

# **“MOH Budget over the years: Trends and Projections”**

Lim Chee Han, PhD

People's Health Forum RTD2

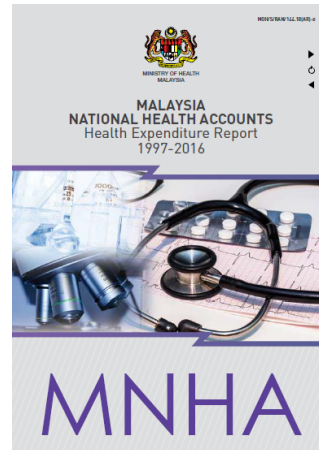
DK4, Faculty of Economics, University Malaya

7 August 2019

# Healthcare Financing in Malaysia



Federal Budget (MOF)



MNHA report (MOH)



Federal Government Financial Statement (MOF)

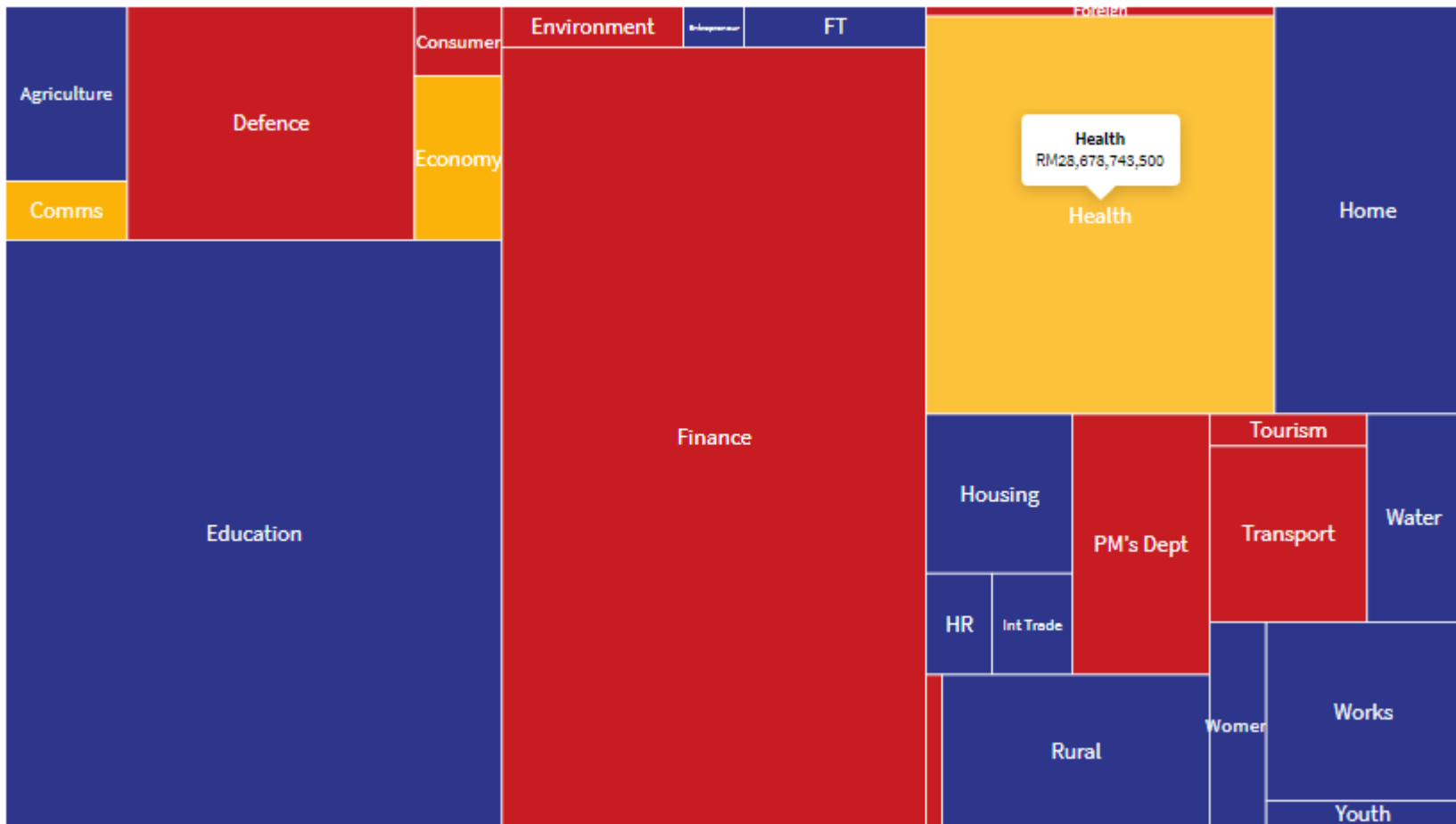


Auditor General's Report

GHO (WHO)

# Federal Budget 2019 by Ministry

## Allocation for Ministries



Source: [Kementerian Kewangan Malaysia](#)

# Priorities, Priorities, PRIORITIES !!!

**PUT YOUR MONEY  
WHERE YOUR  
MOUTH IS.**

Proverb

PICTUREQUOTES.COM

Policy implementation has to be financially supported

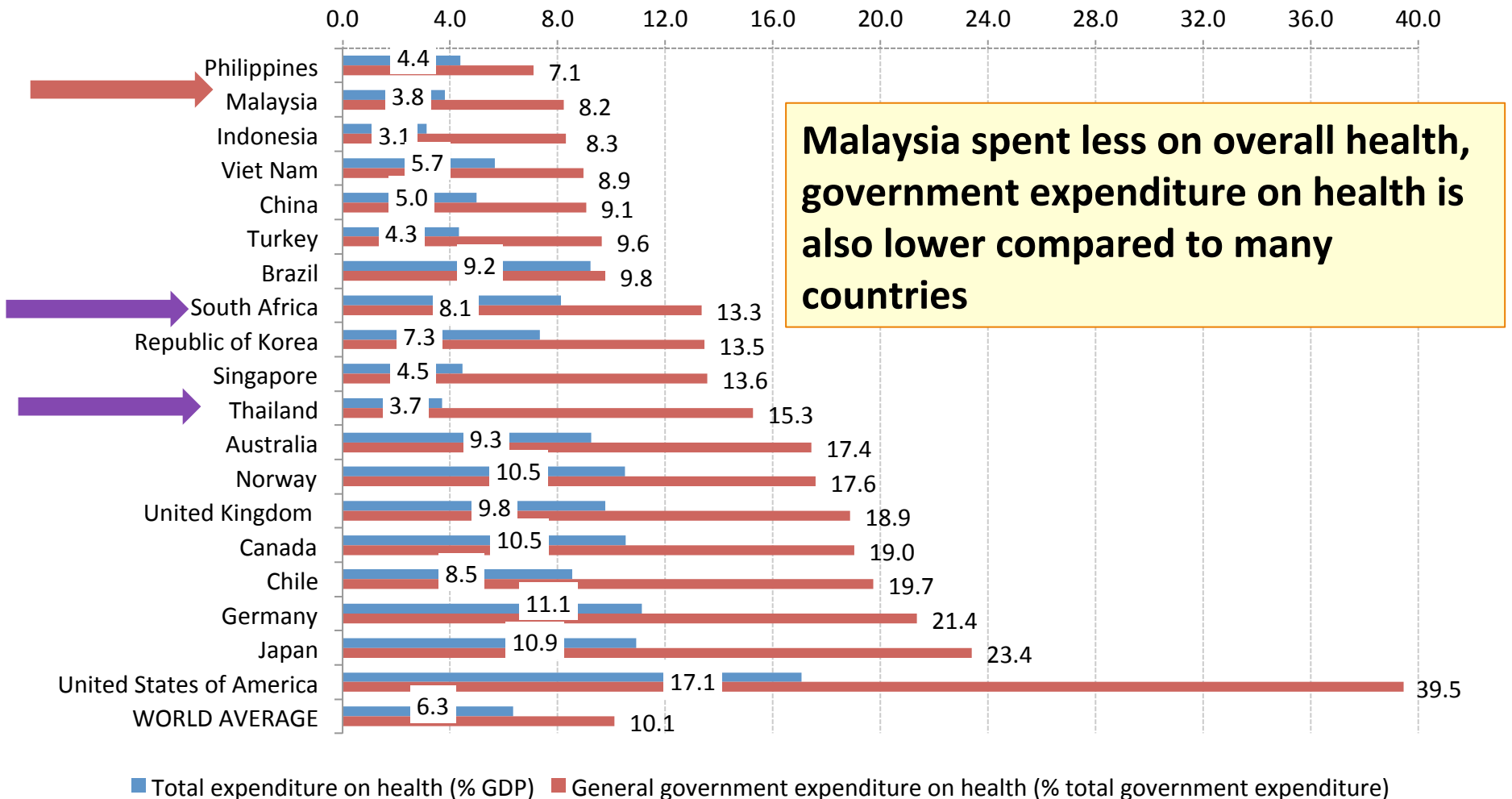
Budget planning and size of allocation reflect policy intent and commitment

