the 1980s, when certain policy changes started to encourage the growth of private hospitals.

"It happened from 1983 onwards after the privatisation policy that was, at that time, in trend with British prime minister Margaret Thatcher. Former prime minister Tun Dr Mahathir Mohamad bought into it," said Nik Rosnah.

In the 1990s, government-linked companies and state governments started to invest in new private hospitals.

"State governments, like Penang, Johor, Malacca and Sarawak, star-

ted to invest in their own hospitals, while GLCs like Sime Darby opened up the Subang Jaya Medical Centre and foreign investors came in to invest."

This trend also prompted some previously philanthropic hospitals to get into the business of making money.

But the rise of private hospitals gave rise to competition for the same resources, namely doctors, nurses and other workers in public hospitals. So, public hospitals began suffering a "brain drain" because of the private sector, with their staff lured to private hospitals by high salaries.

Today, some of these specialists are so highly paid that there is no way public hospitals can compete.

"Some of these specialists can get over RM100,000 a month," said Rajah.

It is easy to deduce that only very profitable hospitals can afford to pay that amount of money.

"But when it comes to people suffering from illnesses, ringgit and sen are secondary issues. It's a question of willingness to pay," said Rajah.

"If you only have three months to live if you go without treatment, anyone would pay to have that treatment, more so if it involves a child. You might even sell your house."

The argument for privatisation was that it would bring more efficiency.

"But when you look at healthcare as a service, efficiency is not the best criteria. (The lack of) healthcare can mean death.

"Healthcare must reach everyone. It is not something optional that you can forego."

With private healthcare getting so expensive, many might find it hard to comprehend one interesting fact — private healthcare facilities are largely owned in some way by the government through government-linked companies.

### FEELING THE SQUEEZE



## Health facts at a glance

INFOGRAPHIC: NST

	Public Hospitals	Private Hospitals	Total
Total	138	220	
Beds	38,394	13,568	
Admissions in 2011	2,139,392	134,118	
Outpatient	-	-	
Hospitals, maternity home and hospice	18,328,343	1,909,163	
Public health facilities	28,656,444	-	
Doctors	25,845	10,762	36,607
Dentists	2,452	1,801	4,253
Pharmacists	5,288	3,344	8,632
Nurses	50,063	24,725	74,788

## Total number of registered private hospitals

Year	No. of registered private hospitals
1980	10
1983	32
2003	128
2006	195
2008	209
2010	219
2011	220

Source: MOH, 2010



Ironically, the government has been talking about the increasing burden of public healthcare because of rising costs.

This is despite the fact that Malaysia's healthcare expenditure has never surpassed five per cent of its gross domestic product.

"According to the World Health Organisation's Country Report 2006, Malaysia spent less than four per cent of its GDP on healthcare. In 2010, Malaysia's total expenditure on health was RM33.7 billion, or 4.96 per cent of its GDP — below the WHO's recommended level of not less than five per cent," said Nik Rosnah.

However, according to the WHO website, in 2011, these figures were

even lower at 3.6 per cent.

Rajah said more should be done to improve the healthcare industry in Malaysia.

"The state should play a more important role. More money should be spent on healthcare. The government should not be in the business of seeing private hospitals make money," said Rajah.

"I believe healthcare is a right. You cannot allow a person to die just because he doesn't have the money."

### What do you think?

Send your views to

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