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MINISTRY OF HEALTH
MALAYSIA

MALAYSIA
NATIONAL HEALTH ACCOUNTS
HEALTH EXPENDITURE REPORT
2011-2022

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MALAYSIA NATIONAL HEALTH ACCOUNTS SECTION
PLANNING DIVISION
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MESSAGE FROM

THE DIRECTOR-GENERAL OF HEALTH MALAYSIA

The Malaysia National Health Accounts (MNHA) established in 2005, serves as a cornerstone for providing comprehensive data on national health expenditure. This data is crucial for effective healthcare planning and equips policymakers with evidence-based insights for decision-making. Information on health expenditure is sourced from both public and private sectors, and is reported at both national and international levels using the MNHA and System of Health Accounts (SHA) frameworks, respectively. MNHA adheres to internationally accepted standardized methods to ensure the provision of comparable time series data.

The findings of the report showed that Malaysia's Total Expenditure on Health (TEH) in 2022 was estimated at RM79 billion, equivalent to 4.4% of Gross Domestic Product (GDP). Public sector financing continued to outweigh private sector financing, with total public sector health expenditure reaching RM41 billion, constituting 52% of TEH. Out-of-pocket (OOP) expenses represented the second highest source of funding at 37%. The majority of health expenditure, amounting to RM44 billion or 55% of TEH, was allocated to hospitals. In terms of function, expenditure on curative care services ranked highest at RM52 billion, accounting for 66% of TEH.

I eagerly anticipate the ongoing production of the annual MNHA report, which provides valuable insights into national health expenditure. This data is indispensable for informed planning and policymaking aimed at delivering sustainable, equitable, and affordable healthcare services and products tailored to the nation's healthcare needs. I extend my sincere gratitude to all stakeholders for their contributions in providing the necessary data for the compilation of health accounts. Special appreciation is extended to the Planning Division and, particularly, the MNHA team for their dedicated efforts in preparing this report.

Datuk Dr. Muhammad Radzi bin Abu Hassan
Director-General of Health Malaysia

MESSAGE FROM
THE DEPUTY SECRETARY-GENERAL (FINANCE) MINISTRY OF HEALTH, MALAYSIA

The Malaysia National Health Accounts (MNHA), under the Planning Division of the Ministry of Health, produces 26 years of time-series data (1997-2022) on national health expenditure. These findings are presented to the MNHA Steering Committee, comprising representatives from both public and private sectors. This collaborative effort facilitates effective healthcare planning and enables policymakers to make evidence-based decisions. It serves as a crucial tool for monitoring health spending trends and the allocation of funds across various healthcare providers and functions. Therefore, MNHA plays a pivotal role in informing financial planning and policy formulation in our country.

The emergence of the COVID-19 pandemic has not only posed a significant threat to public health but has also had a profound impact on global health expenditure. The insights gleaned from health expenditure data for 2022 are invaluable for understanding post-pandemic health spending patterns. Such insights are essential for crafting effective policies and strategies to address future challenges.

I wish to express my gratitude to the multiple agencies whose contributions have been instrumental in the development of MNHA. Due recognition to all members of the MNHA Steering Committee for their steadfast participation and contributions. Additionally, I extend my appreciation to the MNHA Technical Advisory Committee for their invaluable guidance in ensuring data quality, as well as to data suppliers for their cooperation. The MNHA team should be commended for their efforts in consistently producing high-quality national-level expenditure data, which serve as an excellent reference for tracking the country's health expenditure trends.

Dato' Sri Norazman Ayob
Deputy Secretary General (Finance)
Ministry of Health, Malaysia

ACKNOWLEDGEMENT

The production of this MNHA Health Expenditure Report 2011-2022 report would not be possible without the guidance and endorsement from MNHA Steering Committee. Gratitude is also extended to the committee, co-chaired by the Secretary General of Ministry of Health and the Director General of Health Malaysia.

The deepest appreciation and special thanks also to all members of the MNHA Technical Advisory Committee and to all public and private stakeholders that provide continuous cooperation and contribute the necessary data succession of this report production.

Warm thanks to dedicated MNHA Section staff members for their kind and consistent co-operation, invaluable assistance and constructive suggestions in completion of this report.

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LIST OF ABBREVIATIONS

AADK	*Agensi Anti Dadah Kebangsaan* (National Anti-Drug Agency)
AG	Accountant General
AGD	Accountant General's Department of Malaysia
BNM	*Bank Negara Malaysia* (Central Bank of Malaysia)
CHE	Current Health Expenditure
COICOPS	Classification of Individual Consumption by Purpose
CORPS	Corporations
DOSH	Department of Occupational Safety and Health
DOSM	Department of Statistics Malaysia
EPF	Employees Provident Fund
EMRS	Emergency Medical Rescue Services
EPU	Economic Planning Unit
FOMCA	Federation of Malaysia Consumers Association
FOMEMA	Foreign Worker's Medical Examination Monitoring Agency
FT	Federal Territory
GDP	Gross Domestic Product
GHED	Global Health Expenditure Database
HC	ICHA code for functions of health services
HC.R	ICHA code for health-related services
HER	Health Expenditure Report
HES	Household Expenditure Survey
HIES	Household Income and Expenditure Survey
HF	ICHA code for sources of financing for health services
HP	ICHA code for providers of health services
HQ	Headquarters
ICHA	International Classification for Health Accounts
IJN	*Institut Jantung Negara* (National Heart Institute)
IMF	International Monetary Fund
ISN	*Institut Sukan Negara* (National Sports Institute)
IT	Information Technology
JAKOA	*Jabatan Kemajuan Orang Asli* (Department of Orang Asli Development)
JBA	*Jabatan Bekalan Air* (Water Supply Department)
JHAQ	Joint Health Accounts Questionnaire
JKM	*Jabatan Kebajikan Masyarakat* (Social Welfare Department)
JPA	*Jabatan Perkhidmatan Awam* (Public Service Department)
KL	Kuala Lumpur
KN	*Kerajaan negeri* (State government)
KWAP	*Kumpulan Wang Persaraan*
KWC	*Kumpulan Wang* COVID-19
LA/PBT	Local authorities (*Pihak berkuasa tempatan*)
LPPKN	*Lembaga Penduduk dan Pembangunan Keluarga Negara* (National Population and Family Development Board)
LTH	*Lembaga Tabung Haji* (Pilgrims Fund Board)

MAIN	*Majlis Agama Islam Negeri* (Zakat Collection Centre)
MCO	Managed Care Organisation
MF	MNHA code for functions of health care
MKN	*Majlis Keselamatan Negara Malaysia* (Malaysian National Security Council)
MNHA	Malaysia National Health Accounts
MOD	Ministry of Defence
MOF	Ministry of Finance
MOH	Ministry of Health
MoHE	Ministry of Higher Education
MOSTI	Ministry of Science Technology and Innovation
MP	MNHA code for providers of health care
MR	MNHA code for health-related functions
MS	MNHA code for sources of financing
NA	Not Available
NADMA	National Disaster Management Agency (*Agensi Pengurusan Bencana Negara*)
NCU	National Currency Unit
NGO/NPISH	Non-Governmental Organization/Non-profit institutions serving households
NHA	National Health Accounts
NIOSH	National Institute of Occupational Safety and Health
NRI	Non-residual items
OECD	Organisation for Economic Co-operation and Development
OFA	Other federal agencies
OOP	Out-of-pocket
PC	Primary Care
PHC	Primary Health Care
PPE	Personal protective equipment
PSD	Public Service Department
PSE	Public Sector Expenditure
PSHE	Public Sector Health Expenditure
RI	Residual items
RM	*Ringgit Malaysia* (Malaysia Currency)
RMK	*Rancangan Malaysia*
ROW	Rest of the world
SHA	System of Health Accounts
SHA 1.0	System of Health Accounts, Version 1.0 (published in 2000)
SHA 2011	System of Health Accounts, 2011 Edition
SOCSO	Social Security Organisation
SOP	Standard Operating Procedure
SSB	State statutory body
TCM	Traditional and Complementary Medicine
TEH	Total Expenditure on Health
UKAS	*Unit Kerjasama Awam Swasta* (Public Private Partnership Unit)
UN	United Nations
UNDP	United Nations Development Programme
USA	United States of America
WHO	World Health Organization
WB	World Bank

EXECUTIVE SUMMARY OF 2022

TEH
RM78,945m
(Total Expenditure on Health)

Malaysia is an upper middle-income country with a health care system that delivers a comprehensive range of services through a combination of public and private health care providers.

- MNHA Framework is based on the SHA 1.0 classification with some minor modifications to suit local policy needs
- Macro level health expenditure information
- 12 years of National Health Expenditure data (2011-2022)

TEH as % of GDP
Total Expenditure on Health (TEH) as percentage of Gross Domestic Product (GDP)
4.4%

CHE as % of GDP
Current Health Expenditure (CHE) as percentage of GDP
3.9%

TEH Per Capita
Per capita expenditure on health
RM 2,414

Public Source of Financing
as % of TEH
52.3%

MOH Expenditure
as % of TEH
42.9%

Private Source of Financing
as % of TEH
47.7%

OOP Expenditure
as % of TEH
37.2%

Curative Care services
expenditure as % of TEH
65.8%

REPORT INFORMATION

This report contains twelve years of national health expenditure data from 2011 to 2022, estimated using standardised and internationally acceptable National Health Accounts (NHA) methodology. The 'Malaysia National Health Accounts: Health Expenditure Report 2011-2022' has a total of eleven (11) chapters.

CHAPTER 1: BACKGROUND

Provides a comprehensive background of MNHA's establishment and subsequent productions of annual series of MNHA Health Expenditure Reports.

CHAPTER 2: MALAYSIA NATIONAL HEALTH ACCOUNTS (MNHA) SUMMARY OF FRAMEWORK

Explains the MNHA Framework which is based on the SHA 1.0 classification. It further unravels the three main entities of the framework: Sources of financing (MS), Providers of health care (MP) & Functions of Health care (MF).

CHAPTER 3: METHODOLOGY OF DATA COLLECTION AND ANALYSIS

Explains the general methodology that includes data collection, analysis and data processing techniques used for various agencies.

CHAPTER 4: TOTAL EXPENDITURE ON HEALTH

Encompasses Total Expenditure on Health (TEH) trends from year 2011 to 2022 as percentage of Gross Domestic Product (GDP), Per capita health expenditures for the same time period and stable disaggregation of health expenditure.

CHAPTER 5: HEALTH EXPENDITURE BY SOURCES OF FINANCING

Shows data on the major categories of the sources of financing, namely the public and private sectors, which are separately cross tabulated with the dimensions of providers and functions of health care. Also contains Public Source Health Expenditure (PSHE).

CHAPTER 6: HEALTH EXPENDITURE TO PROVIDERS OF HEALTH CARE

Provides data on the Total Expenditure on Health to providers of health care. This chapter includes cross-tabulation data of sources with hospital and source with ambulatory care. There is also a section regarding Primary Care (PC) and Primary Health Care (PHC) expenditure.

CHAPTER 7: HEALTH EXPENDITURE FOR FUNCTIONS OF HEALTH CARE

Provides data on the Total Expenditure on Health for functions of health care. Data on separate cross-tabulations of curative care function, expenditures for public health programmes (including health promotion and prevention) and expenditures for health education and training by sources of financing are also presented in this chapter.

CHAPTER 8: MOH HEALTH EXPENDITURE

Shows Ministry of Health's (MOH) expenditures as share of TEH and as percentage of GDP. Also contains data on separate cross-tabulations between MOH hospital expenditure with MOH as a source of financing and functions of health care.

CHAPTER 9: OUT-OF-POCKET HEALTH EXPENDITURE

Shows OOP as a share of total and private sector expenditures, as percentage of GDP, as well as cross-tabulations of OOP to providers and to functions of health care.

CHAPTER 10: PRIMARY HEALTH CARE (PHC) EXPENDITURE

Compares new and old boundaries for reporting of Primary health care expenditure. Also shows Total PHC expenditure as a percentage of TEH as wall as PHC share of Total MOH expenditure.

CHAPTER 11: INTERNATIONAL NHA DATA

Contains international comparisons of Malaysia's NHA data with NHA data from neighbouring and regional countries as well as some developed countries obtained from GHED.

Colour Scheme for Charts/Figures:

- Public sectors
- Private sectors
- Private & public sectors

CHAPTER 1

BACKGROUND

National Health Accounts (NHA) are systems that track and quantify the flow of health expenditure throughout the health system. This tool can provide a better understanding of the financial dimensions within any country's health system because it is based on standardised definitions and accounting methods. The origins of NHA development began with a study to compile comparable health services expenditure of six countries in the 1960s. The importance of health accounts is evident with the increasing number of countries participating in tracking the flow of health expenditures.

In Malaysia, discussions on initiating the NHA in Malaysia began as early as 1999. Upon securing the funds from the United Nations Development Programme (UNDP) in 2001, the Ministry of Health (MOH) Malaysia, in a concerted effort with the Economic Planning Unit (EPU) of the Prime Minister's Office, launched the "Malaysia National Health Accounts (MNHA) Project". The project's outcome was a report on the MNHA Classification System (MNHA Framework) and the first MNHA Health Expenditure Report (HER). The completion of the MNHA project put forth the benefits of having a health account as an evidence-based tool in making health policy decisions, leading to the establishment of the MNHA Section under the Planning & Development Division of MOH.

After its institutionalisation, the MNHA Section, under the guidance of an international consultant, proceeded to further standardise the methodology used. Following this, health expenditure time series reports were published annually. From 2022 onwards, MNHA will be publishing National Health Expenditure time series data based on the duration of the 3 most recent *Rancangan Malaysia* (RMK) cycles. This year's report will consist of data covering the years for RMK-10, RMK-11 & RMK-12 (2011-2022). The chapters in this publication encompass health expenditures by sources of financing, expenditures to providers of health care, and expenditures for functions of health care analysed based on the MNHA Framework. In addition to this, a chapter containing international NHA data extracted from the Global Health Expenditure Database (GHED) is included.

