

Strategic Purchasing to Achieve UHC in Malaysia

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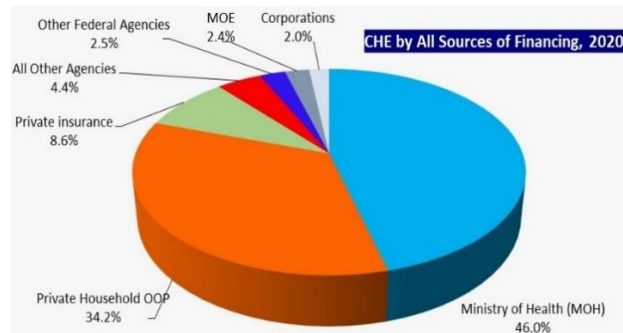
Health Financing Challenges

Financing

- Malaysia Is **Under-investing In Health**
- **Current Health Expenditure (CHE)** Is Only **4.1%* of GDP**
- **Public Sector Spending Is 2.2% Of GDP*** Compared To 4.4% For UMIC And 6.4% For HIC**
- OOP Spending On Health Is **High – 34.2% Of CHE In 2020.**

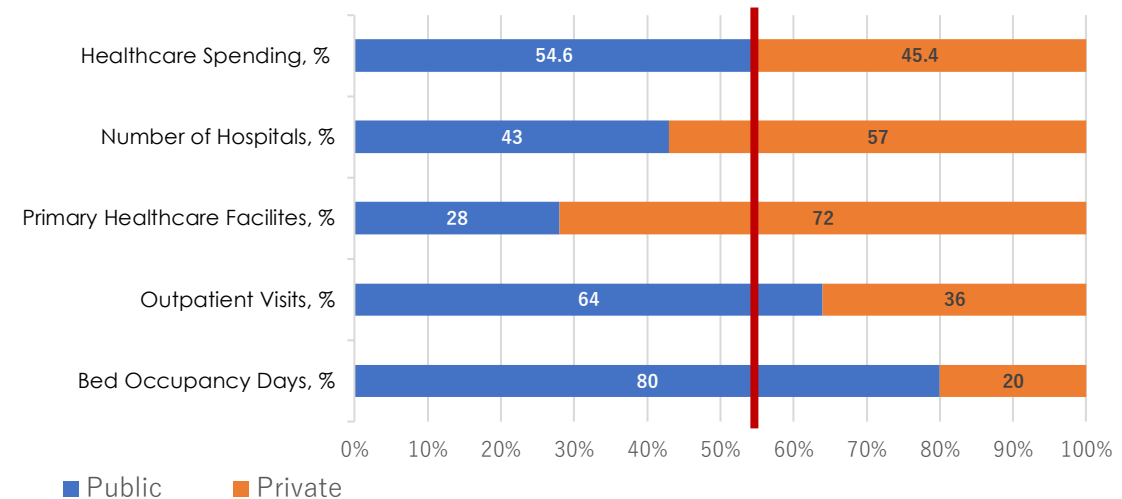
Current Health Expenditure (CHE) as % of GDP
Malaysia vs UMIC & HIC (2020)

	Malaysia	UMIC	HIC
CHE	4.1	7.4	8.8
CHE by public sector	2.2	4.4	6.4



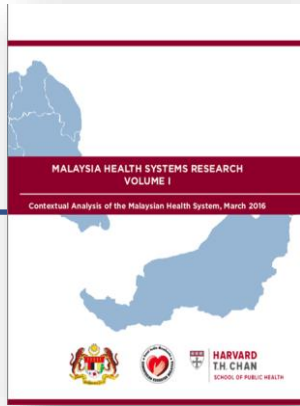
Manpower and Infrastructure

- **Overcrowding and long waiting times** in public hospitals and clinics.
- **Many old health facilities and equipment.**
- **Insufficient mix** of health **personnel.**
- **Maldistribution** of health resources - public and private sectors are not used optimally.



Source : MNHA Database 1997-2021, ** WHO, Global Health Expenditure Database, 2022

Development of the Health White Paper (HWP)



- MOH has conducted **several system analyses and reform recommendations** over the last 20-30 years.
- However, past attempts at structural reform have proven to be challenging.
- Support from all levels of government and society is vital to successful reforms.

- The work on health reform plan started since 2019 and is aligned with the 12th Malaysia Plan - "**A blueprint for Malaysia Healthcare System Reform** will be introduced as a new way forward for national healthcare system transformation."

- The emergence of the COVID-19 pandemic has tested the capacity and overwhelmed our health system.
- This pandemic provides a **window of opportunity** to institute systemic reforms.
- Therefore, health reform is critical in ensuring the future **sustainability** and **resilience** of the country's health system.