Some are essential services (ie. maintaining peace & order), as well as social welfare provision

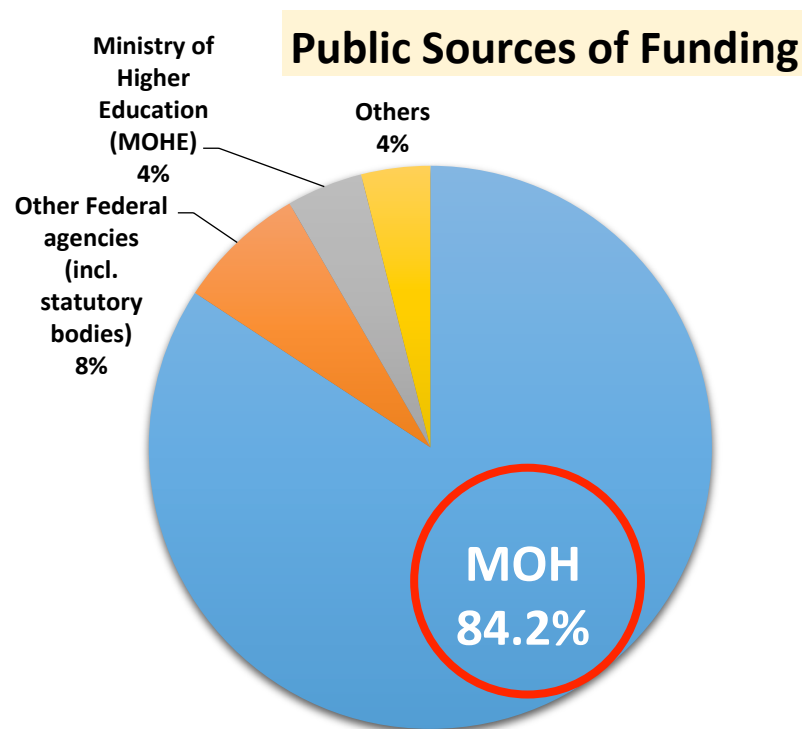
Factors to be considered for restructuring the budgetary priorities:

- i) **Urgency** of an issue
- ii) **Risk** management
- iii) **Demand** projection
- iv) Government's **responsibility**

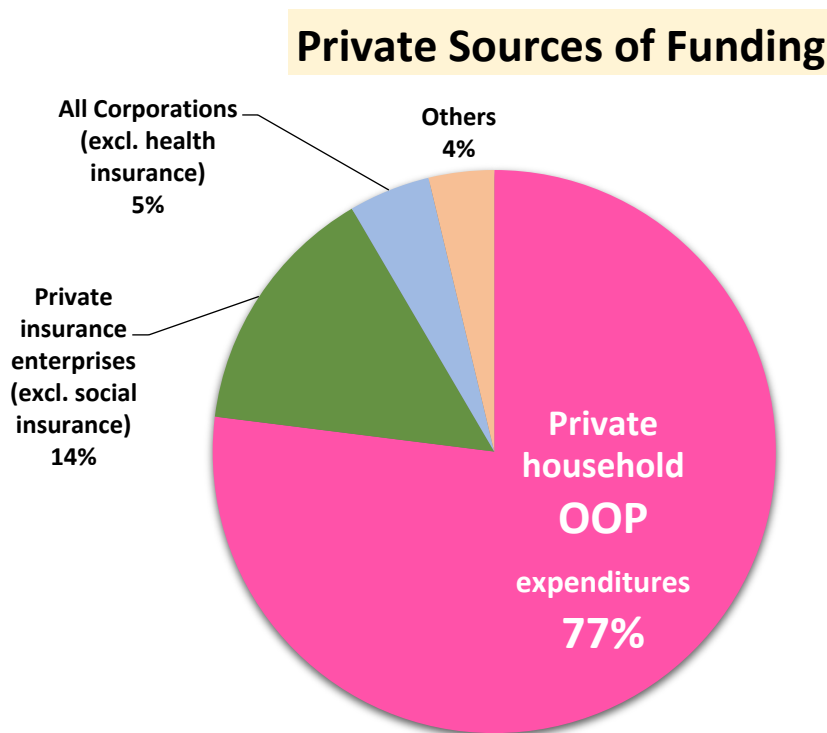
# Global Benchmarking



# Total Health Expenditure by Sources of Funding, 2017

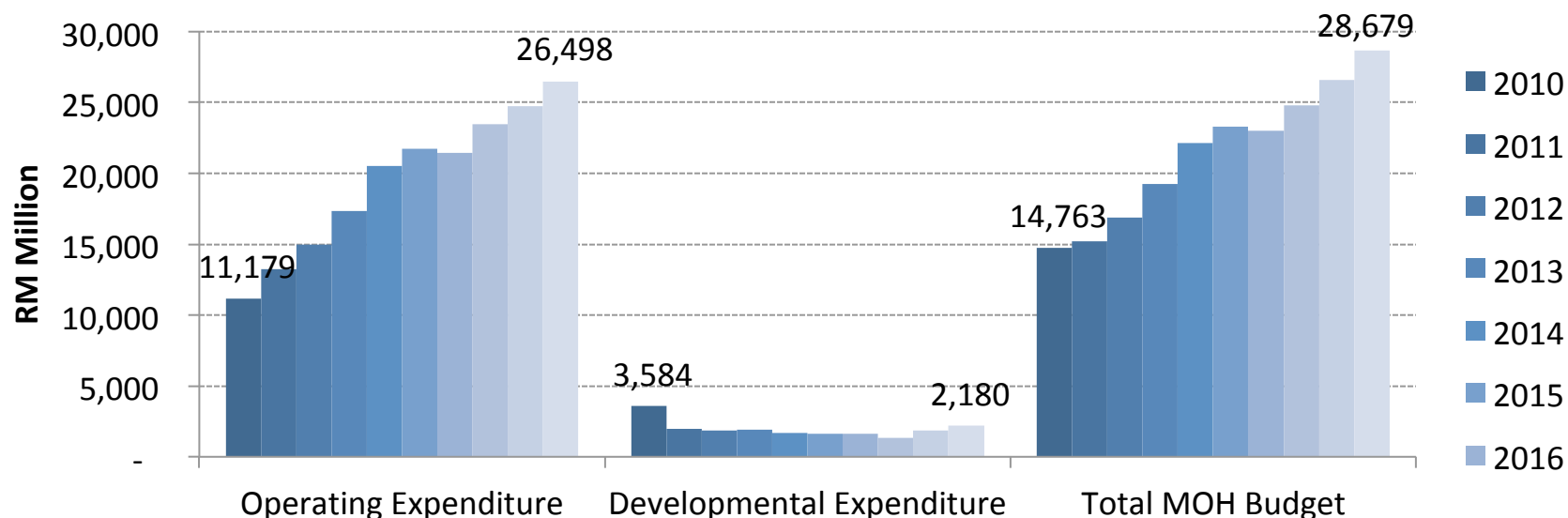


Public Sector: **RM 29,338 Mil**  
(**51.15%** of total expenditure)



Private Sector: **RM 28,023 Mil**  
(**48.85%** of total expenditure)