We would like to inform the readers regarding the colour scheme used in the charts of this report. All public sectors are highlighted in blue, while private sectors are red. Purple is used for the combination of both private and public sectors. Components on tables may not add to the total of 100% due to rounding up. **Due to the methodology in which NHA data are produced, the data in the most current report replaces all annual data stated in previous publications.** It is reminded that most of the data are in nominal *Ringgit Malaysia* (RM) values unless indicated otherwise.

CHAPTER 2

MALAYSIA NATIONAL HEALTH ACCOUNTS (MNHA): SUMMARY OF FRAMEWORK

National Health Accounts (NHA) is a tool composed of a standard set of tables to capture the public and private sectors health expenditure flow within a country over a specified period. Information such as input, output and resource use obtained from this tool is essential to examine the performance of health system. Identical set of rules and methodology needs to be used to ensure information from NHA is comprehensive, consistent, comparable and timely.

2.1 THE MNHA CLASSIFICATION

The MNHA Framework is based on international NHA classifications with minor modifications to suit local policy needs (Appendix Tables A2.1, A2.2, and A2.3). The data in all chapters (except Chapter 10) are based strictly on the MNHA Framework. The framework classifies all expenditures into three main entities:

- Sources of financing (MS)
- Providers of health care (MP)
- Functions of health care (MF)

Sources of financing are defined as entities that directly incur the expenditure and hence control and finance the amount of such expenditure. It includes the public sector expenditure encompassing the federal government, state government, local authorities, social security funds and other public entities, and the private sector consisting of private health insurance, managed care organisations, out-of-pocket expenditure, non-profit institutions and corporations.

Providers of health care are defined as entities that produce and provide health care goods and services. These include categories of hospitals, nursing and residential care facility providers, ambulatory health care providers, retail sale and medical goods providers, public health programme providers and general health administration.

Functions of health care are categorised as core functions of health care and health-related functions. Functions of health care include services of curative care, rehabilitative care, long-term nursing care, ancillary services, out-patient medical goods, public health services, health administration and health insurance. Health-related functions include capital formation, education & training of health personnel and research & development in health.

2.2 OVERVIEW OF TOTAL EXPENDITURE ON HEALTH (TEH)

In the MNHA Framework, TEH comprises expenditures from both public and private sources, which consist of both 'health expenditures' and

all 'health-related expenditures' components. 'Health expenditures' as defined in the MNHA Framework consist of all expenditures or outlays of medical care, prevention, promotion, rehabilitation, community health activities and health administration and regulation with the **predominant objective to improve health**. Core function classifications reflect these under the codes MF1-MF7. 'Health-related expenditures' classification under the codes MR1, 2, 3 and 9 include expenditures of 'capital formation of health care provider institutions', 'education and training of health personnel', 'research and development in health' and 'all other health-related expenditures. For easier understanding, components that make up TEH according to MNHA Framework are illustrated in Figure 2.1.

FIGURE 2.1: Total Expenditure on Health in MNHA Framework

Code	Core Functions
MF1	Services of curative care
MF2	Services of rehabilitative care
MF3	Services of long-term nursing care
MF4	Ancillary services to health care
MF5	Medical goods dispensed to out-patients
MF6	Prevention and public health services
MF7	Health programme administration and health insurance
Code	**Health-Related Functions**
MR1	Capital formation of health care provider institutions
MR2	Education and training of health personnel
MR3	Research and development in health
MR9	All other health-related expenditures

2.3 OVERVIEW OF CURRENT HEALTH EXPENDITURE (CHE)

To address the need for methodological consistency when comparing health expenditure across different countries, the World Health Organization (WHO), Eurostat and related international organisations of the Organisation for Economic Co-operation and Development (OECD) produced a manual known as "A System of Health Accounts". The latest edition of this manual is known as the SHA 2011. It is essential to understand the differences when comparing data based on MNHA Framework to data based on SHA 2011 framework. As described earlier, the MNHA Framework captures and reports health spending as total expenditure on health (TEH), whereas current health expenditure (CHE) is used when reporting on SHA 2011. Health spending based on CHE has lower value as it excludes capital spending, education & training and research & development and other health related functions. Since 2017, both OECD and WHO countries have used CHE for international reporting and inter-country comparisons of national health expenditures. Components that make up CHE, according to SHA 2011, are illustrated in Figure 2.2.

FIGURE 2.2: Current Health Expenditure in SHA 2011 Framework	
Code	**Core Functions**
HC.1	Services of curative care
HC.2	Services of rehabilitative care
HC.3	Services of long-term nursing care
HC.4	Ancillary services to health care
HC.5	Medical goods dispensed to out-patients
HC.6	Prevention and public health services
HC.7	Health programme administration and health insurance

CHAPTER 3

METHODOLOGY OF DATA COLLECTION AND ANALYSIS

3.1 GENERAL METHODOLOGY

A general understanding of the methodology in NHA estimation provides a better appreciation of the data. The previous MNHA HER produced data from 2011-2021, and the current report contains data from 2011 to 2022. Data in this report may show some variations compared to the previous reports. Changes in the time series data may reflect the incorporation of recent developments with previous data from various censuses and surveys (when using secondary data); may reflect genuine structural changes; may be caused by variations in responses from multiple data sources at each cycle of estimation; or access to new data that is used to replace previous estimations. These variations are an acceptable phenomenon under NHA. Complete lists of the data sources are documented at every cycle of analysis (Appendix Table A1.1, A1.2). It is difficult to obtain a near 100% response rate from all data sources. Any improvements in data responses will minimise estimations of non-responders and reflects better true data.

3.2 DATA COLLECTION AND ANALYSIS

The method of data collection and analysis used in this report conforms to the method used in the previous cycle, whereby detailed definitions of what constitutes health expenditure, institutional entities and types of disaggregation were drawn up based on inputs from several documents, committee meetings, and consultative advice from the internal and external MOH sources. Both primary and secondary data were used in this analysis (Appendix Table A1.1 and A1.2). Agencies from public and private sources provide primary data in several formats. These data were obtained through multiple MNHA surveys. The secondary data were retrieved from various data sources, reports, bulletins and other documents.

All data were analysed separately by identified group of agencies. Upon verification, data were entered into various dummy time series spreadsheets. Verification of data is important as it affects the quality of final outputs. The data sets from each agency were processed differently depending on the availability and completeness. Data classification for each agency was carried out based on the tri-axial MNHA dimensions of sources, providers and functions. The MNHA Framework enables health expenditure to disaggregate to the lowest possible code. Any data gaps in each of these disaggregated data from each agency were subjected to imputation methods recommended by NHA experts. These imputation techniques may vary from agency to agency.

The final analysis data of each agency were coded according to the MNHA Framework. State codes were also assigned to every set of analyses. All

stages of analyses were highly technical, involved several methods tailored to specific agencies and required a good understanding of the MNHA Framework. The data entry and analysis processes were carried out using Microsoft Excel and Stata statistical software. After initial data preparation, analysis, and coding, measures were taken to ensure data quality. Several additional verification methods are put in place before producing the final database. These involve validation of total estimates and a combination of codes for each data source prior to merging to produce the final database. Data from each agency were then collated. Subsequently, NHA data extraction is carried out to populate various tables and figures easily understood by policymakers and other stakeholders.

Considering to continually improving NHA estimations and reporting, MNHA reviewed and refined its methodology in several phases. During the first round of refinement, analyses to standardise hospital reporting were applied. In short, this led to the inclusion of all costs incurred for ancillary services such as community pharmacy charges (drugs and non-durable products), surgical costs, laboratory tests and radiological investigations as curative care expenditures whenever they are delivered as part of a curative care service package. As defined in NHA, hospital care embodies all services provided by a hospital to patients. Under this, analysis of all public and private hospitals was disaggregated and reported as expenditure for in-patient, out-patient and day-care services only. On the other hand, expenditures incurred at standalone laboratories and radiological investigations are reported under another function code. This is strictly in keeping to definitions of functions codes under MNHA Framework for curative care services and provider of health care boundary for standalone ambulatory health care centres.

Further refinement was carried out to address concerns of double counting. When producing a country's health account, it is essential to recognise the equal importance of each dimension of the NHA. Focusing on collecting data from one dimension tends to underestimate expenditure as health spending from other entities via different NHA dimensions is not captured. It is essential to quantify all health expenditures from various information sources along all NHA dimensions. However, estimations of expenditure along more than one dimension increase the likelihood of double counting. In the Malaysian context, estimated total health expenditure for all public hospitals is obtained from the respective data sources who are also providers of health care services. In addition, surveys were done to collect health spending by various public and private sector employers/companies that also capture claims or reimbursements. It is significant to note that claims and reimbursement encompass expenditures for public hospitals' curative care services. Therefore, after carefully scrutinising all details, the refined methodology is a downward revision to health care expenditures, resulting from the removal of various agencies' reimbursements when it involves claims for treatment received at public MOH and non-MOH hospitals and clinics. Corresponding to this, all claims or reimbursement at these providers are grouped as in-patient, out-patient and day-care services. This enables MNHA to maintain detailed accounting of health spending that is mutually exclusive and standardised.

All subsequent reporting of MNHA maintained the above-explained refinement. Peer review workshops are conducted annually to examine, discuss and verify the validity and reliability of the final data outputs of each agency. This involves validation of all codes and total estimation used for each data source prior to merging into a final database. This report only highlights some selected findings, which may be helpful in the health policy development and health planning of the country. Further detailed data extractions with cross-tabulations are usually produced based on policymaker's and stakeholder's requests.

3.3 DATA PROCESSING OF VARIOUS AGENCIES

The methods used for data processing vary according to the availability, completion and source of data as follows:

3.3.1 Public Sector

I. Ministry of Health (MOH)

Health expenditure data of the MOH were obtained from the Accountant-General's Department of Malaysia (AGD), under the Ministry of Finance (MOF). The Accountant-General (AG) raw database for the MOH is the primary source of data whereby expenditure data is entered as a line item. All health expenditures are disaggregated into the tri-axial coding system under the dimensions of sources of financing, providers and functions of health care based on the MNHA Framework, omitting double counting. Assigning of MNHA codes is based on examining available data and additional details captured via MNHA surveys.

II. Ministry of Higher Education (MoHE)

Health expenditure under the MoHE includes two main functions. Firstly, provision of health care services by university hospitals for the general population and outpatient medical clinics meant for students and the university community. Second, health expenditure from this agency is on health-related training and research expenditure. Other than these institutions, data on the cost of training health professionals are also obtained from various private training colleges, Public Service Department (PSD) and other agencies.

III. Other Federal Agencies (including Statutory Bodies)

The agencies under "other federal agencies" currently consist of twenty two public agencies, which include the National Anti-Drug Agency (AADK), Prison Department, Malaysia Civil Defence Force, Pension Department of Public Service Department (KWAP), National Heart Institute of Malaysia, Social Welfare Department of Malaysia, Department of Orang Asli Development, National Population and Family Development Board Malaysia, National Institute of Occupational Safety and Health Malaysia (NIOSH), Department of Occupational Safety and Health Malaysia (DOSH), National Sports Institute of Malaysia, Ministry of Finance (MOF), Ministry of Science, Technology and Innovation (MOSTI), federal statutory bodies, higher education institutes, Pilgrims Fund Board, National Disaster Management Agency (NADMA), *Majlis Keselamatan Negara* (MKN) and Emergency Medical Rescue Services (EMRS). The expenditure on health of other federal agencies (including statutory bodies) was captured through MNHA survey questionnaires. Data from this survey also assist in estimating and disaggregating expenditure along with the providers and functions of health care dimensions for agencies with incomplete or no data. Expenditures under this group are mainly for curative care services, retail sales and medical goods, and research.

IV. Local Authorities

Health expenditure data of the local authorities encompass 155 agencies of local/municipal governments in Malaysia. Health expenditure data captured from this entity includes expenditure on services provided to the general public and expenditure that covers health care services provided for staff.

V. (General) State Government

This consists of health expenditure by all thirteen state governments and three Federal Territories, which include Kuala Lumpur, Putrajaya and Labuan. Most state expenditure is analysed based on services provided to the general community, mainly for preventive care such as environmental

health covering water treatment and reimbursements expenditure for state government employees, mainly for curative care.

VI. Ministry of Defence (MOD)

The MOD provides health services through its Army Hospitals and Armed Forces Medical and Dental Centres ***(Rumah Sakit Angkatan Tentera dan Pusat Pergigian Angkatan Tentera).*** Details on MOD health expenditure are captured through MNHA annual survey and are mainly for curative care services.

VII. Social Security Funds

There are two major organisations providing social security funds; the Employees Provident Fund (EPF) and the Social Security Organisation (SOCSO), both of which are mandated by the government. MNHA annual survey captures total health expenditure by state for both of these organisations. Further breakdown to disaggregate expenditure to providers and functions are based on previous field surveys that collected details based on samplings of the medical bill claims.

VIII. Other State Agencies (including Statutory Bodies)

Other state agencies consist of statutory bodies and Zakat Collection Centre (MAIN). MNHA survey for MAIN captures data on curative care reimbursement, retail sales & medical goods reimbursement and various other services provided to the community. MNHA survey for statutory bodies is carried out to collect health expenditure data which includes total health expenditure, data for provider and function dimensions. Information on the number of employees obtained from Public Service Department (JPA) and disaggregated proportions of provider and function is used to estimate the health expenditure of statutory bodies with incomplete or no data.