Pillars of HWP

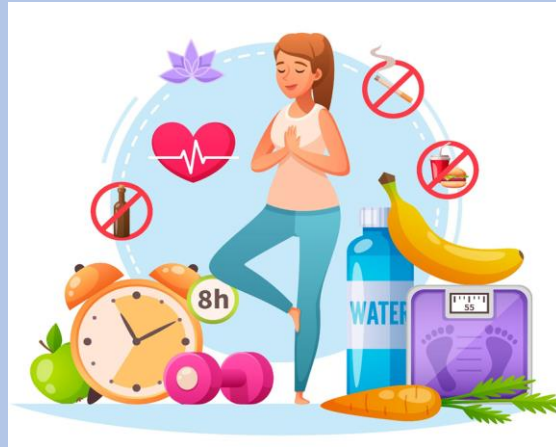
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**Transforming
Healthcare Service
Delivery**



2

**Advancing Health
Promotion and
Disease Prevention**



3

**Ensuring Sustainable
and Equitable Health
Financing**



4

**Strengthening the
Health System
Foundation
and Governance**

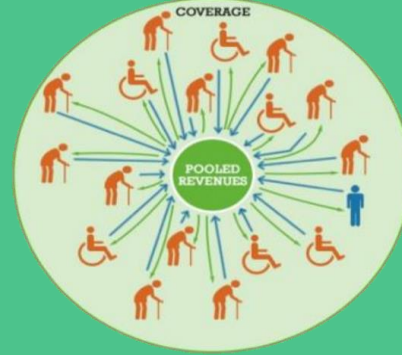


HWP Pillar 3: Ensuring Sustainable and Equitable Health Financing



Increasing investments for health

- Increase public investment in health to 5% of GDP
- Diversify sources for health funding



Ensuring comprehensive and fair coverage for all

- Consolidate all funding for health to increase the efficiency of health financing and equity of access



Ensuring effective and efficient healthcare expenditures

- Strategic purchasing of health services
- Increase allocation to primary health care and prioritise promotive and preventive services

ProtectHealth as a Strategic Purchaser

ProtectHealth Corporation Sdn Bhd (ProtectHealth) was incorporated on 19 December 2016 as a wholly-owned subsidiary of ProtectHealth Malaysia (PHM), established under the Ministry of Health, Malaysia (MOH).

As a not-for-profit company, we coordinate, administer and manage initiatives related to financing healthcare services as mandated by MOH.

ProtectHealth Malaysia & ProtectHealth Corporation were established with:

Two mandates in December 2016 as approved by the Cabinet

National Health Financing

Strategic Purchaser – Public-Private Partnership & Reducing Healthcare Costs



ProtectHealth has been appointed as the healthcare scheme administrator for **Skim Perubatan MADANI** on 5 May 2023. The pilot programme as announced by the Prime Minister during the Budget 2023.

On 15th April 2019, as per our strategic purchaser mandate, we carry our role as the healthcare scheme administrator for **Skim Peduli Kesehatan untuk Kumpulan B40 (PeKa B40)** as mandated by the Government.

Starting from 12th November 2020, we have been appointed as the **Electronic Services Provider** operator for **Skim Perlindungan Insurans Kesehatan Pekerja Asing (SPIKPA)**.

Given our experience and capabilities in discharging strategic purchasing role, on 8 March 2021, ProtectHealth has been appointed by the Ministry of Health as the implementer of **private medical practitioners' and healthcare NGOs' participation in the National COVID-19 Immunisation Programme**.

ProtectHealth as a Strategic Purchaser

1. With **sufficient purchasing and negotiation power**, ProtectHealth has managed to strategically purchase health screening services and health equipment **at lower price**.
2. ProtectHealth ensures that the **quality of health services provided is not compromised** with the given resources.

- **NEGOTIATED LOWER THAN TBP PRICE**

1. **Cardiac Drug Eluting Stent (DES):**
Reduced median payout from RM5,000 to RM3,000 (40% reduction)
2. **Intraocular Lenses (IOL):**
Reduced median payout from RM490 to RM440 (10% reduction)

- **NEGOTIATED COMPETITIVE MARKET PRICE**

- **Health screening** (RM60) &
- **Laboratory services** (RM30)

- **CONTINUOUS QUALITY ASSURANCES**

- **Provider management:** Provide onboard training & regular/targeted refresher coaching to providers
- **Claim review:** Reject substandard care/claims (incomplete, missed diagnosis/referral)
- **Medical audit:** Provide quality alerts, Conduct Paper & onsite audit, fraudulent claims investigation
- **OUTCOME:** Improvement of diagnosis & referral after screening

Strategic Purchasing of Pharmaceuticals

Six main variables in pharmaceuticals strategic purchasing:

- 1) purchasing interventions;
- 2) target group and service users;
- 3) providers and suppliers of interventions;
- 4) methods and motivations;
- 5) price; and
- 6) structure and organisation.

(Ref: Bastani P, Ghanbarzadegan A, Vatankhah S, Samadbeik M. Components Affecting Pharmaceutical Strategic Purchasing: A Scoping Review. Health Serv Insights. 2019 Apr)

Summary