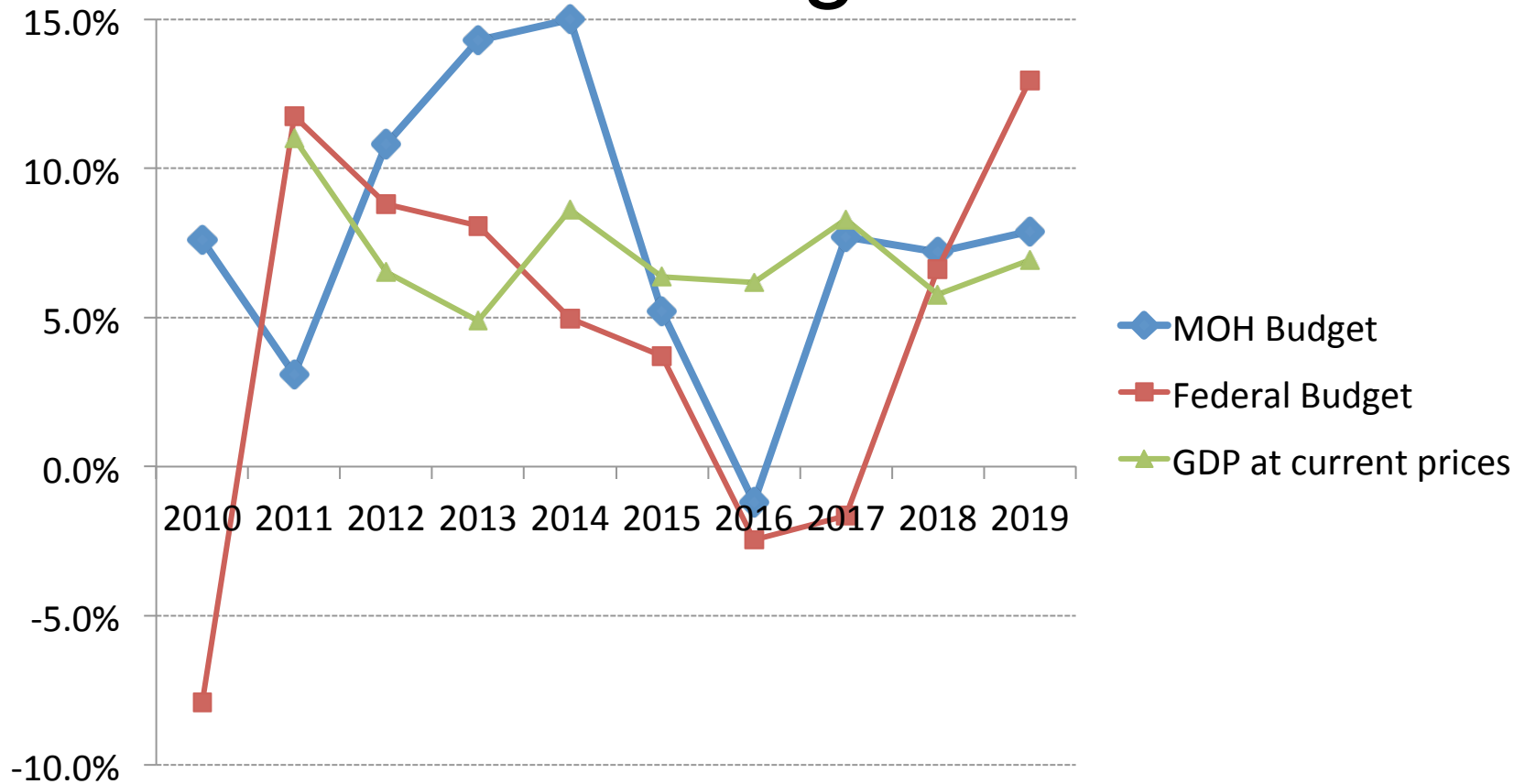
# MOH Budget 2010-2019



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
% Total Federal Budget	7.7%	7.1%	7.2%	7.7%	8.4%	8.5%	8.6%	9.4%	9.5%	9.1%
% Operating Expenditure	75.7%	87.0%	88.9%	90.0%	92.5%	93.1%	93.1%	94.6%	93.1%	92.4%
% Developmental Expenditure	24.3%	13.0%	11.1%	10.0%	7.5%	6.9%	6.9%	5.4%	6.9%	7.6%
% Federal Budget Share of Development Expenditure	27.8%	23.9%	22.0%	19.8%	17.6%	18.4%	19.5%	17.5%	16.4%	17.9%

Source: Federal Budget Estimates, MOF

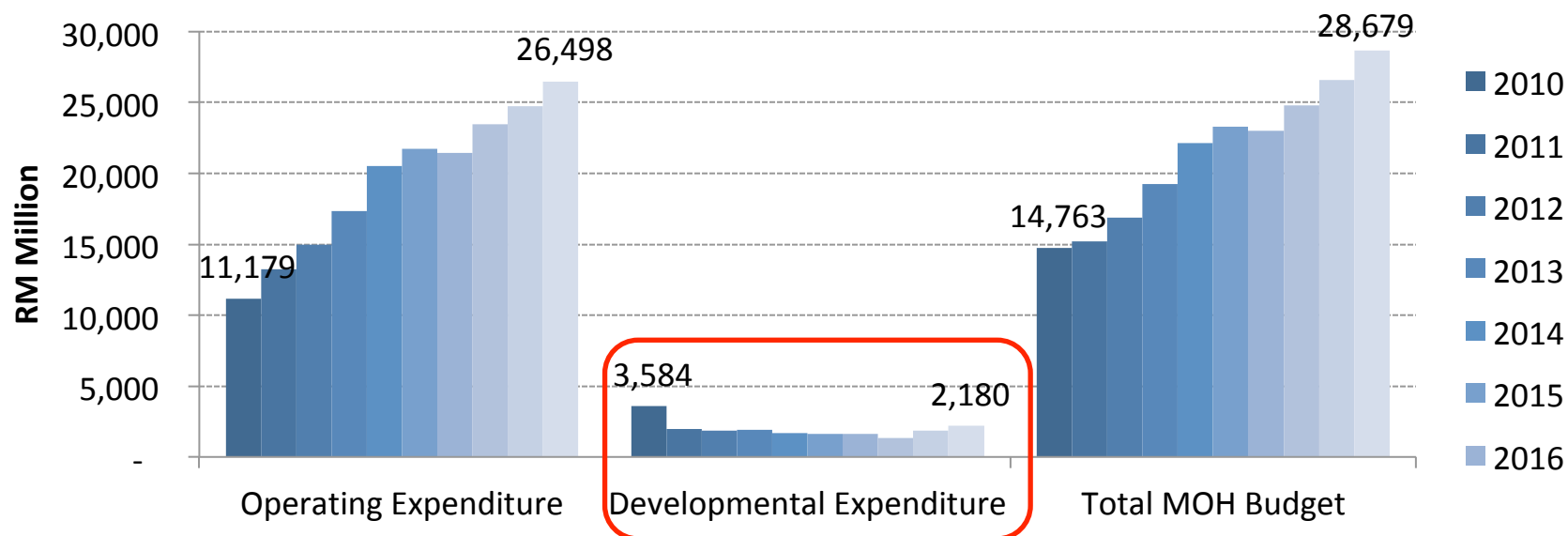
# Annual Growth Rates: The ups and downs of MOH Budget