3.3.2 Private Sector

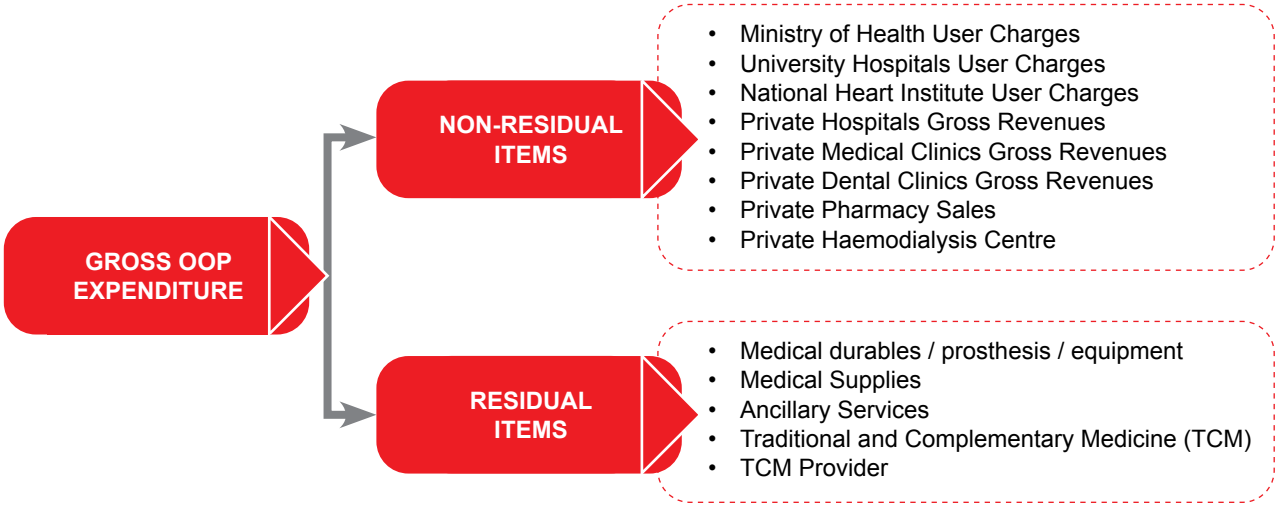
I. 3.3.2.1 Household Out-of-Pocket (OOP) Health Expenditure

Internationally, there are several methods to estimate household out-of-pocket (OOP) health expenditure. MNHA uses the Integrative approach to estimate OOP expenditure. The integrative approach involves examining expenditure flows from the perspective of all agents in the system. This approach comprises several different health expenditures flows in the system from different perspectives: (i) from the source of financing or consumption [example: Household Expenditure Survey (HES) or Household Income and Expenditure Survey (HIES)] and (ii) from the provider side (example: private hospital and clinic survey). This combination approach is the best method and is highly recommended by NHA international standards.

a. Integrative Approach

In the integrative approach, the gross of direct spending from the consumption, provision and financing perspective is estimated after deduction of the third-party source of financing payer reimbursements. This deduction is made to avoid double counting and overestimation of the OOP expenditure. The integrative approach under the MNHA Framework uses the formula below to derive the estimated OOP expenditure:

OOP Health Expenditure = (Gross OOP Health Expenditure – Third Party Payer Reimbursement) + OOP Expenditure for Health Education & Training



b. OOP Data Sources

i. Gross OOP Expenditure

The gross OOP expenditure is the net reconciliation of various datasets using the consumption and provider approaches. It consists of two groups, namely Residual Items (RI) and Non-Residual Items (NRI), as shown below.

ii. Third-Party Payer Reimbursement

The third-party payer reimbursements are the finances claimed from the various agencies such as private insurance enterprises, private corporations, Employees Provident Fund (EPF), Social Security Organisation (SOCSO), and federal and state statutory agencies by the OOP payee after the OOP payment is made. Each item in the gross spending and third-party payer data can be obtained from several data sources (Appendix Table A1.1 and A1.2). The group above is subsequently reassigned to the below categories after considering data captured from IQVIA (pharmaceuticals, supplies and TCM).

c. Deduction of Third-Party Payers

The summation of all gross revenues is considered as OOP and non-OOP health expenditure. The non-OOP health expenditure has to be deducted as the refundable payments (private insurance, private corporations, SOCSO, EPF and statutory bodies) to estimate the net OOP expenditure. This deduction is made to avoid double counting and overestimation of the OOP expenditure.

d. Training Expenditure Estimation

The data were obtained from public universities, private universities and training institutions conducting training in the field of health. Data from each respondent are assigned MP, MF and state codes. Data gaps are addressed using the linear interpolation method. Data on health personnel in-service training expenditure is currently not included due to the resource intensiveness needed to capture or extract this expenditure, which is embedded in other expenditures, such as expenditure for administration at each hospital and health department.

ii. **Private Corporations/Private Companies**

The labour force within the private sector may gain medical benefits through the private employer medical benefits scheme. The average per capita health expenditure was calculated based on the various industrial surveys conducted by the Department of Statistic Malaysia (DOSM) and excluded group health insurance purchases for employees.

iii. **Private Health Insurance**

The health expenditure of private health insurance was calculated based on the Medical Health Insurance data from the Central Bank of Malaysia. The data includes individual and grouped insurance data. The proportions for providers and functions of health care were obtained via the MNHA survey of insurance companies.

iv. **Non-Governmental Organisations (NGOs)**

Non-Governmental Organisations (NGOs) are also involved in health-related activities. Health expenditure incurred by the NGOs was obtained through the MNHA survey of these organisations. The survey also enables this expenditure's disaggregation to providers and functions of health care.

v. **Managed Care Organisations (MCOs)**

Under the MNHA analysis, only data related to health administration of health insurance was obtained from MCO.

vi. **Rest of the world (ROW)**

Rest of the world (ROW) are arrangements involving or managed by institutional units that are resident abroad who not only purchase but may also provide health care goods and services on behalf of residents. It includes health-related activities.

3.4 MNHA ESTIMATION OF CONSTANT VALUE

Current or Nominal value of health expenditure refers to expenditures reported for a particular year, unadjusted for inflation. Constant value estimates indicate what expenditure would have been when anchored to a particular year value, such as 2018 values applied to all years. As a result, expenditures in different years can be compared on a *Ringgit*-for-*Ringgit* basis, using this as a measure of changes in the volume of health goods and services. When making health expenditure comparisons over a time series, it is more meaningful to use constant values rather than current or nominal values.

$$\text{GDP Deflator} = \frac{\text{GDP Current}}{\text{GDP Constant}} \times 100$$

In health expenditure estimations under NHA, the constant value is usually estimated using GDP deflator. The GDP deflator measures the level of prices of all-new, domestically produced, final goods and services in an economy. It is a price index that measures price inflation or deflation. GDP deflator can be calculated using the above formula. GDP current and GDP constant time series data is published every year by the Department of Statistics Malaysia (DOSM).

The constant value estimation requires a two-step method whereby the first step involves the estimation of a set of GDP deflators. Based on advice from NHA experts, the splicing method on series in different base years, can be used to get a series of GDP deflators, as shown in Table 3.4a. The second step involves the application of this estimated GDP deflator to nominal values for the estimation of constant values.

TABLE 3.4a: Example of Splicing Method with Different Base Year							
Year	2005	2006	2007	2008	2009	2010	2011
Deflators Base Year 2005	100	104	109	120	113	118	na
Deflators Base Year 2010	na	na	na	na	na	100	105
GDP Deflator Base Year 2010 (Splicing Method)	85	88	92	102	96	100	105

Note: Derived values in bold

Example of splicing method using base year 2010 to derive at new GDP deflator for year 2009:

= (100/118) x 113
= 96

For year 2008:

= (100/118) x 120
= 102

Constant value estimates can be obtained by calculating GDP deflator base year 2016 from the derived values of GDP deflator base year 2010, which then can be applied to the nominal value of health expenditure. As a result, the nominal value increases when expressed as a constant value at a particular base year.

This estimation can be demonstrated using the 2016 base year and a set of GDP deflator values, as shown in Table 3.4b.

Monetary values expressed in current values can be converted to constant values base year 2016 using the formula:

$$V_{cox} = V_{curx} * (D_i / D_x)$$

Where: -

- V_{cox} is the value expressed in constant values for the year for which constant prices are to be calculated (Year x)
- V_{curx} is the value expressed in the current values applying in Year x
- D refers to the GDP deflator applying in Years x and i, with i being the base year

For example, using the above formula to calculate TEH 2015 in constant value:-

- V_{curx} = RM49,000
- D_i = 111
- D_x = 109

Then:

V_{cox} = RM49,000 X (111/109)
= RM49,899

Thus the value to be used, expressed as constant values at the base year 2016, is RM49,899 rather than the current value of RM49,000.

TABLE 3.4b: Example of Calculating Total Expenditure on Health in Constant Value Base Year 2016								
Year	2009	2010	2011	2012	2013	2014	2015	2016
GDP Deflator Base Year 2010 (Splicing Method)	96	100	105	106	107	108	109	111
TEH Nominal (RM Million)	na	32,000	35,000	39,000	41,000	46,000	49,000	51,000
TEH Constant (RM Million)	na	35,520	37,000	40,840	42,533	47,278	49,899	51,000

CHAPTER 4

TOTAL EXPENDITURE ON HEALTH

4.1 TOTAL EXPENDITURE ON HEALTH (TEH)

The total expenditure on health (TEH) is the sum of aggregate public and private health expenditure in a given year, calculated in *Ringgit Malaysia*. TEH mentioned in this report is based on the MNHA Framework, which consists of core functions and health-related functions, as shown in Figure 2.1. In 2022, Malaysia spent RM78,945 million on health or 4.4% of Gross Domestic Product (GDP).

TEH for Malaysia between 2011 till 2022 shows a gradually increasing trend. TEH as a share of GDP for the same period ranged from 3.9 percent to 5.0 percent of GDP. Despite the decrease in TEH as % of GDP in 2022, compared to 2021 there is actually a significant increase upon comparing with pre-pandemic (2019) value (Table 4.1 and Figure 4.1).

4.2 PER CAPITA HEALTH EXPENDITURE

In nominal value, per capita expenditure on health ranged from RM1,237 in 2011 to RM2,414 in 2022. In comparison, per capita health expenditure as constant values ranged from RM1,515 in 2011 to RM2,414 in 2022 (Table 4.2 and Figure 4.2).

TABLE 4.1: Total Expenditure on Health, 2011-2022 (RM Million & Percent GDP)

Year	TEH, Nominal (RM Million)	TEH, Constant (RM Million)*	Total GDP, Nominal (RM Million)**	MNHA Derived GDP Deflator	TEH (Nominal) as % GDP
2011	35,953	44,029	911,733	82	3.94
2012	39,448	47,831	971,252	82	4.06
2013	41,647	50,410	1,018,614	83	4.09
2014	46,780	55,259	1,106,443	85	4.23
2015	50,256	59,583	1,176,941	84	4.27
2016	51,756	60,360	1,249,698	86	4.14
2017	56,404	63,386	1,372,310	89	4.11
2018	60,528	67,598	1,447,760	90	4.18
2019	64,336	71,800	1,512,738	90	4.25
2020	67,051	75,447	1,418,491	89	4.73
2021	77,703	82,712	1,548,898	94	5.02
2022	78,945	78,945	1,791,358	100	4.41

**Constant values estimated using MNHA derived GDP deflators calculated by splicing method*
***Source: Department of Statistics Malaysia (DOSM)*

FIGURE 4.1: Trend for Total Expenditure on Health, 2011-2022 (RM Million & Percent GDP)

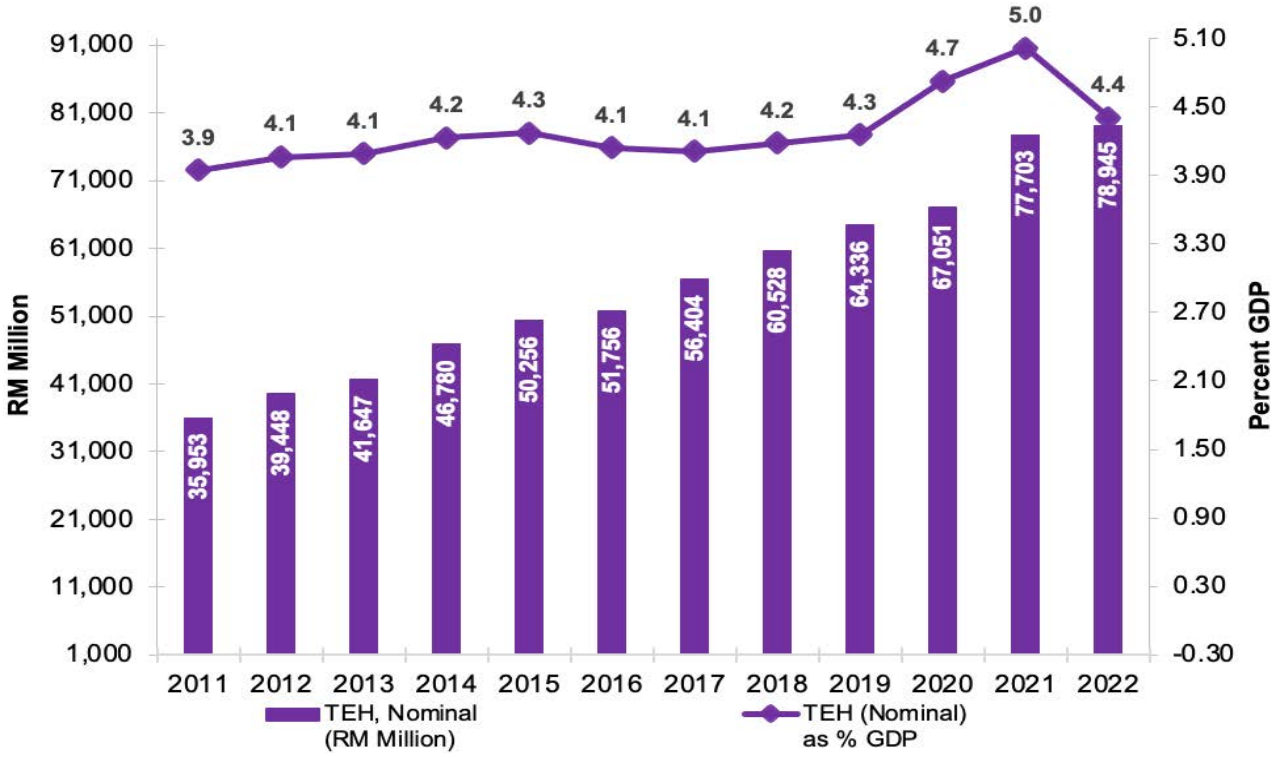


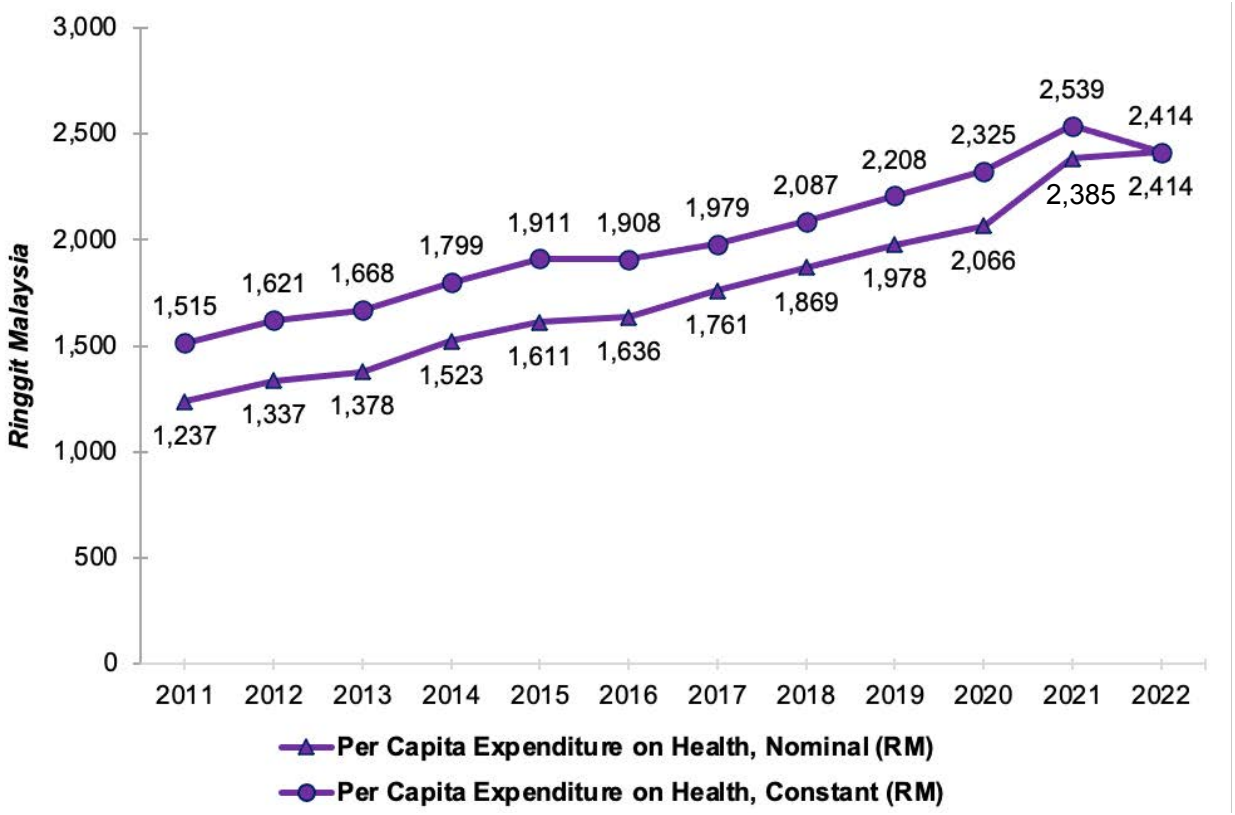
TABLE 4.2: Per Capita Expenditure on Health, 2011-2022 (Nominal & Constant, RM)

Year	TEH, Nominal (RM Million)	TEH, Constant (RM Million)*	Per Capita Expenditure on Health, Nominal (RM)	Per Capita Expenditure on Health, Constant* (RM)	Total Population**
2011	35,953	44,029	1,237	1,515	29,062,000
2012	39,448	47,831	1,337	1,621	29,510,000
2013	41,647	50,410	1,378	1,668	30,213,700
2014	46,780	55,259	1,523	1,799	30,708,500
2015	50,256	59,583	1,611	1,911	31,186,100
2016	51,756	60,360	1,636	1,908	31,633,500
2017	56,404	63,386	1,761	1,979	32,022,600
2018	60,528	67,598	1,869	2,087	32,382,300
2019	64,336	71,800	1,978	2,208	32,523,000
2020	67,051	75,447	2,066	2,325	32,447,400
2021	77,703	82,712	2,385	2,539	32,576,300
2022	78,945	78,945	2,414	2,414	32,698,100

**Constant values estimated using MNHA derived GDP deflators calculated by splicing method*

***Source: Department of Statistics Malaysia (DOSM)*

FIGURE 4.2: Per Capita Expenditure on Health, 2011-2022 (Nominal & Constant, RM)



4.3 HEALTH EXPENDITURE BY STATES

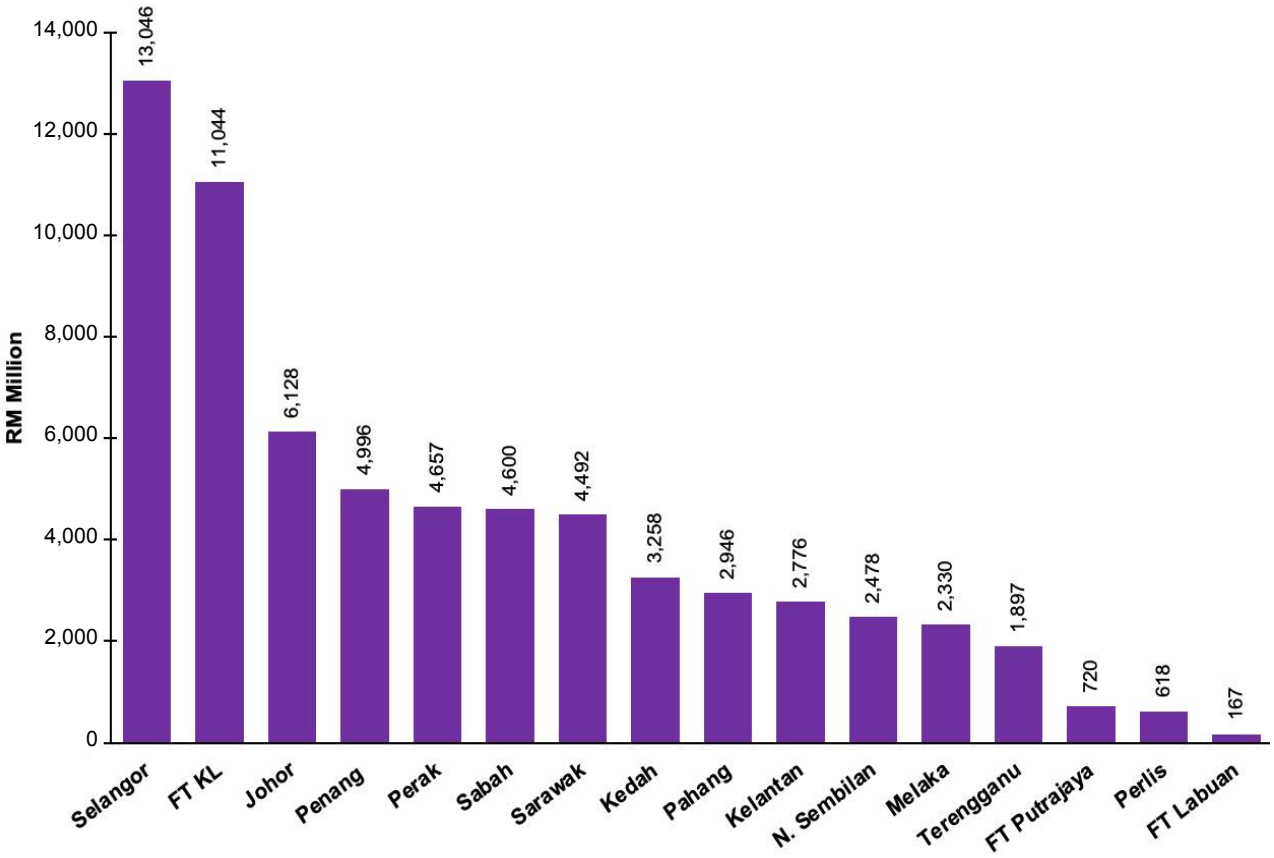
Health expenditure by state allocation is assigned based on the facilities where the financial resources were used to purchase various types of health care services and products. In the event that this is not possible, it will be allocated based on the location of the agencies that represent the facilities. The sequence of states in the figures and tables below is based on the state population size in 2022 as the reference year.

There are thirteen states and three Federal Territories, namely Kuala Lumpur, Labuan and Putrajaya. The state population is based on Department of Statistics Malaysia report. In 2022, Selangor had both the largest population of about 7 million people and the highest expenditure on health of RM13,046 million, as shown in Table 4.3 and Figure 4.3.

Table 4.3: State Population and Health Expenditure, 2022		
State	Population*	Expenditure (RM Million)
Selangor	7,050,300	13,046
FT KL	1,961,200	11,044
Johor	4,028,300	6,128
Penang	1,740,900	4,996
Perak	2,514,400	4,657
Sabah	3,414,900	4,600
Sarawak	2,473,500	4,492
Kedah	2,163,100	3,258
Pahang	1,614,300	2,946
Kelantan	1,830,600	2,776
N.Sembilan	1,207,900	2,478
Melaka	1,008,600	2,330
Terengganu	1,186,600	1,897
FT Putrajaya	117,000	720
Perlis	289,800	618
FT Labuan	96,900	167
**National (Unable to allocate)	na	12,793
Total	**32,698,300**	**78,945**

*Source: Department of Statistics Malaysia (DOSM)
**Note: Unable to allocate by states

FIGURE 4.3: Health Expenditure by States, 2022 (RM Million)



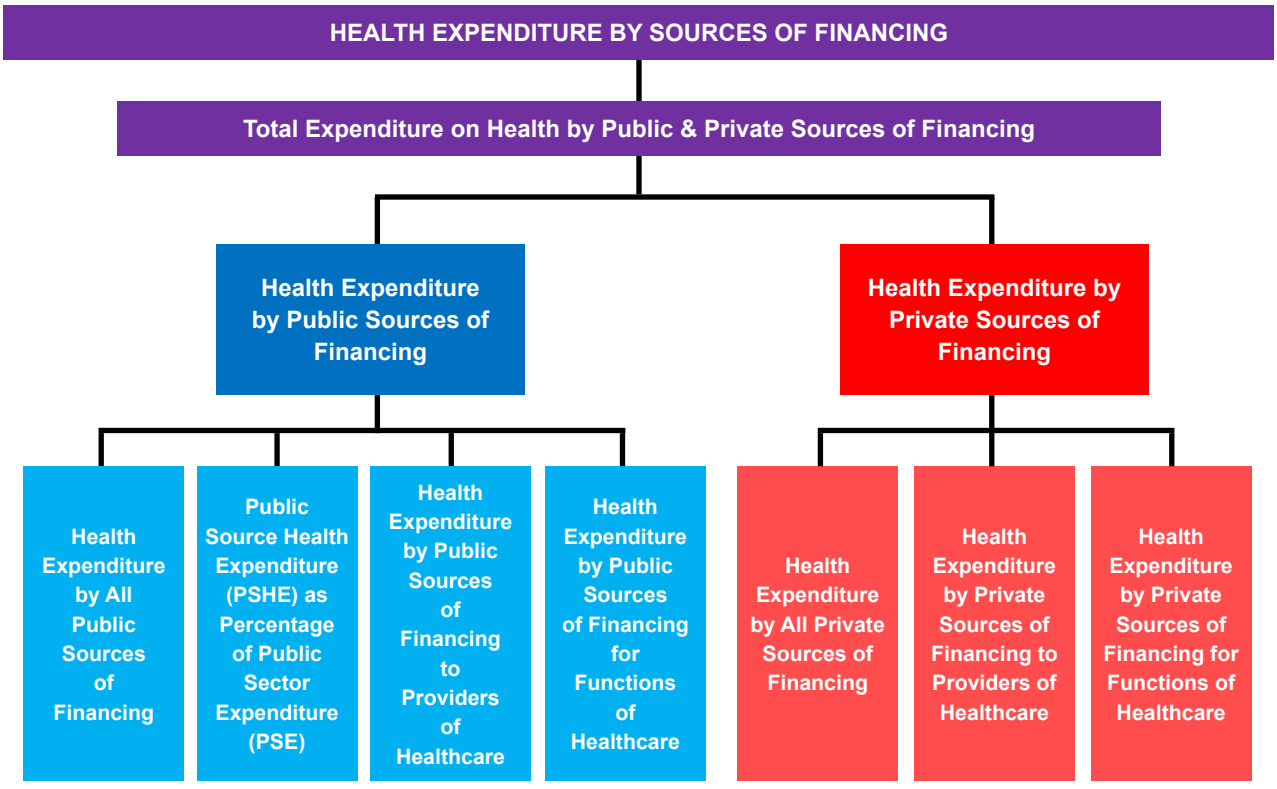
CHAPTER 5

HEALTH EXPENDITURE BY SOURCES OF FINANCING

Sources of financing for health care services and products include multiple public and private sector agencies. The public sources of health care financing are the federal government, state government, local authorities, social security funds and all other public entities. Private sources of health care financing include private insurance enterprises, managed care organisations (MCO), private household out-of-pocket (OOP), non-profit institutions, private corporations and the rest of the world. The share of both sectors to the TEH can be identified for each year in the time series.

This chapter contains three main sections, namely health expenditure by all sources of financing and health expenditure specifically by both public and private sources of health care financing in Section 5.2 and Section 5.3 respectively. An overview of health expenditure by sources of financing is shown in Figure 5.0.