Source: Federal Budget Estimates, MOF and DOSM



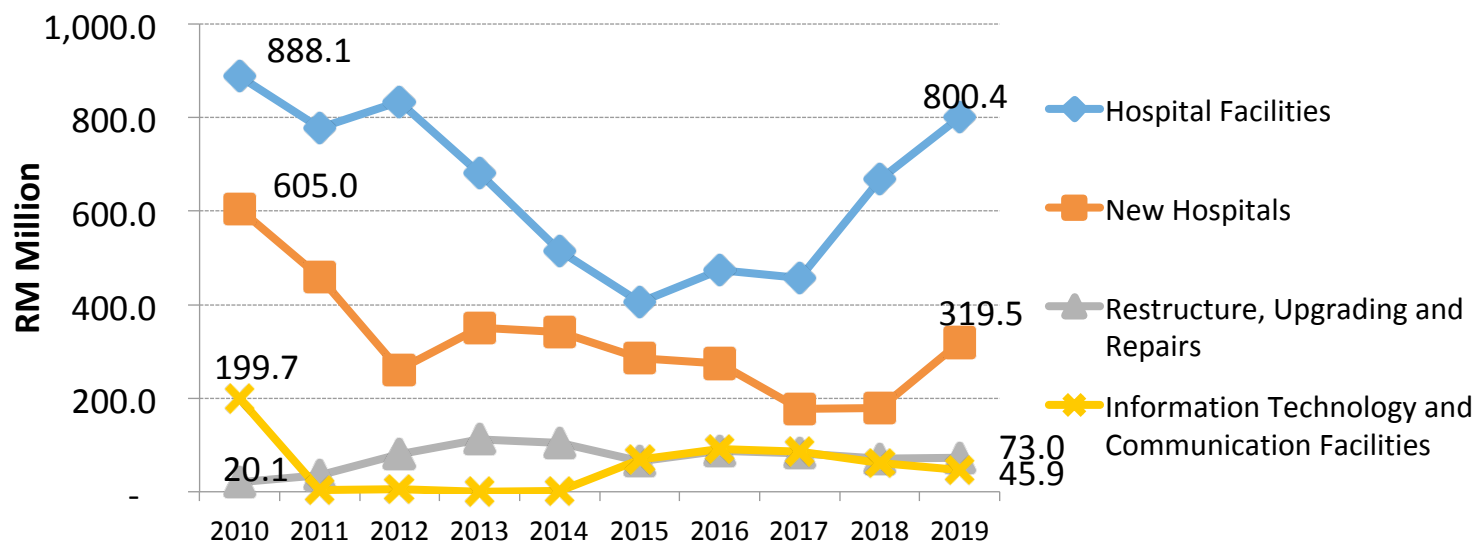
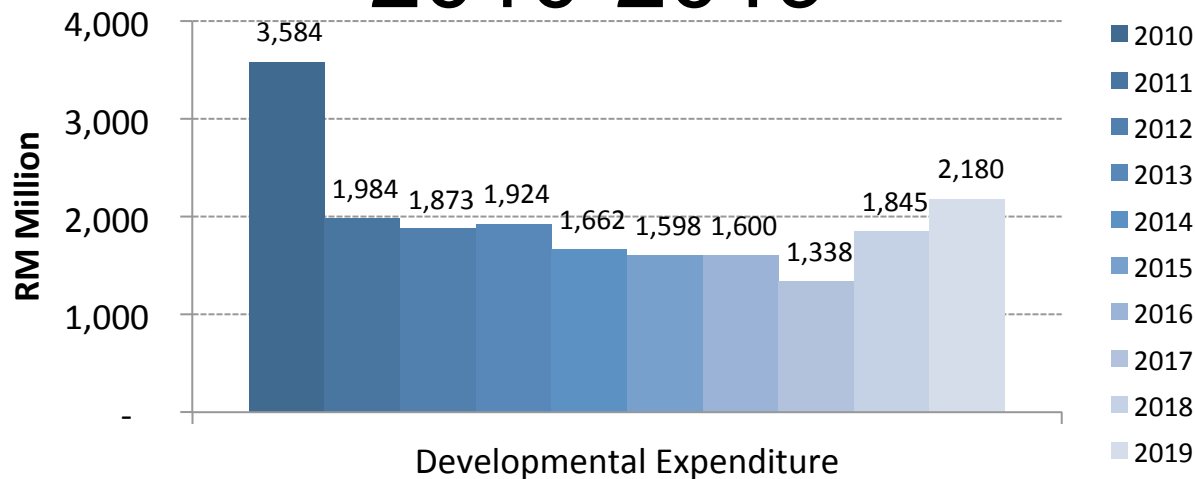
# MOH Budget 2010-2019



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
% Total Federal Budget	7.7%	7.1%	7.2%	7.7%	8.4%	8.5%	8.6%	9.4%	9.5%	9.1%
% Operating Expenditure	75.7%	87.0%	88.9%	90.0%	92.5%	93.1%	93.1%	94.6%	93.1%	92.4%
% Developmental Expenditure	24.3%	13.0%	11.1%	10.0%	7.5%	6.9%	6.9%	5.4%	6.9%	7.6%
% Federal Budget Share of Development Expenditure	27.8%	23.9%	22.0%	19.8%	17.6%	18.4%	19.5%	17.5%	16.4%	17.9%

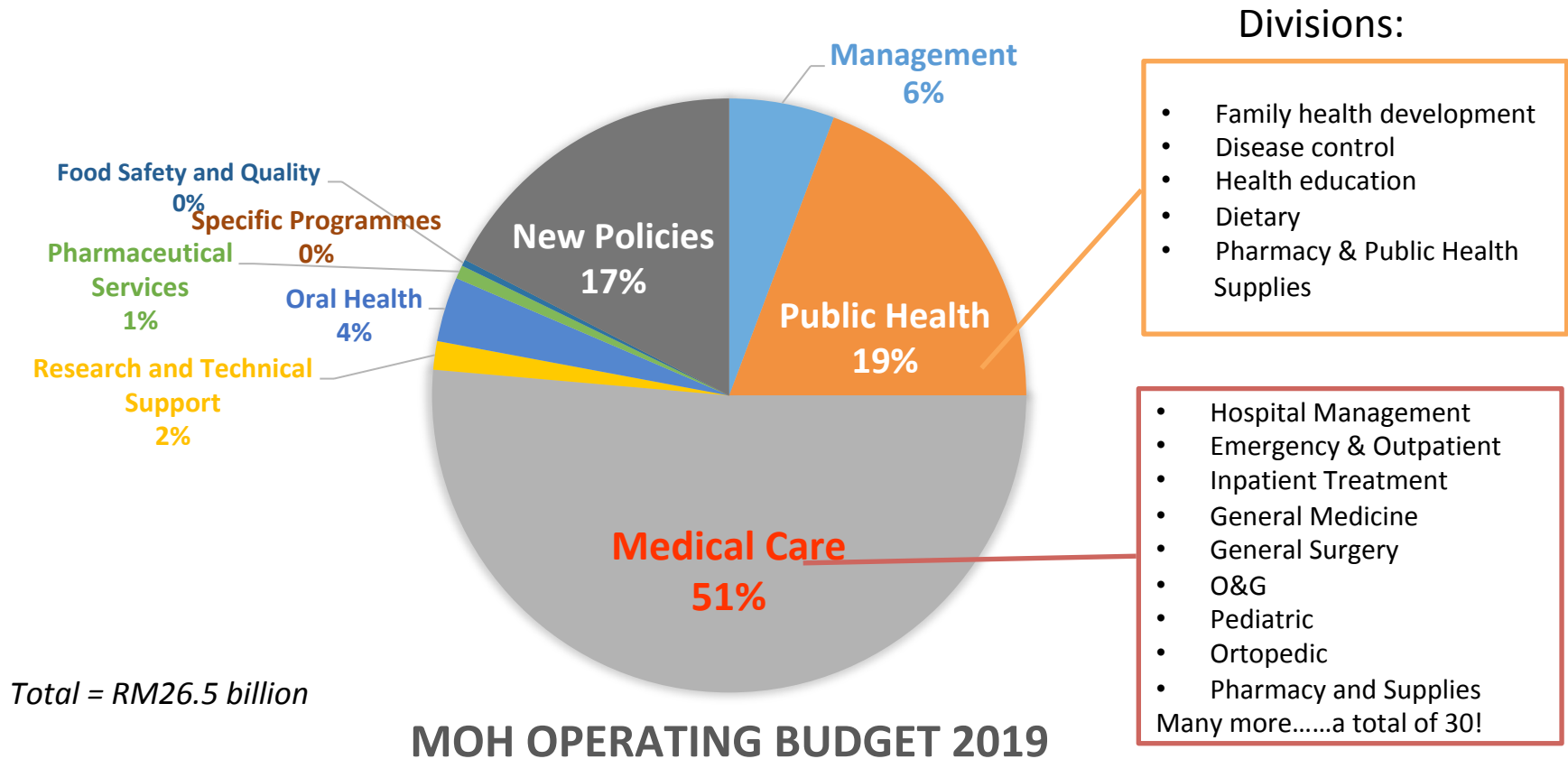
Source: Federal Budget Estimates, MOF

# MOH Developmental Expenditure 2010-2019

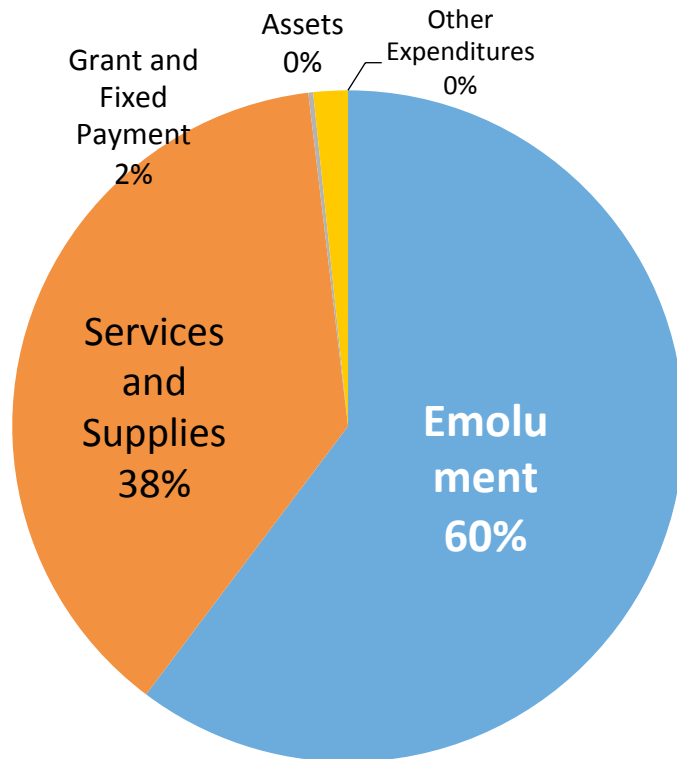


Source: Federal Budget Estimates, MOF

# MOH operating expenditure by department



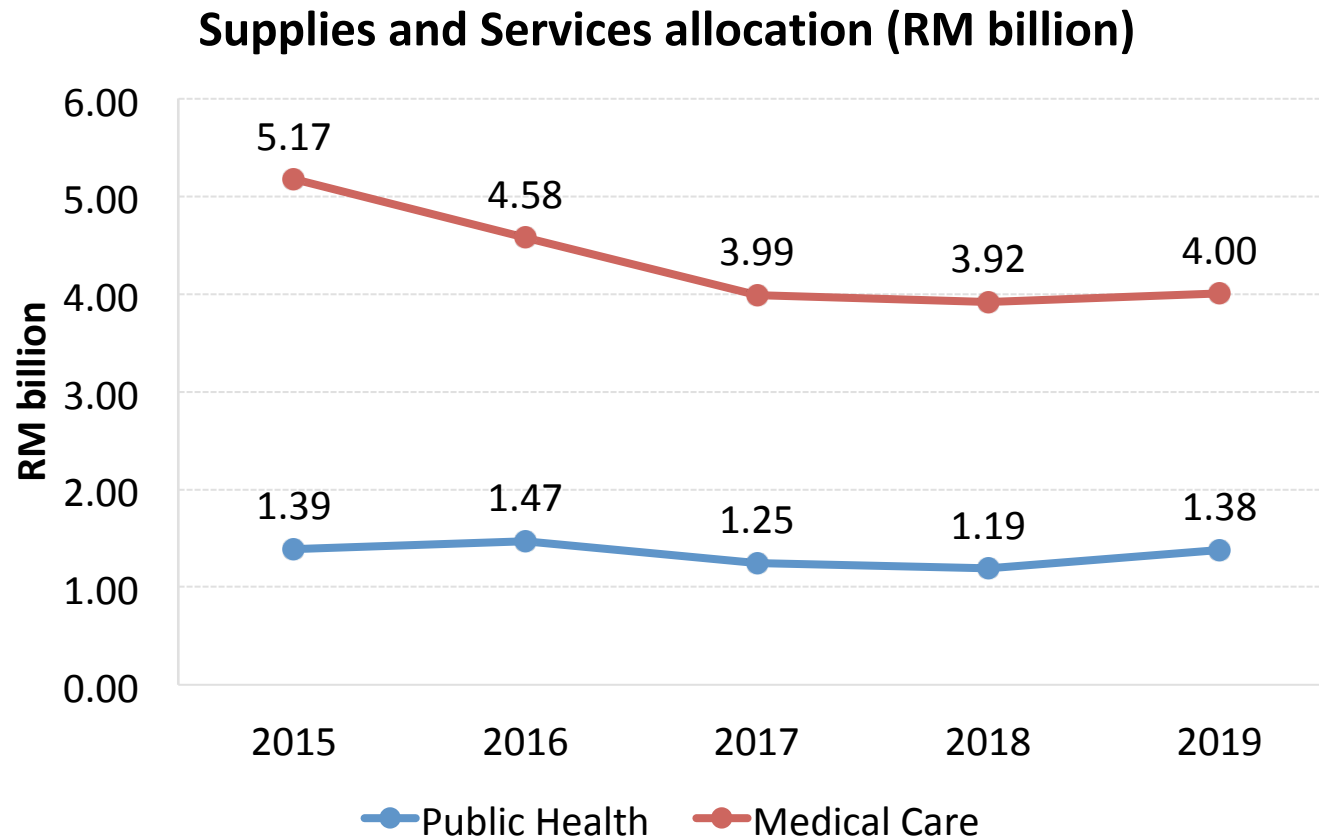
# MOH operating expenditure by general items



General Items	% Growth Rate 2010-2019
Emoluments	144.6%
Services and Supplies	94.8%
Assets	-100.0%
Grant and Fixed Payments	75.7%
Other Expenditure	68.2%
<b>TOTAL Operating Expenditure</b>	<b>121.3%</b>
<b>Number of positions</b>	<b>30.2%</b>

MOH OPERATING BUDGET 2019

# Cutting back on Services and Supplies?



## Drug shortage ails patients in govt hospitals



Jason Santos, Nabihah Hamid, Sheridan Mahavera

Updated 1 year ago · Published on 14 Aug 2017 7:00AM · 2 Comments

# The Issues and Challenges

## Doctor vents problems faced by neglected, underfunded Sabah rural clinics

Tracy Patrick · April 30, 2019 9:00 PM

1.8k Shares f 1.7k t 45 36 >



Dirty floors and broken caller systems are normal in many clinics in the rural areas of Sabah.

## Sabah hospital in dire need of 'treatment'

NATION

Saturday, 18 May 2019



A torrent of problems: Heavy rain caused chaos at the Queen Elizabeth Hospital after leaks appeared in multiple locations, including one in an operation room.

# Rising demand for public healthcare services

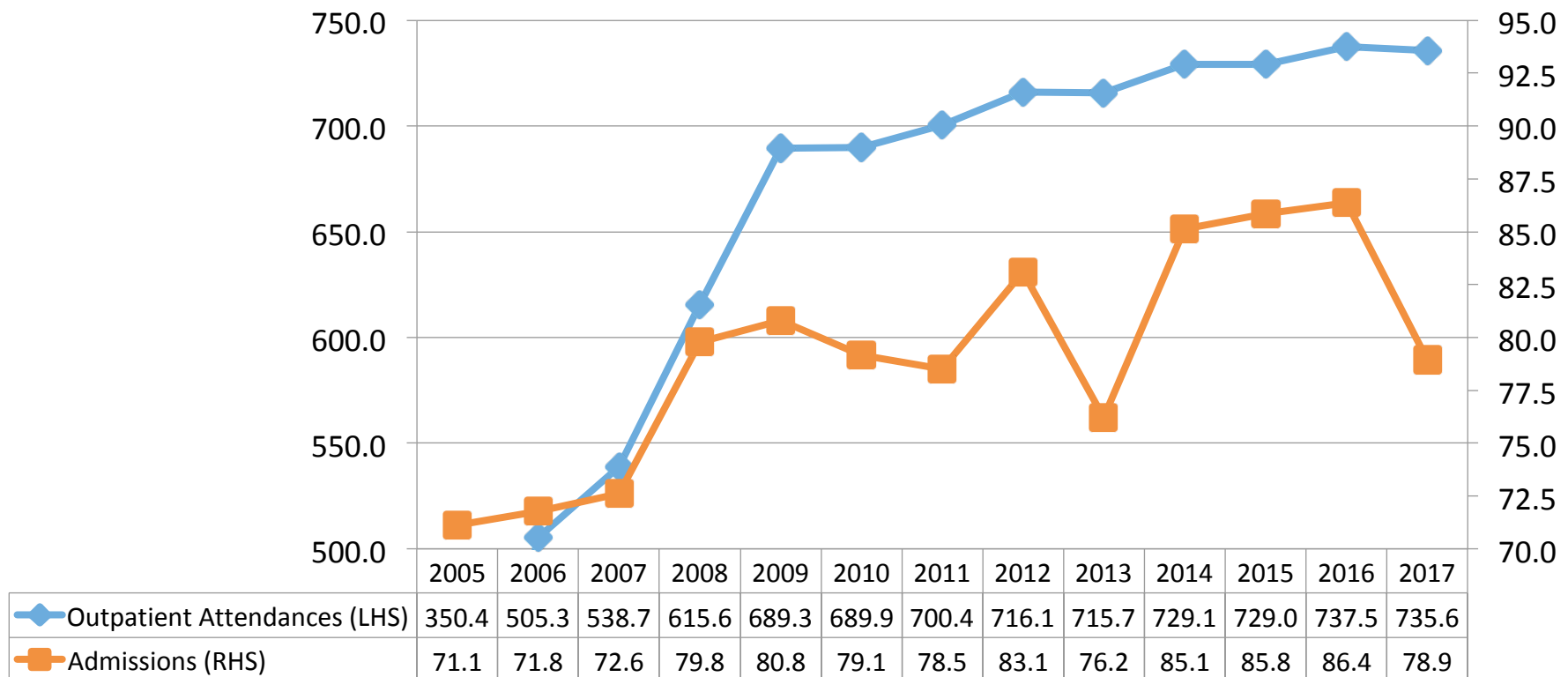
**Table 1.** Attendance figures in Public Hospitals and MOH Facilities, Malaysia