FIGURE 5.0: Organogram of Health Expenditure by Sources of Financing



5.1 HEALTH EXPENDITURE BY PUBLIC AND PRIVATE SOURCES OF FINANCING

Among the various sources of health care financing in 2022, Ministry of Health (MOH) sourced the highest expenditure amounting to RM33,863 million or 42.9% of TEH. This is followed by private household out-of-pocket (OOP) spending of RM29,381 million (37.2% of TEH) and private insurance enterprises (other than social insurance) spending of RM6,535 million (8.3% of TEH). Other federal agencies (including statutory bodies) spent RM3,796 million (4.8% of TEH), whereas the Ministry of Higher Education (MoHE) spent RM 1,807 million (2.3% of TEH), private MCOs and other similar entities spent RM1,087 million (1.4% of TEH) and remaining expenditure for all other agencies amounted to RM 2,475 million (3.1% of TEH) (Table 5.1a and Figure 5.1a).

The trend of expenditure by sources of health care financing over the past 12 years shows that overall, the top 3 funders are persistently MOH, private household out-of-pocket expenditures (OOP) and private insurance (other than social insurance) (Table 5.1b and Table 5.1c).

In 2022, the public and private sources of health care financing spent RM41,257 million (52.3% of TEH) and RM37,688 million (47.7% of TEH), respectively. A similar pattern is noted throughout the 2011-2022 time series, where the public sector health expenditure remains higher than the private sector health expenditure. Both public and private sector health expenditure generally showed an increasing trend throughout the 12 years (Table 5.1d and Figure 5.1b).

TABLE 5.1a: Total Expenditure on Health by Sources of Financing, 2022

MNHA Code	Sources of Financing	RM Million	Percent
MS1.1.1.1	Ministry of Health (MOH)	33,863	42.89
MS2.4	Private household out-of-pocket expenditures (OOP)	29,381	37.22
MS2.2	Private insurance enterprises (other than social insurance)	6,535	8.28
MS1.1.1.9	Other federal agencies (including statutory bodies)	3,796	4.81
MS1.1.1.2	Ministry of Higher Education (MoHE)	1,807	2.29
MS2.3	Private MCOs and other similar entities	1,087	1.38
MS1.1.2.2	Other state agencies (including statutory bodies)	587	0.74
MS2.6	All corporations (other than health insurance)	537	0.68
MS1.2.2	Social Security Organization (SOCSO)	496	0.63
MS1.1.3	Local authorities (LA)	251	0.32
MS1.1.1.3	Ministry of Defense (MOD)	194	0.25
MS1.1.2.1	(General) State government	175	0.22
MS2.5	Non-profit institutions serving households (NGO)	148	0.19
MS1.2.1	Employees Provident Fund (EPF)	88	0.11
Total		**78,945**	**100.00**

FIGURE 5.1a: Total Expenditure on Health by Sources of Financing, 2022

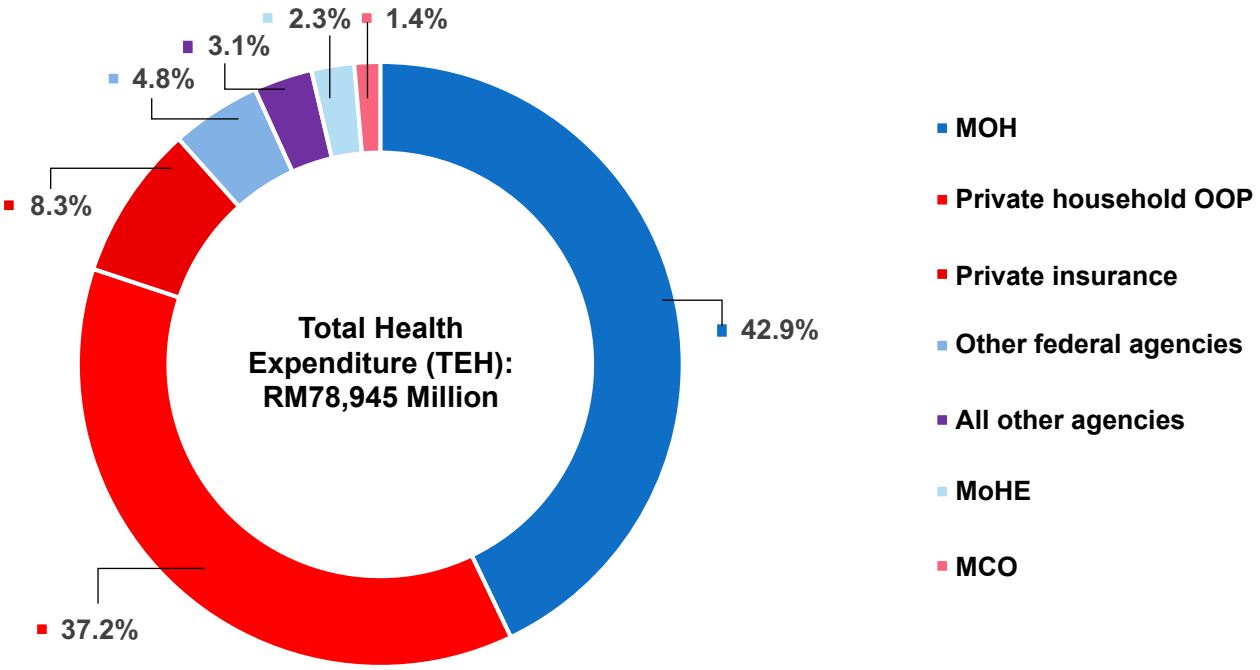
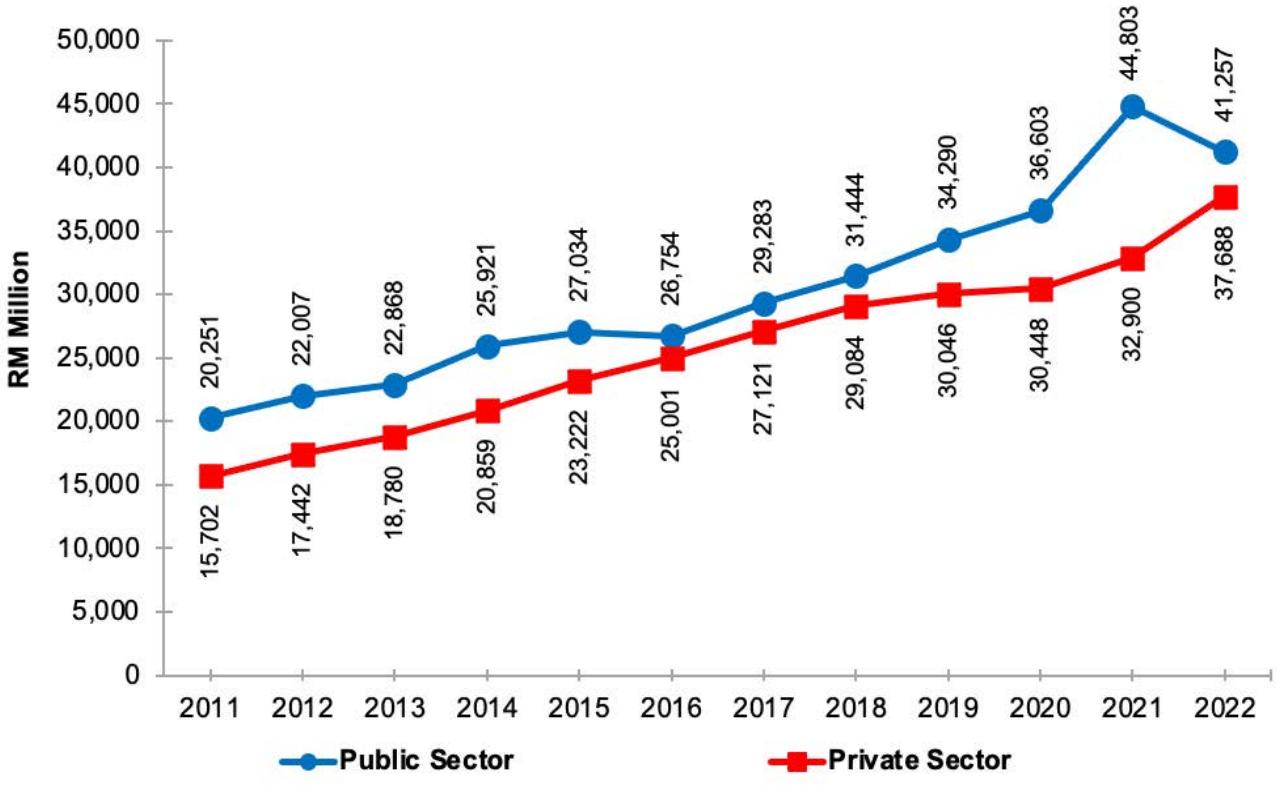


TABLE 5.1b: Total Expenditure on Health by Sources of Financing, 2011-2022 (RM Million)													
MNHA Code	Sources of Financing	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MS1.1.1.1	Ministry of Health (MOH)	16,496	18,239	19,038	21,782	22,737	22,315	24,775	26,561	28,903	31,011	38,487	33,863
MS1.1.1.2	Ministry of Higher Education (MoHE)	1,245	1,311	1,261	1,376	1,314	1,279	1,256	1,371	1,642	1,464	1,721	1,807
MS1.1.1.3	Ministry of Defence (MOD)	140	172	175	186	169	154	132	103	150	135	197	194
MS1.1.1.9	Other federal agencies (including statutory bodies)	1,813	1,678	1,677	1,805	1,886	2,020	2,076	2,120	2,244	2,531	2,833	3,796
MS1.1.2.1	(General) State government	90	105	78	86	90	97	111	150	124	207	249	175
MS1.1.2.2	Other state agencies (including statutory bodies)	129	137	189	212	346	385	392	467	502	504	535	587
MS1.1.3	Local authorities (LA)	142	150	188	164	178	138	154	194	249	264	247	251
MS1.2.1	Employees Provident Fund (EPF)	39	38	42	46	52	56	58	67	83	79	102	88
MS1.2.2	Social Security Organisation (SOCSO)	157	176	219	264	261	310	329	410	394	409	434	496
MS2.2	Private insurance enterprises (other than social insurance)	2,614	2,774	2,916	3,203	3,623	3,846	4,085	4,313	4,875	4,960	5,533	6,535
MS2.3	Private MCOs and other similar entities	243	302	287	437	626	831	879	922	993	927	1,040	1,087
MS2.4	Private household out-of-pocket expenditures (OOP)	11,466	12,649	13,933	15,373	16,349	17,555	19,518	21,302	22,382	22,648	24,688	29,381
MS2.5	Non-profit institutions serving households (NGO)	314	365	81	44	74	91	97	97	95	292	249	148
MS2.6	All corporations (other than health insurance)	1,064	1,352	1,564	1,803	2,550	2,678	2,542	2,449	1,702	1,620	1,391	537
Total		**35,953**	**39,448**	**41,647**	**46,780**	**50,256**	**51,756**	**56,404**	**60,528**	**64,336**	**67,051**	**77,703**	**78,945**

TABLE 5.1c: Total Expenditure on Health by Sources of Financing, 2011-2022 (Percent, %)													
MNHA Code	Sources of Financing	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MS1.1.1.1	Ministry of Health (MOH)	45.88	46.24	45.71	46.56	45.24	43.12	43.92	43.88	44.93	46.25	49.53	42.89
MS1.1.1.2	Ministry of Higher Education (MoHE)	3.46	3.32	3.03	2.94	2.62	2.47	2.23	2.27	2.55	2.18	2.21	2.29
MS1.1.1.3	Ministry of Defence (MOD)	0.39	0.44	0.42	0.40	0.34	0.30	0.23	0.17	0.23	0.20	0.25	0.25
MS1.1.1.9	Other federal agencies (including statutory bodies)	5.04	4.25	4.03	3.86	3.75	3.90	3.68	3.50	3.49	3.77	3.65	4.81
MS1.1.2.1	(General) State government	0.25	0.27	0.19	0.18	0.18	0.19	0.20	0.25	0.19	0.31	0.32	0.22
MS1.1.2.2	Other state agencies (including statutory bodies)	0.36	0.35	0.45	0.45	0.69	0.74	0.69	0.77	0.78	0.75	0.69	0.74
MS1.1.3	Local authorities (LA)	0.39	0.38	0.45	0.35	0.35	0.27	0.27	0.32	0.39	0.39	0.32	0.32
MS1.2.1	Employees Provident Fund (EPF)	0.11	0.10	0.10	0.10	0.10	0.11	0.10	0.11	0.13	0.12	0.13	0.11
MS1.2.2	Social Security Organisation (SOCSO)	0.44	0.45	0.53	0.57	0.52	0.60	0.58	0.68	0.61	0.61	0.56	0.63
MS2.2	Private insurance enterprises (other than social insurance)	7.27	7.03	7.00	6.85	7.21	7.43	7.24	7.13	7.58	7.40	7.12	8.28
MS2.3	Private MCOs and other similar entities	0.68	0.77	0.69	0.93	1.25	1.60	1.56	1.52	1.54	1.38	1.34	1.38
MS2.4	Private household out-of-pocket expenditures (OOP)	31.89	32.06	33.45	32.86	32.53	33.92	34.60	35.19	34.79	33.78	31.77	37.22
MS2.5	Non-profit institutions serving households (NGO)	0.87	0.93	0.19	0.09	0.15	0.18	0.17	0.16	0.15	0.44	0.32	0.19
MS2.6	All corporations (other than health insurance)	2.96	3.43	3.75	3.85	5.07	5.17	4.51	4.05	2.65	2.42	1.79	0.68
Total		**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

TABLE 5.1d: Total Expenditure on Health by Public & Private Sources of Financing, 2011-2022					
Year	Public Sector		Private Sector		TEH (Nominal RM Million)
	Health Expenditure (Nominal, RM Million)	Health Expenditure as Percentage of TEH (%)	Health Expenditure (Nominal, RM Million)	Health Expenditure as Percentage of TEH (%)	
2011	20,251	56.33	15,702	43.67	35,953
2012	22,007	55.79	17,442	44.21	39,448
2013	22,868	54.91	18,780	45.09	41,647
2014	25,921	55.41	20,859	44.59	46,780
2015	27,034	53.79	23,222	46.21	50,256
2016	26,754	51.69	25,001	48.31	51,756
2017	29,283	51.92	27,121	48.08	56,404
2018	31,444	51.95	29,084	48.05	60,528
2019	34,290	53.30	30,046	46.70	64,336
2020	36,603	54.59	30,448	45.41	67,051
2021	44,803	57.66	32,900	42.34	77,703
2022	41,257	52.26	37,688	47.74	78,945

FIGURE 5.1b: Total Expenditure on Health by Sources of Financing (Public vs. Private), 2011-2022



5.2 HEALTH EXPENDITURE BY PUBLIC SOURCES OF FINANCING

This section describes health expenditure according to MNHA classification by public sources of health care financing for the year 2022, followed by time series data for 2011-2022.