	2008	2012	2017	% Growth rate	
				2008-2017	2012-2017
<b>Outpatients</b>	16,971,447	21,131,727	23,556,997	38.8%	11.5%
<b>Admissions</b>	2,199,310	2,452,203	2,527,555	14.9%	3.1%
<b>Public Health Facilities</b>	23,009,021	30,462,890	42,882,285	86.4%	40.8%
<b>Ante-natal</b>	4,807,600	5,615,916	6,197,751	28.9%	10.4%
<b>Post-natal</b>	564,312	549,269	520,704	-7.7%	-5.2%
<b>Child</b>	6,593,226	7,544,896	9,488,065	43.9%	25.8%



# Rising demand for public healthcare services

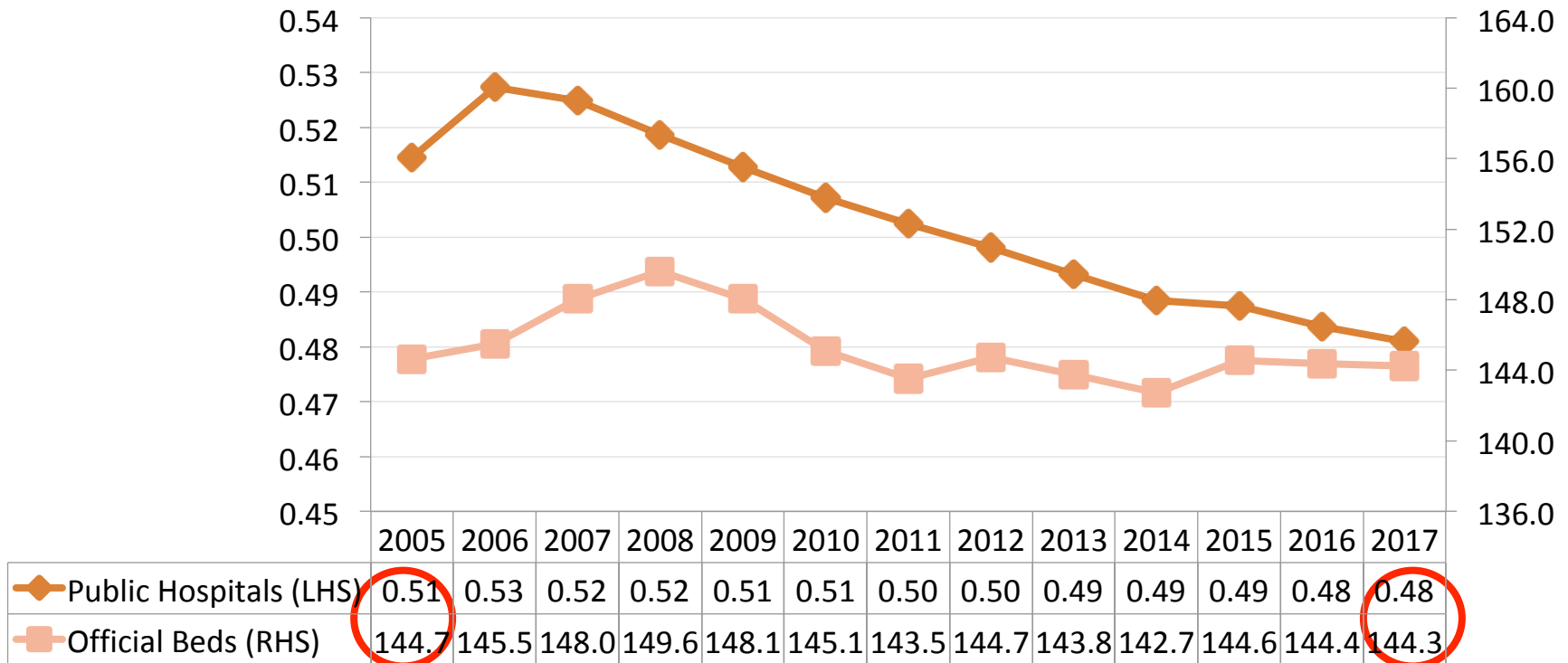
**Outpatient Attendances and Admissions per 1,000 population in Public Hospitals, Malaysia, 2005-2017**





# Stagnant growth for healthcare facilities

Number of Public Hospitals and Official Beds per 100,000 population, Malaysia, 2006-2017



# Stagnant growth for healthcare facilities

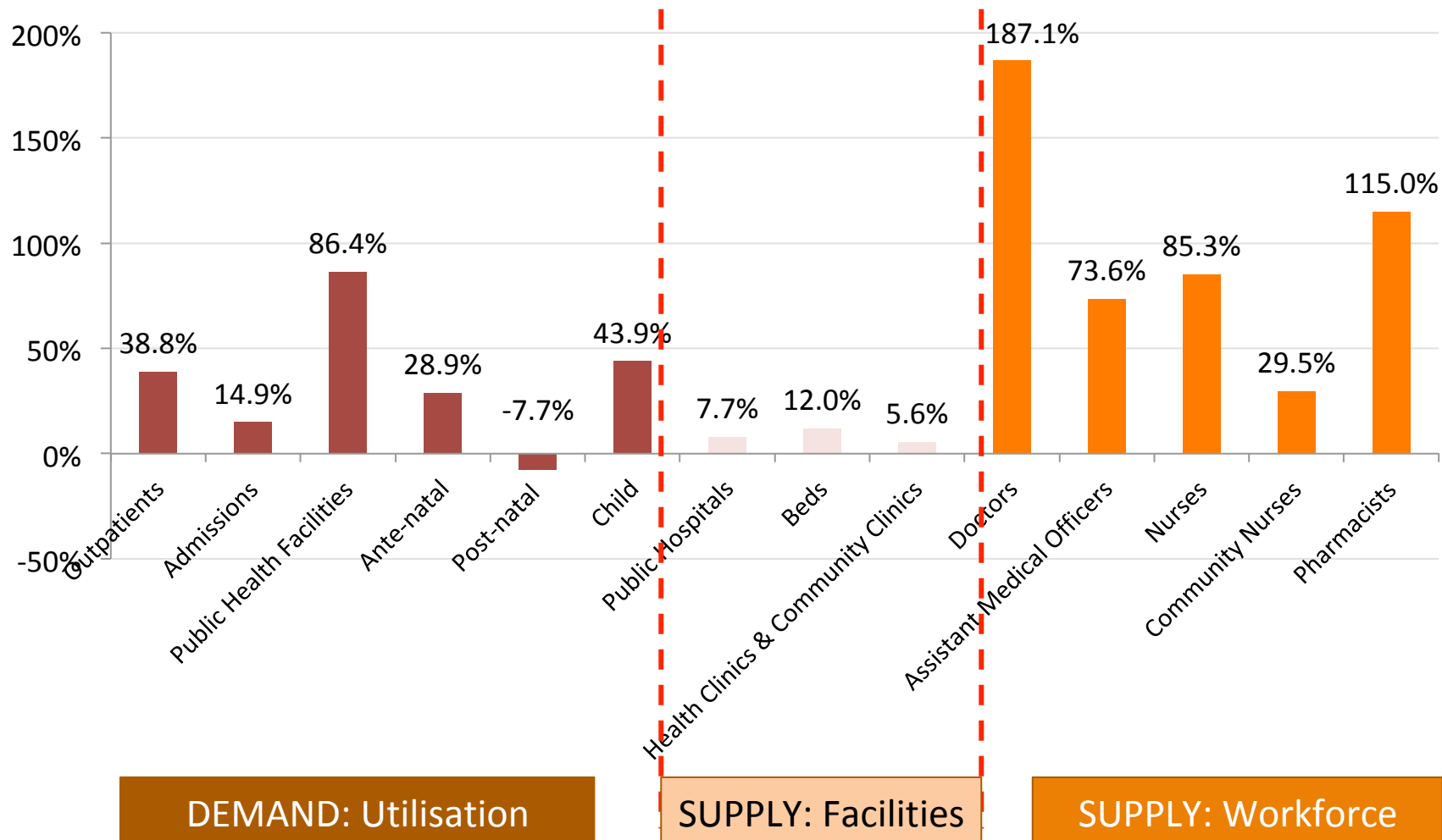
**Table 2.** Number of facilities in the public health sector, Malaysia