5.2.1 Health Expenditure by All Public Sources of Financing

In 2022, the Public Source Health Expenditure (PSHE) was RM41,257 million or 52.3% of TEH. An analysis of the public sources of health care financing showed that the highest expenditure was by MOH with a spending of RM33,863 million (82.1% of PSHE). This was followed by other federal agencies (including statutory bodies) at RM3,796 million (9.2% of PSHE), MoHE at RM1,807 million (4.4% of PSHE) and the remaining public sources of health care financing spent RM1,791 million or 4.3% of PSHE (Table 5.2.1a and Figure 5.2.1).

The trend of expenditure by public sources of health care financing over the past 12 years shows that the MOH consistently ranks among the top three funders, other federal agencies (including statutory bodies) and MoHE. MOH as the largest financier in the public sector, shows more than two-fold increase in expenditure, spending RM16,496 million in 2011 to RM33,863 million in 2022. This MOH expenditure contributed to 81-85% of public sector health expenditure since 2011 (Table 5.2.1b and Table 5.2.1c).

TABLE 5.2.1a: Health Expenditure by Public Sources of Financing, 2022

MNHA Code	Sources of Financing	RM Million	Percent
MS1.1.1.1	Ministry of Health (MOH)	33,863	82.08
MS1.1.1.9	Other federal agencies (including statutory bodies)	3,796	9.20
MS1.1.1.2	Ministry of Higher Education (MoHE)	1,807	4.38
MS1.1.2.2	Other state agencies (including statutory bodies)	587	1.42
MS1.2.2	Social Security Organisation (SOCSO)	496	1.20
MS1.1.3	Local authorities (LA)	251	0.61
MS1.1.1.3	Ministry of Defence (MOD)	194	0.47
MS1.1.2.1	(General) State government	175	0.42
MS1.2.1	Employees Provident Fund (EPF)	88	0.21
Total		**41,257**	**100.00**

FIGURE 5.2.1: Health Expenditure by Public Sources of Financing, 2022

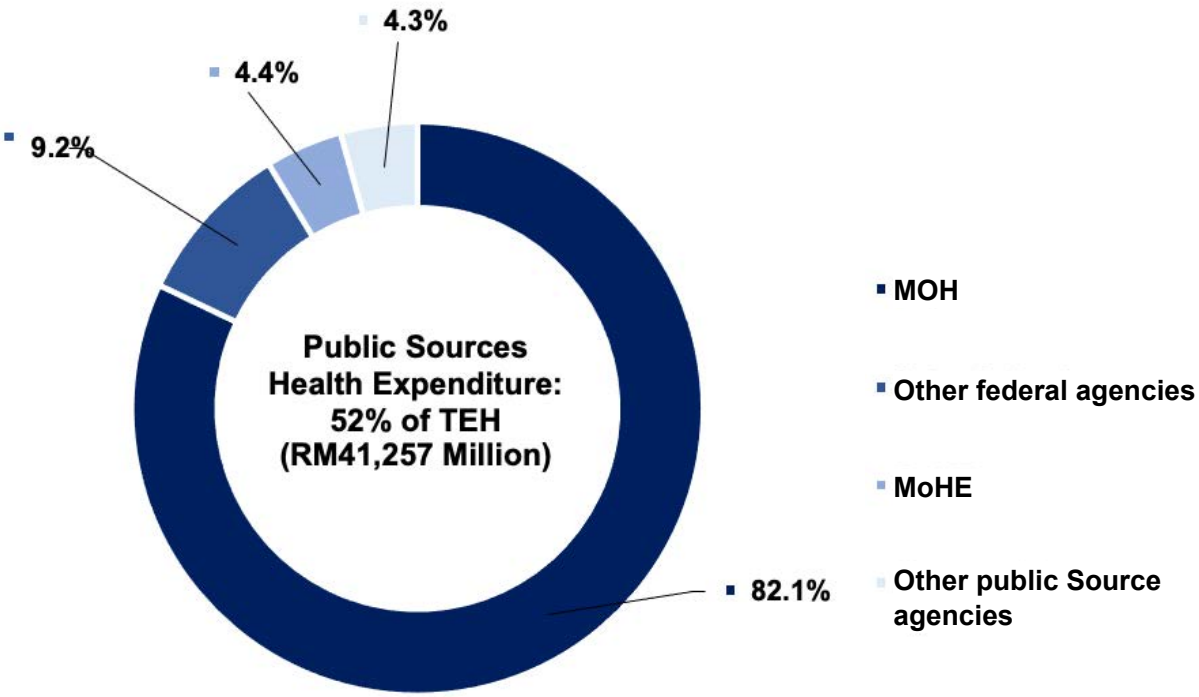


TABLE 5.2.1b: Health Expenditure by Public Sources of Financing, 2011-2022 (RM Million)													
MNHA Code	Sources of Financing	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MS1.1.1.1	Ministry of Health (MOH)	16,496	18,239	19,038	21,782	22,737	22,315	24,775	26,561	28,903	31,011	38,487	33,863
MS1.1.1.2	Ministry of Higher Education (MoHE)	1,245	1,311	1,261	1,376	1,314	1,279	1,256	1,371	1,642	1,464	1,721	1,807
MS1.1.1.3	Ministry of Defence (MOD)	140	172	175	186	169	154	132	103	150	135	197	194
MS1.1.1.9	Other federal agencies (including statutory bodies)	1,813	1,678	1,677	1,805	1,886	2,020	2,076	2,120	2,244	2,531	2,833	3,796
MS1.1.2.1	(General) State government	90	105	78	86	90	97	111	150	124	207	249	175
MS1.1.2.2	Other state agencies (including statutory bodies)	129	137	189	212	346	385	392	467	502	504	535	587
MS1.1.3	Local authorities (LA)	142	150	188	164	178	138	154	194	249	264	247	251
MS1.2.1	Employee Provident Funds (EPF)	39	38	42	46	52	56	58	67	83	79	102	88
MS1.2.2	Social Security Organisation (SOCSO)	157	176	219	264	261	310	329	410	394	409	434	496
Total		20,251	22,007	22,868	25,921	27,034	26,754	29,283	31,444	34,290	36,603	44,803	41,257

TABLE 5.2.1c: Health Expenditure by Public Sources of Financing, 2011-2022 (Percent, %)													
MNHA Code	Sources of Financing	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MS1.1.1.1	Ministry of Health (MOH)	81.46	82.88	83.25	84.03	84.37	83.75	84.86	84.86	84.63	84.83	85.05	82.08
MS1.1.1.2	Ministry of Higher Education (MoHE)	6.15	5.96	5.51	5.31	4.88	4.80	4.30	4.38	4.81	4.00	3.80	4.38
MS1.1.1.3	Ministry of Defence (MOD)	0.69	0.78	0.77	0.72	0.63	0.58	0.45	0.33	0.44	0.37	0.43	0.47
MS1.1.1.9	Other federal agencies (including statutory bodies)	8.95	7.63	7.33	6.96	7.00	7.58	7.11	6.77	6.57	6.92	6.26	9.20
MS1.1.2.1	(General) State government	0.45	0.48	0.34	0.33	0.33	0.37	0.38	0.48	0.36	0.57	0.55	0.42
MS1.1.2.2	Other state agencies (including statutory bodies)	0.64	0.62	0.83	0.82	1.28	1.44	1.34	1.49	1.47	1.38	1.18	1.42
MS1.1.3	Local authorities (LA)	0.70	0.68	0.82	0.63	0.66	0.52	0.53	0.62	0.73	0.72	0.54	0.61
MS1.2.1	Employee Provident Funds (EPF)	0.19	0.17	0.18	0.18	0.19	0.21	0.20	0.21	0.24	0.22	0.23	0.21
MS1.2.2	Social Security Organisation (SOCSO)	0.78	0.80	0.96	1.02	0.97	1.16	1.13	1.31	1.15	1.12	0.96	1.20
Total		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

5.2.2 Public Source Health Expenditure (PSHE) as Percentage of Public Source Expenditure (PSE)

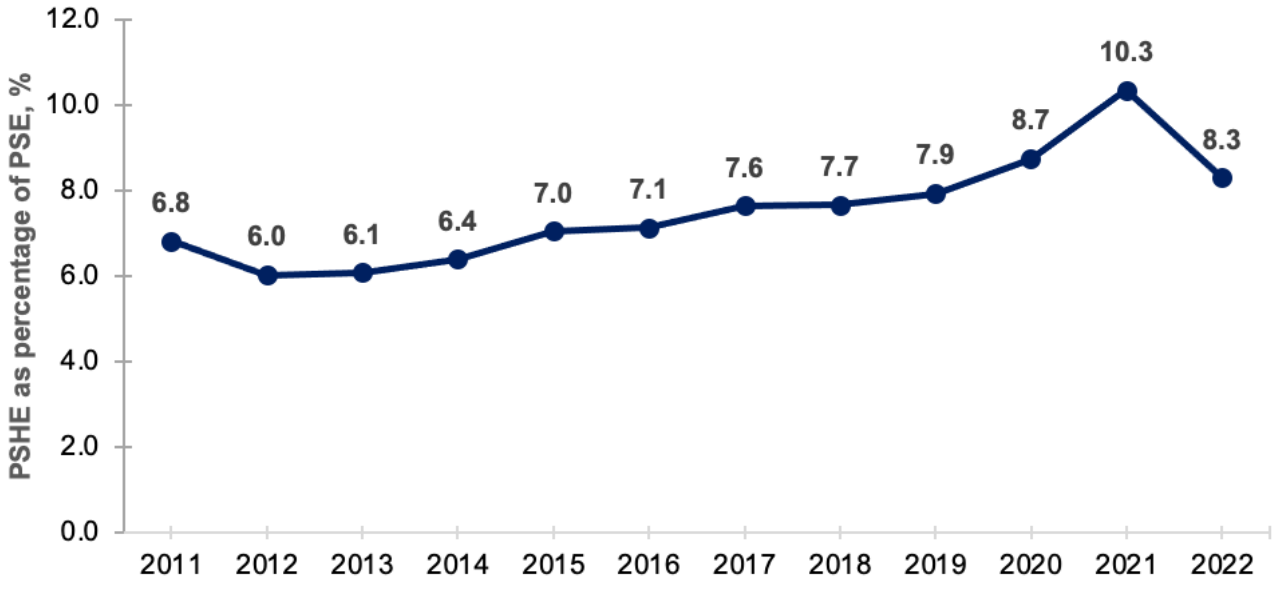
Public Source Health Expenditure (PSHE) includes expenditure by all public sources of health care financing, namely federal government, state government, local authorities, social security funds and all other public entities. PSHE has more than doubled in RM value from RM20,251 million (6.8% of PSE) in 2011 to RM41,257 million (8.3% of PSE) in 2022 (Table 5.2.2 and Figure 5.2.2).

TABLE 5.2.2: Public Source Health Expenditure (PSHE), 2011-2022 (RM Million, Percent PSE)

Year	Public Source Health Expenditure (PSHE) (RM Million)	Public Source Expenditure (PSE)* (RM Million)	PSHE as % PSE
2011	20,251	297,382	6.81
2012	22,007	365,600	6.02
2013	22,868	376,374	6.08
2014	25,921	405,788	6.39
2015	27,034	383,727	7.05
2016	26,754	375,489	7.13
2017	29,283	383,280	7.64
2018	31,444	410,482	7.66
2019	34,290	432,697	7.92
2020	36,603	418,949	8.74
2021	44,803	433,056	10.35
2022	41,257	497,306	8.30

**Source: Treasury Malaysia website Fiscal Outlook 2022, Section 6 - Consolidated Public Sector*

FIGURE 5.2.2: Trend for Public Source Health Expenditure (PSHE) as Percentage of Public Source Expenditure (PSE), 2011-2022



5.2.3 Health Expenditure by Public Sources of Financing to Providers of Health Care

Cross-tabulations of public sources of financing to providers of health care respond to the question of where these publicly sourced funds were spent or who provided the health care services and products.

In 2022, the majority of financing health expenditure from public sources was allocated to hospitals (includes general hospitals, psychiatric hospitals and speciality hospitals) with a spending of RM23,846 million (57.8% of PSHE). This is followed by spending at providers of ambulatory health care of RM7,829 million (19.0% of PSHE), general health administration and insurance at RM5,264 million (12.8% of PSHE) and provision and administration of public health programmes at RM2,574 million (6.2% of PSHE). The remaining expenditure to all other providers of health care services and products was RM1,744 million or 4.2% of PSHE (Table 5.2.3a and Figure 5.2.3).

The trend in spending by public sources of health care financing over the past 12 years shows that the top 3 providers of health care where the funds are being spent are at hospitals, providers of ambulatory health care and general health administration and insurance (Table 5.2.3b and Table 5.2.3c).