	2008	2012	2017	% Growth rate	
				2008-2017	2012-2017
<b>Public Hospitals</b>	143	155	154	7.7%	-0.6%
<b>Beds</b>	41,249	42,707	46,194	12.0%	8.2%
<b>Health Clinics &amp; Community Clinics</b>	2,729	2,856	2,881	5.6%	0.9%
<b>Mobile Health Teams</b>	193	197	217	12.4%	10.2%



# Public healthcare supplies and services are struggling to meet the rising demand

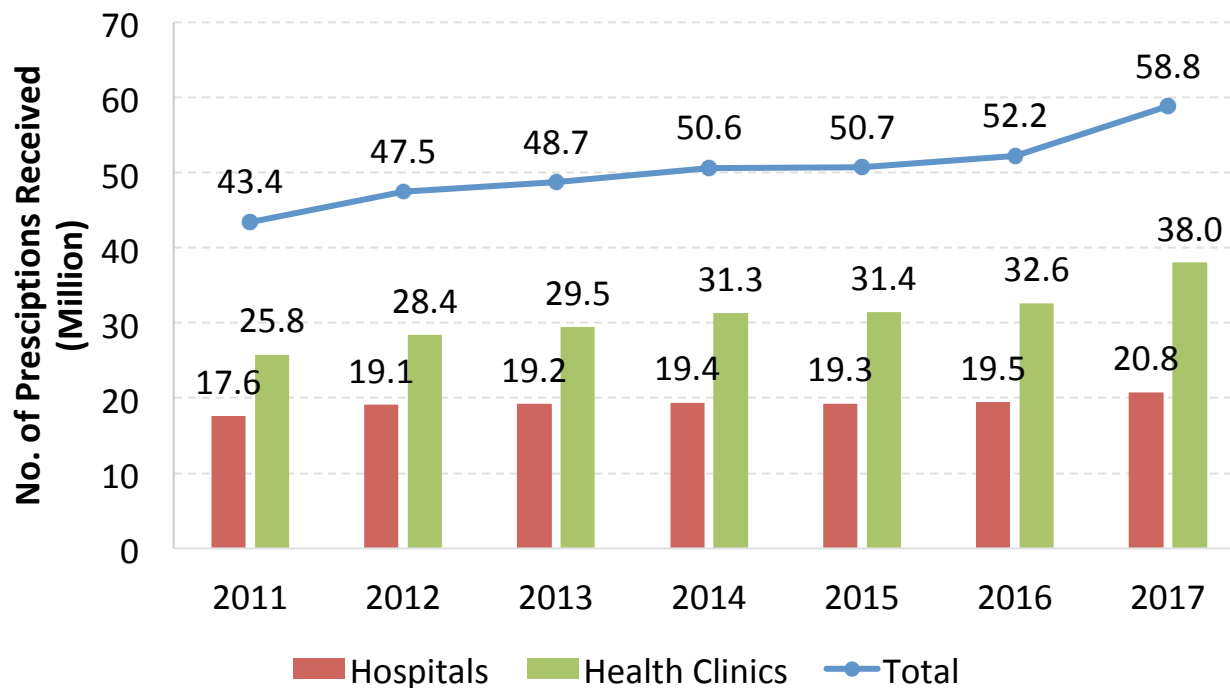
%Growth rate 2008-2017 in Public Healthcare Sector



Source: Health Facts, MOH & Author's calculation

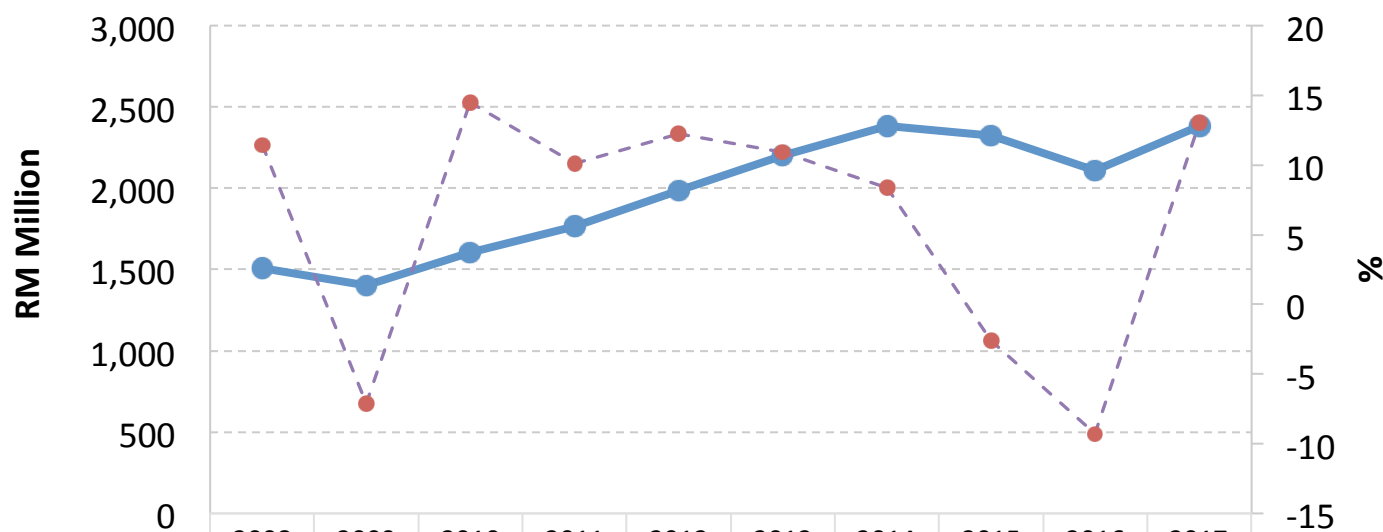
# Increasing public demand for drug treatment

Number of Outpatient Prescriptions Received, 2011-2017



# Government budget constraint on medicine procurement

MOH Medicine Expenditure, 2008-2017



—●— Total Expenditure (RM Million)

-●- Percentage of increment over the previous year (%)

## Dr Dzulkefly: 'Ensuring health for all'

---

Dr Dzulkefly said by the end of PH's first term as the government, Malaysia's healthcare spending would have increased to 5.5 per cent of the GDP.

"I hope it will be almost six per cent when the term ends as it will be what a developed country's public sector needs to spend on healthcare.

"Moving forward, we will also be expanding and in particular the private sector would drive the increment of healthcare spending," he said.

Dr Dzulkefly acknowledged that Malaysia's public healthcare was both underfunded and understaffed. This was despite a RM2 billion increase in the 2019 Budget allocation for his ministry to RM29 billion, which was only 2.2 per cent of Malaysia's GDP.

"The allocation for the health sector is not sufficient," he said, adding that the lack of funds had caused a workforce imbalance between the public and private sectors.

---

## ***Promise 9: Improve access to and quality of health services***

Equal access to quality health services is an important indicator of a balanced society. But today only those who are better-off have regular access to quality health services. Some public hospitals have sophisticated equipment and committed specialists. But they are hampered by the high number of patients, beyond the capacity they can cater. Among the causes is failure of UMNO and Barisan Nasional to give adequate funding for the healthcare sector. To this day, we are still far from the rate of 7 percent of GDP that is recommended by international bodies.

The Pakatan Harapan Government will ensure that financial allocation for the Ministry of Health is increased to 4 per cent of GDP in the first term our administration. This will ensure the failure of UMNO and the Barisan Nasional which only provides 2 percent of GDP will be addressed immediately.

5 Pillars  
10 Promises In 100 Days  
60 Promises In 5 Years  
5 Special Pledges

**BUKU**  
**HARAPAN**  
**REBUILDING**  
**OUR NATION**  
**FULFILLING**  
**OUR HOPES**



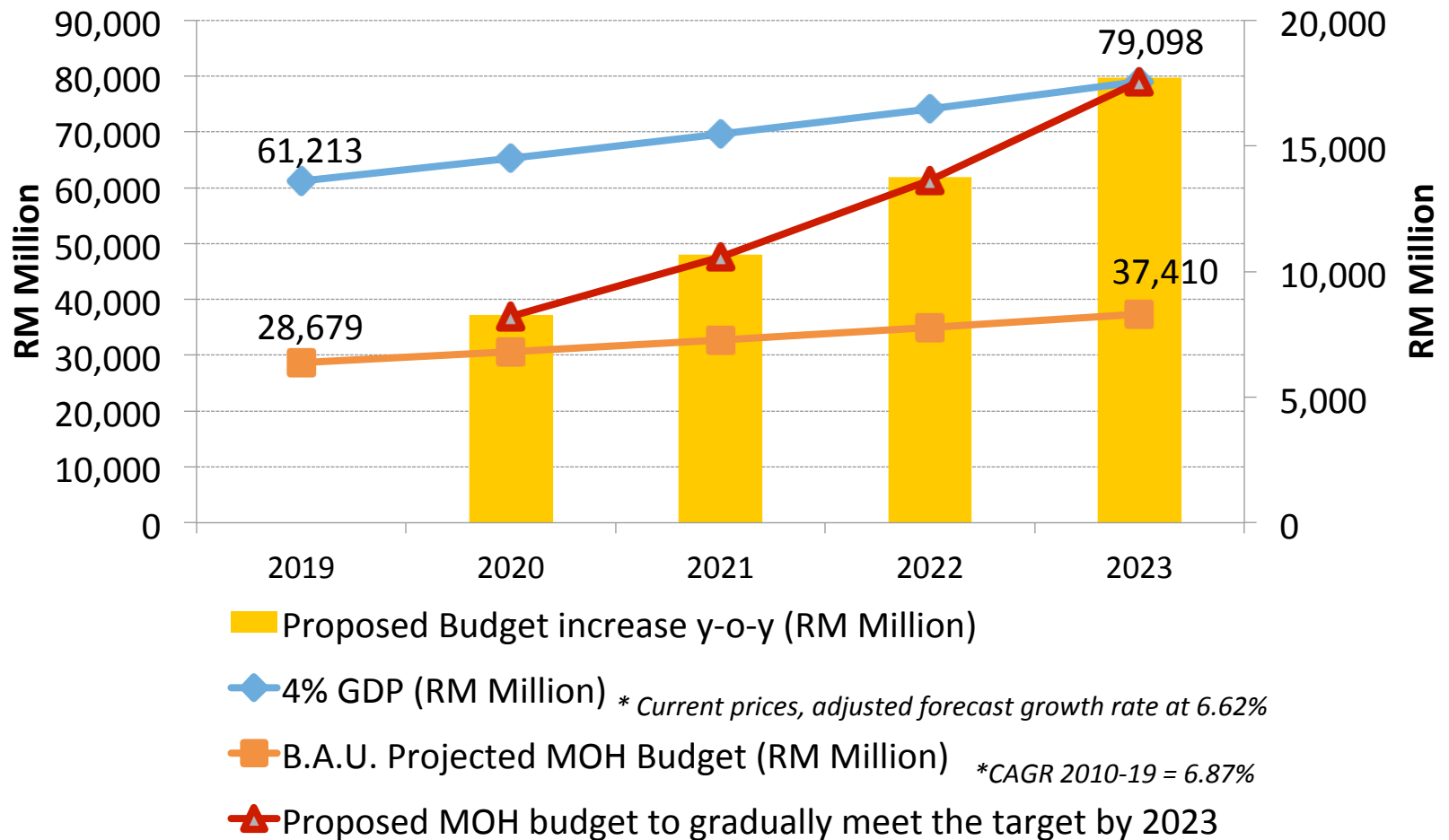
Is 4% GDP MOH Budget a feasible target within 4 years from now?

What is the budget impact?

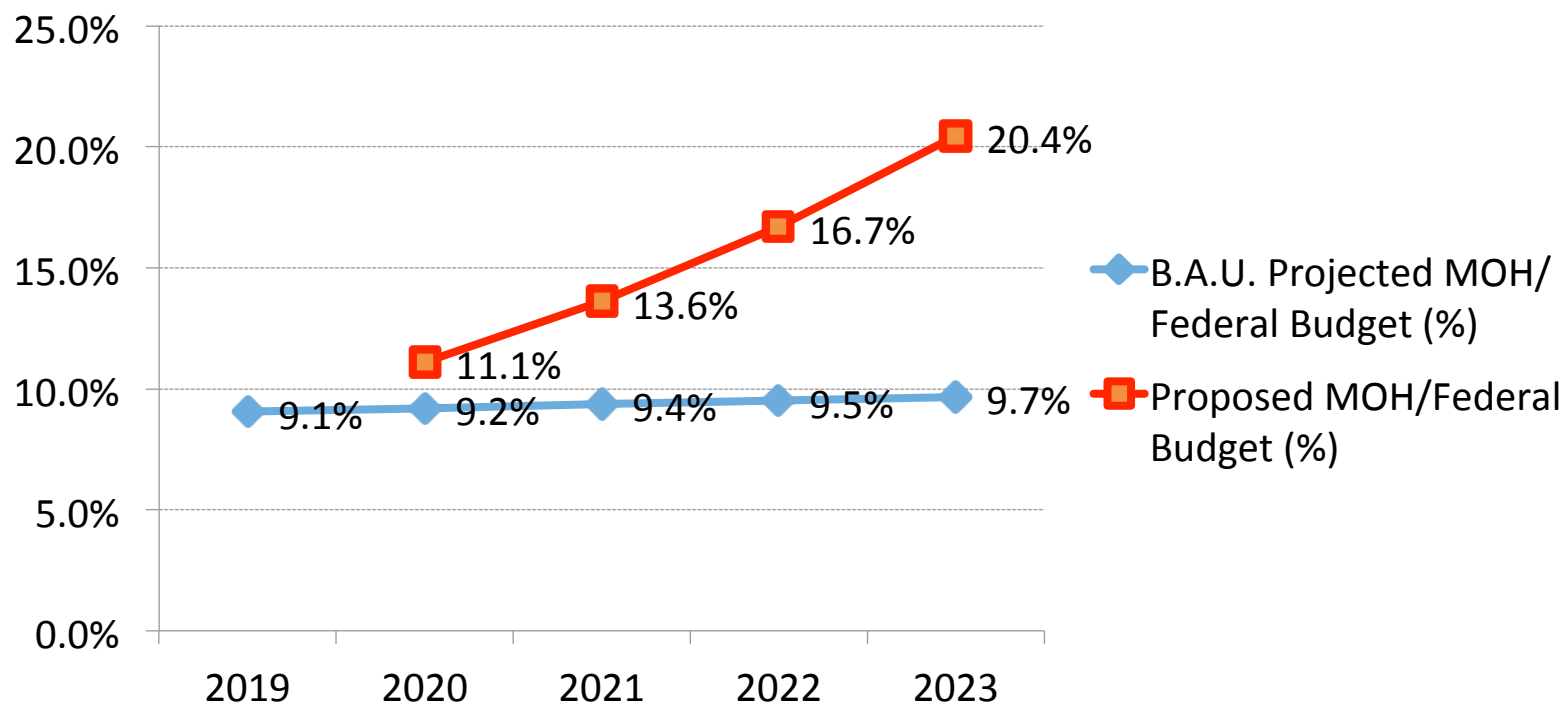


# 4% GDP worth of MOH Budget

% completed target	47%	57%	68%	83%	100%
--------------------	-----	-----	-----	-----	------



# Budget impact of the proposed MOH Budget over Federal Budget



# A proposal to address the shortage of developmental expenditure

- If DevEx takes 40% of the Budget increase y-o-y

	2020	2021	2022	2023
DevEx MOH Budget (RM Million) - 40% Budget increase y-o-y	5,492	9,760	15,260	22,348
% Proposed DevEx/ Total MOH Budget	15%	20%	25%	28%

- Result: Additional fund (Increased Budget – B.A.U.) for developmental needs

(RM Million)

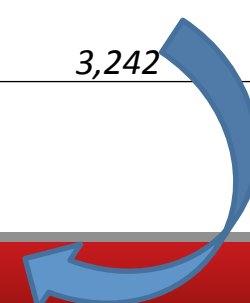
	2020	2021	2022	2023	Gross 2020-2023
Hospital Facilities	907	2,092	3,638	5,649	12,287
New Hospitals	626	1,440	2,496	3,866	8,428
Restructure, Upgrading and Repairs	239	550	952	1,471	3,212
Information Technology and Communication Facilities	242	556	961	1,484	3,242

CORPORATE
FROM THE EDGE

Select Language ▼

**Electronic medical record system to cost Putrajaya up to RM1.5b**

Chester Tay / The Edge Financial Daily  
July 03, 2019 10:52 am +08



Thank  
you!