TABLE 5.2.3a: Public Source Health Expenditure to Providers of Health Care, 2022

MNHA Code	Providers of Health Care	RM Million	Percent
MP1	All hospitals	23,846	57.80
MP3	Providers of ambulatory health care	7,829	18.98
MP6	General health administration and insurance	5,264	12.76
MP5	Provision and administration of public health programmes	2,574	6.24
MP8	Institutions providing health-related services	1,254	3.04
MP4	Retail sale and other providers of medical goods	296	0.72
MP7	Other industries (rest of the Malaysian economy)	192	0.47
MP2	Nursing and residential care facilities	1	<0.01
MP9	Rest of world (ROW)	1	<0.01
Total		**41,257**	**100.00**

FIGURE 5.2.3: Public Source Health Expenditure to Providers of Health Care, 2022

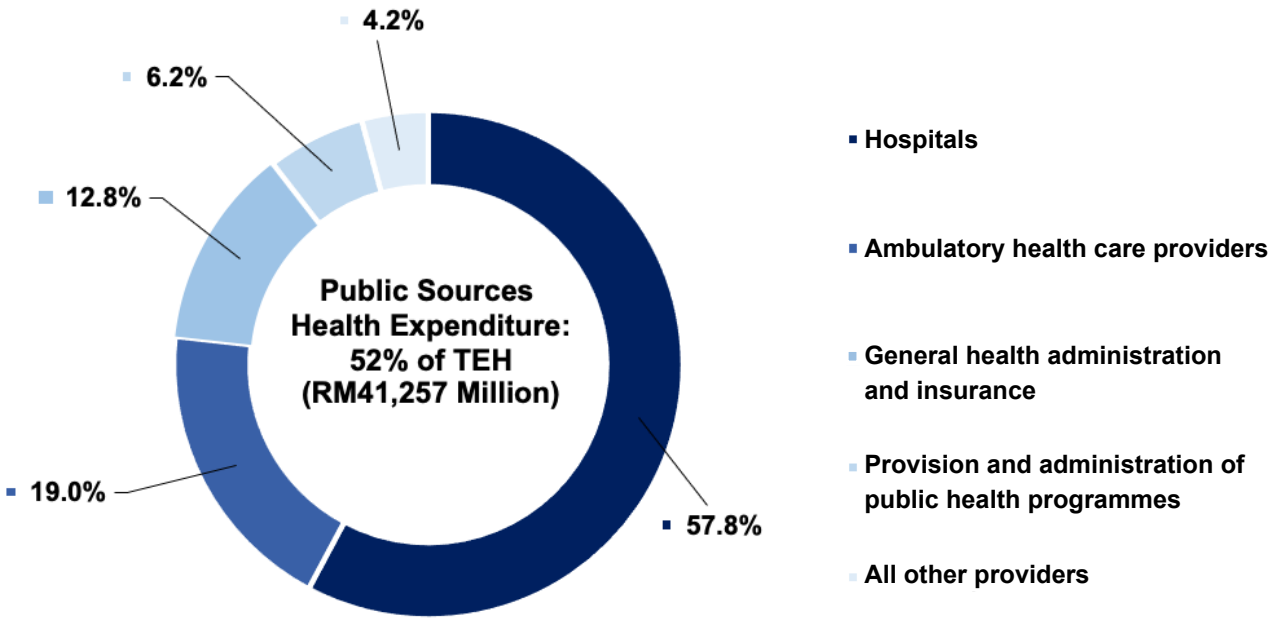


TABLE 5.2.3b: Public Source Health Expenditure to Providers of Health Care, 2011-2022 (RM Million)													
MNHA Code	Providers of Health Care	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MP1	All hospitals	11,357	13,350	13,706	15,762	16,455	16,688	17,719	19,006	20,399	20,755	22,978	23,846
MP2	Nursing and residential care facilities	2	2	1	1	1	1	1	1	1	50	1	1
MP3	Providers of ambulatory health care	2,745	3,191	3,554	4,186	4,374	4,539	4,951	5,511	6,151	6,646	11,877	7,829
MP4	Retail sale and other providers of medical goods	135	168	202	220	289	291	305	183	173	205	244	296
MP5	Provision and administration of public health programmes	1,125	1,449	1,163	1,427	1,411	1,597	1,535	1,315	1,679	2,272	2,754	2,574
MP6	General health administration and insurance	3,207	2,332	2,753	2,692	2,945	2,014	3,315	3,672	4,181	4,491	4,619	5,264
MP7	Other industries (rest of the Malaysian economy)	118	137	271	198	138	158	148	149	144	139	758	192
MP8	Institutions providing health-related services	1,562	1,376	1,216	1,435	1,416	1,465	1,308	1,606	1,562	2,046	1,571	1,254
MP9	Rest of the world (ROW)	1	1	1	1	4	2	1	1	1	1	1	1
Total		20,251	22,007	22,868	25,921	27,034	26,754	29,283	31,444	34,290	36,603	44,803	41,257

TABLE 5.2.3c: Public Source Health Expenditure to Providers of Health Care, 2011-2022 (Percent, %)													
MNHA Code	Providers of Health Care	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MP1	All Hospitals	56.08	60.66	59.94	60.81	60.87	62.38	60.51	60.44	59.49	56.70	51.29	57.80
MP2	Nursing and residential care facilities	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.00	0.00
MP3	Providers of ambulatory health care	13.55	14.50	15.54	16.15	16.18	16.96	16.91	17.53	17.94	18.16	26.51	18.98
MP4	Retail sale and other providers of medical goods	0.67	0.76	0.88	0.85	1.07	1.09	1.04	0.58	0.50	0.56	0.54	0.72
MP5	Provision and administration of public health programmes	5.56	6.59	5.09	5.50	5.22	5.97	5.24	4.18	4.90	6.21	6.15	6.24
MP6	General health administration and insurance	15.83	10.60	12.04	10.38	10.89	7.53	11.32	11.68	12.19	12.27	10.31	12.76
MP7	Other industries (rest of the Malaysian economy)	0.58	0.62	1.19	0.76	0.51	0.59	0.51	0.47	0.42	0.38	1.69	0.47
MP8	Institutions providing health-related services	7.71	6.25	5.32	5.53	5.24	5.48	4.47	5.11	4.55	5.59	3.51	3.04
MP9	Rest of the world (ROW)	0.00	0.00	0.01	0.00	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Total		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

5.2.4 Health Expenditure by Public Sources of Financing for Functions of Health Care

Cross-tabulations of public sources of financing for functions of health care respond to the question of what type of health care services and products were these publicly sourced funds spent on.

In 2022, majority of public sources of financing health expenditure was spent for curative care services, amounting to RM25,856 million (62.7% of PSHE). This is followed by spending for public health services (including health promotion and prevention) at RM4,823 million (11.7% of PSHE), capital formation at RM4,552 million (11.0% of PSHE), health programme administration and health insurance at RM4,334 million (10.5% of PSHE) and education and training of health personnel at RM891 million (2.2% of PSHE). The total expenditure for all other functions of health care services and products was RM800 million (1.9% of PSHE) (Table 5.2.4a and Figure 5.2.4).

The trend in spending by public sources of health care financing over the past 12 years shows that the top 5 functions of health care for which the funds are being spent on are for services of curative care, public health services (including health promotion and prevention), health programme administration and health insurance, capital formation of health care provider institutions and education and training of health personnel (Table 5.2.4b and Table 5.2.4c).

TABLE 5.2.4a: Public Source Health Expenditure for Functions of Health Care, 2022

MNHA Code	Functions of Health Care	RM Million	Percent
MF1	Services of curative care	25,856	62.67
MF6	Public health services (including health promotion and prevention)	4,823	11.69
MR1	Capital formation of health care provider institutions	4,552	11.03
MF7	Health programme administration and health insurance	4,334	10.51
MR2	Education and training of health personnel	891	2.16
MF5	Medical goods dispensed to out-patients	293	0.71
MF4	Ancillary services to health care	264	0.64
MR3	Research and development in health	241	0.58
MF3	Services of long-term nursing care	1	<0.01
Total		**41,257**	**100.00**

FIGURE 5.2.4: Public Source Health Expenditure for Functions of Health Care, 2022

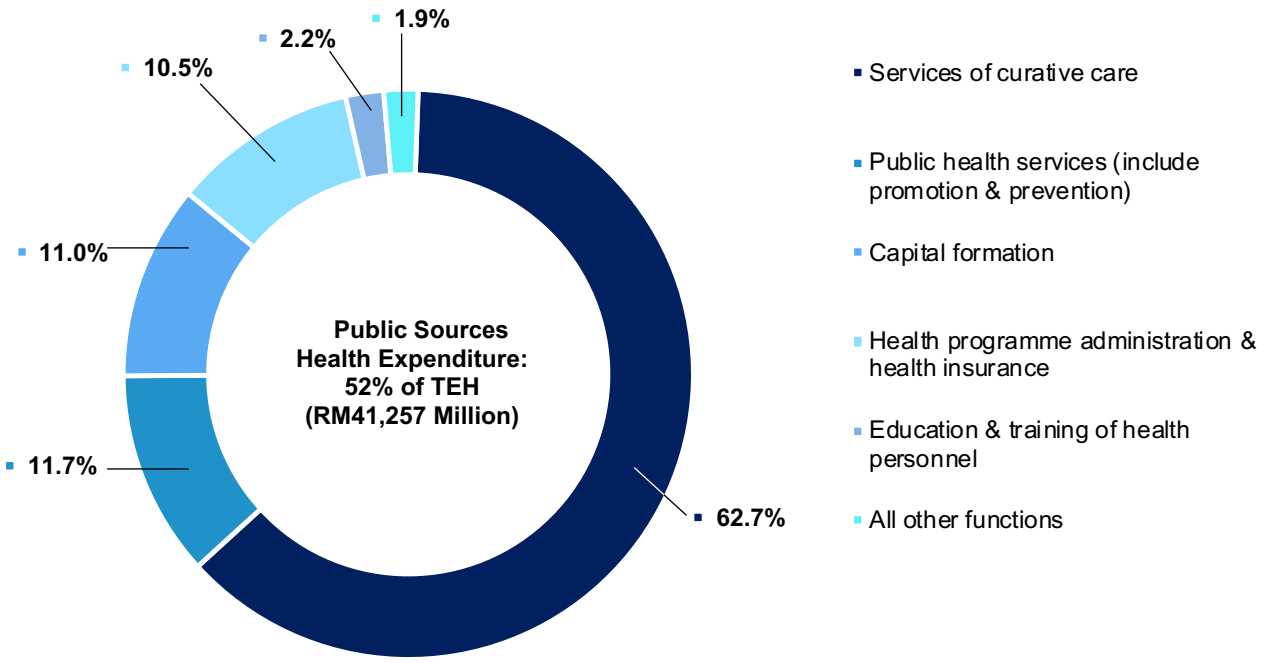


TABLE 5.2.4b: Public Source Health Expenditure for Functions of Health Care, 2011-2022 (RM Million)

MNHA Code	Functions of Health Care	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MF1	Services of curative care	12,950	15,021	15,013	17,719	18,708	19,121	20,725	22,427	23,156	22,174	23,940	25,856
MF3	Services of long-term nursing care	1	1	0	1	1	0	0	1	1	50	1	1
MF4	Ancillary services to health care	224	228	310	268	276	260	284	287	243	244	175	264
MF5	Medical goods dispensed to out-patients	107	138	169	183	287	284	305	183	172	105	238	293
MF6	Public health services (including health promotion and prevention)	996	1,201	1,961	1,838	1,928	2,028	2,163	2,358	3,280	4,486	9,873	4,823
MF7	Health programme administration and health insurance	2,165	1,916	2,242	2,936	2,904	2,111	3,070	2,869	3,786	4,020	3,960	4,334
MR1	Capital formation of health care provider institutions	2,179	2,038	1,817	1,488	1,455	1,433	1,376	1,656	1,967	3,931	5,406	4,552
MR2	Education and training of health personnel	1,584	1,407	1,288	1,430	1,415	1,466	1,308	1,607	1,548	1,357	886	891
MR3	Research and development in health	46	56	67	58	59	51	52	57	137	237	325	241
Total		**20,251**	**22,007**	**22,868**	**25,921**	**27,034**	**26,754**	**29,283**	**31,444**	**34,290**	**36,603**	**44,803**	**41,257**

TABLE 5.2.4c: Public Source Health Expenditure for Functions of Health Care, 2011-2022 (Percent, %)

MNHA Code	Functions of Health Care	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MF1	Services of curative care	63.95	68.26	65.65	68.36	69.20	71.47	70.78	71.32	67.53	60.58	53.43	62.67
MF3	Services of long-term nursing care	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.00	0.00
MF4	Ancillary services to health care	1.10	1.03	1.35	1.03	1.02	0.97	0.97	0.91	0.71	0.67	0.39	0.64
MF5	Medical goods dispensed to out-patients	0.53	0.63	0.74	0.70	1.06	1.06	1.04	0.58	0.50	0.29	0.53	0.71
MF6	Public health services (including health promotion and prevention)	4.92	5.46	8.58	7.09	7.13	7.58	7.39	7.50	9.56	12.26	22.04	11.69
MF7	Health programme administration and health insurance	10.69	8.71	9.81	11.33	10.74	7.89	10.48	9.13	11.04	10.98	8.84	10.51
MR1	Capital formation of health care provider institutions	10.76	9.26	7.94	5.74	5.38	5.36	4.70	5.27	5.74	10.74	12.07	11.03
MR2	Education and training of health personnel	7.82	6.40	5.63	5.52	5.24	5.48	4.47	5.11	4.52	3.71	1.98	2.16
MR3	Research and development in health	0.23	0.26	0.29	0.23	0.22	0.19	0.18	0.18	0.40	0.65	0.72	0.58
Total		**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

5.3 HEALTH EXPENDITURE BY PRIVATE SOURCES OF FINANCING

This section describes health expenditure according to MNHA classification of private sources of health care financing for the year 2022, followed by time series data for 2011-2022.

5.3.1 Health Expenditure by All Private Sources of Financing

In 2022, private sector health expenditure was RM37,688 million or 47.7% of TEH. Analysis of the private sources of health care financing showed that the highest contribution was by private household out-of-pocket (OOP) expenditure amounting to RM29,381 million or 78.0% of private sector health expenditure. The subsequent highest spending was by private insurance enterprises (other than social insurance) which included personal, family and company insurance/*Takaful* policies, at RM6,535 million (17.3% of private sector health expenditure). Private MCOs and other similar entities contributed RM1,087 million (2.9% of private sector health expenditure). The remaining private sources of health care financing spent RM684 million or 1.8% of private sector health expenditure (Table 5.3.1a and Figure 5.3.1)

The trend of expenditure by private sources of health care financing over the past 12 years shows that the top 2 funders are persistently private household OOP expenditure and private insurance enterprises (other than social insurance) (Table 5.3.1b and Table 5.3.1c). Private household OOP expenditure, as the largest contributor in the private sector, had progressively increased expenditure more than 2-fold, contributing RM11,466 million in 2011 to RM29,381 million in 2022. This private household OOP expenditure contributed to 70-78% of private sector health expenditure since 2011.

TABLE 5.3.1a: Health Expenditure by Private Sources of Financing, 2022

MNHA Code	Sources of Financing	RM Million	Percent
MS2.4	Private household out-of-pocket expenditure (OOP)	29,381	77.96
MS2.2	Private insurance enterprises (other than social insurance)	6,535	17.34
MS2.3	Private MCOs and other similar entities	1,087	2.89
MS2.6	All corporations (other than health insurance)	537	1.42
MS2.5	Non-profit institutions serving households (NGO)	148	0.39
Total		**37,688**	**100.00**

FIGURE 5.3.1: Health Expenditure by Private Sources of Financing, 2022

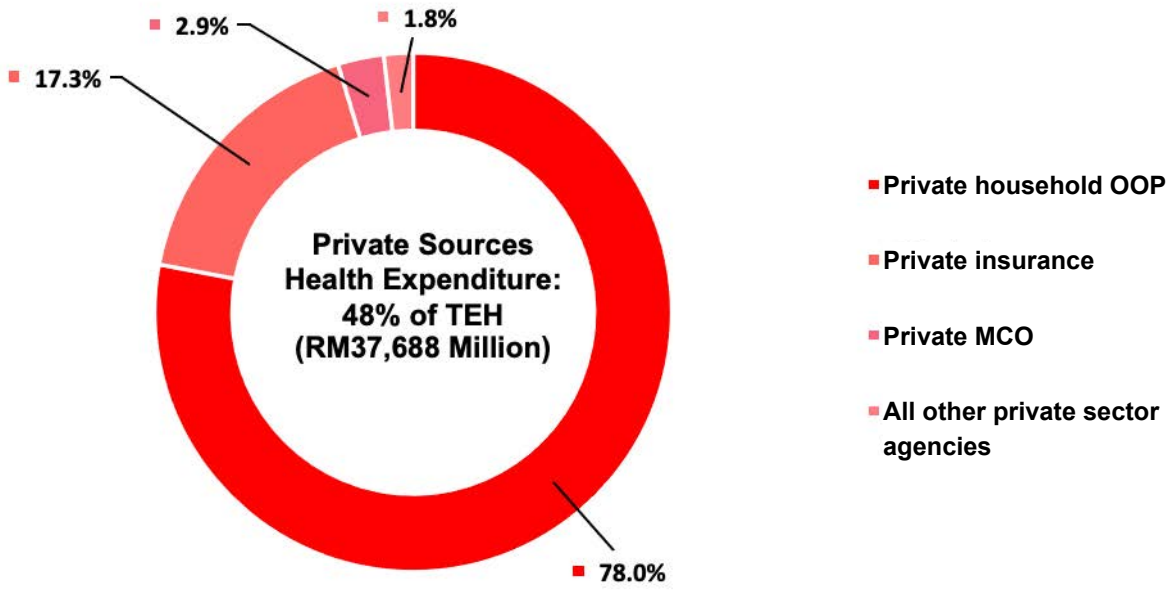


TABLE 5.3.1b: Health Expenditure by Private Sources of Financing, 2011-2022 (RM Million)													
MNHA Code	Sources of Financing	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MS2.2	Private insurance enterprises (other than social insurance)	2,614	2,774	2,916	3,203	3,623	3,846	4,085	4,313	4,875	4,960	5,533	6,535
MS2.3	Private MCOs and other similar entities	243	302	287	437	626	831	879	922	993	927	1,040	1,087
MS2.4	Private household out-of-pocket expenditure (OOP)	11,466	12,649	13,933	15,373	16,349	17,555	19,518	21,302	22,382	22,648	24,688	29,381
MS2.5	Non-profit institutions serving households (NGO)	314	365	81	44	74	91	97	97	95	292	249	148
MS2.6	All corporations (other than health insurance)	1,064	1,352	1,564	1,803	2,550	2,678	2,542	2,449	1,702	1,620	1,391	537
Total		**15,702**	**17,442**	**18,780**	**20,859**	**23,222**	**25,001**	**27,121**	**29,084**	**30,046**	**30,448**	**32,900**	**37,688**

TABLE 5.3.1c: Health Expenditure by Private Sources of Financing, 2011-2022 (Percent, %)													
MNHA Code	Sources of Financing	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MS2.2	Private insurance enterprises (other than social insurance)	16.65	15.91	15.53	15.36	15.60	15.38	15.06	14.83	16.22	16.29	16.82	17.34
MS2.3	Private MCOs and other similar entities	1.55	1.73	1.53	2.10	2.70	3.32	3.24	3.17	3.30	3.04	3.16	2.89
MS2.4	Private household out-of-pocket expenditure (OOP)	73.02	72.52	74.19	73.70	70.40	70.22	71.97	73.24	74.49	74.38	75.04	77.96
MS2.5	Non-profit institutions serving households (NGO)	2.00	2.09	0.43	0.21	0.32	0.37	0.36	0.33	0.31	0.96	0.76	0.39
MS2.6	All corporations (other than health insurance)	6.78	7.75	8.33	8.64	10.98	10.71	9.37	8.42	5.67	5.32	4.23	1.42
Total		**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

5.3.2 Health Expenditure by Private Sources of Financing to Providers of Health Care

Cross-tabulations of private sector sources of financing to providers of health care respond to the question of where these privately sourced funds were spent or who provided the health care services and products.

In 2022, majority of private sources of financing health expenditure was at hospitals (inclusive of general hospitals, psychiatric hospitals and speciality hospitals) with a spending of RM19,729 million (52.3% of private sector health expenditure). This is followed by providers of ambulatory health care at RM8,847 million (23.5% of private sector health expenditure), retail sale and other providers of medical goods at RM5,320 million (14.1% of private sector health expenditure), general health administration and insurance at RM2,017 (5.3% of private sector health expenditure) and institutions providing health-related services at RM1,522 million (4.0 % of private sector health expenditure). The remaining expenditure to all other providers of health care services and products was RM253 million or 0.7% of private sector health expenditure (Table 5.3.2a and Figure 5.3.2).

The trend in spending by private sources of health care financing over the past 12 years show that the top 3 providers of health care where the funds are being spent are at hospitals, providers of ambulatory health care and providers of retail sales and medical goods (Table 5.2.3b and Table 5.2.3c). Expenditure for these 3 provider categories show more than a 2-fold increase since 2011.

TABLE 5.3.2a: Private Sources Health Expenditure to Providers of Health Care, 2022

MNHA Code	Providers of Health Care	RM Million	Percent
MP1	All hospitals	19,729	52.35
MP3	Providers of ambulatory health care	8,847	23.48
MP4	Retail sale and other providers of medical goods	5,320	14.12
MP6	General health administration and insurance	2,017	5.35
MP8	Institutions providing health-related services	1,522	4.04
MP7	Other industries (rest of the Malaysian economy)	229	0.61
MP5	Provision and administration of public health programmes	8	0.02
MP9	Rest of the world (ROW)	12	0.03
MP2	Nursing and residential care facilities	4	0.01
Total		**37,688**	**100.00**

FIGURE 5.3.2: Private Sources Health Expenditure to Providers of Health Care, 2022

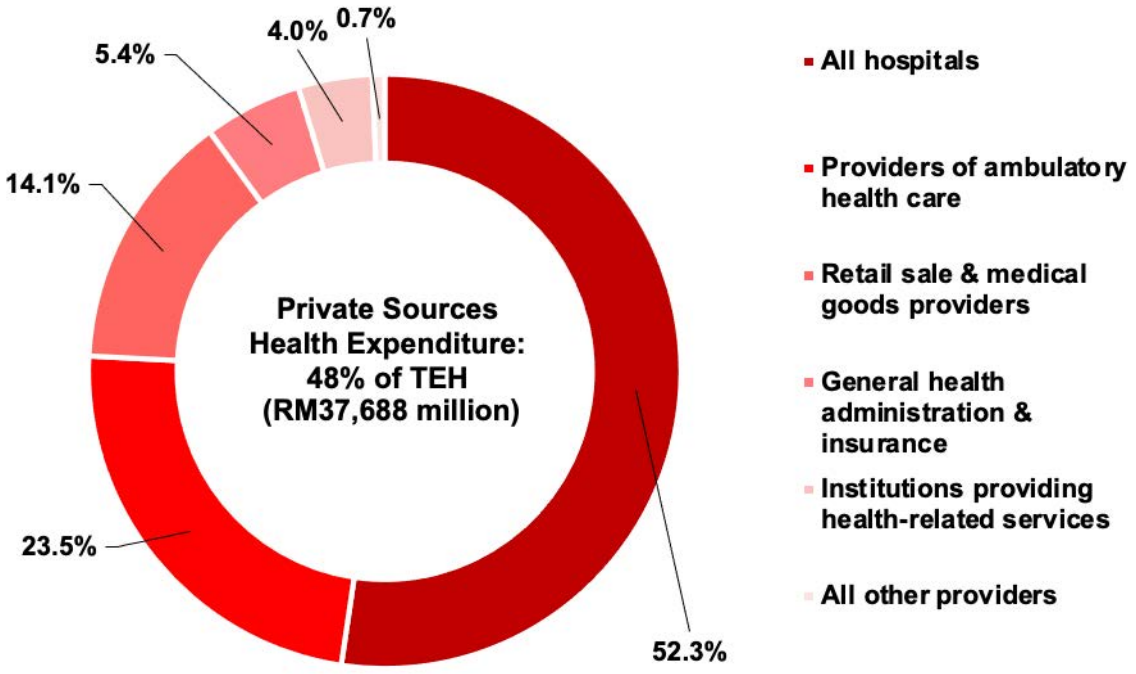


TABLE 5.3.2b: Private Sources Health Expenditure to Providers of Health Care, 2011-2022 (RM Million)

MNHA Code	Providers of Health Care	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MP1	All hospitals	7,278	7,697	8,256	9,030	10,392	11,373	12,710	13,761	15,276	15,127	16,338	19,729
MP2	Nursing and residential care facilities	14	18	1	1	1	4	1	3	0	3	3	4
MP3	Providers of ambulatory health care	3,906	4,582	5,201	6,125	6,370	6,651	7,196	7,476	7,713	7,226	7,741	8,847
MP4	Retail sale and other providers of medical goods	1,774	1,961	2,172	2,701	3,061	3,287	3,494	4,322	3,900	4,018	4,563	5,320
MP5	Provision and administration of public health programmes	11	17	3	3	23	30	19	19	4	406	89	8
MP6	General health administration and insurance	1,467	1,629	1,343	1,312	1,564	1,728	1,710	1,569	1,450	1,832	2,463	2,017
MP7	Other industries (rest of the Malaysian economy)	269	293	338	358	408	443	467	454	192	222	211	229
MP8	Institutions providing health-related services	880	1,160	1,460	1,320	1,388	1,471	1,505	1,461	1,500	1,606	1,481	1,522
MP9	Rest of the world (ROW)	101	85	6	10	14	14	21	17	10	8	10	12
Total		**15,702**	**17,442**	**18,780**	**20,859**	**23,222**	**25,001**	**27,121**	**29,084**	**30,046**	**30,448**	**32,900**	**37,688**

TABLE 5.3.2c: Private Sources Health Expenditure to Providers of Health Care, 2011-2022 (Percent, %)

MNHA Code	Providers of Health Care	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MP1	All hospitals	46.35	44.13	43.96	43.29	44.75	45.49	46.86	47.32	50.84	49.68	49.66	52.35
MP2	Nursing and residential care facilities	0.09	0.10	0.00	0.00	0.00	0.01	0.00	0.01	0.00	0.01	0.01	0.01
MP3	Providers of ambulatory health care	24.87	26.27	27.70	29.36	27.43	26.60	26.53	25.71	25.67	23.73	23.53	23.48
MP4	Retail sale and other providers of medical goods	11.30	11.24	11.57	12.95	13.18	13.15	12.88	14.86	12.98	13.20	13.87	14.12
MP5	Provision and administration of public health programmes	0.07	0.10	0.01	0.01	0.10	0.12	0.07	0.07	0.01	1.33	0.27	0.02
MP6	General health administration and insurance	9.35	9.34	7.15	6.29	6.73	6.91	6.30	5.39	4.83	6.02	7.49	5.35
MP7	Other industries (rest of the Malaysian economy)	1.72	1.68	1.80	1.72	1.76	1.77	1.72	1.56	0.64	0.73	0.64	0.61
MP8	Institutions providing health-related services	5.61	6.65	7.78	6.33	5.98	5.89	5.55	5.02	4.99	5.27	4.50	4.04
MP9	Rest of the world (ROW)	0.65	0.49	0.03	0.05	0.06	0.06	0.08	0.06	0.03	0.02	0.03	0.03
Total		**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

5.3.3 Health Expenditure by Private Sources of Financing for Functions of Health Care

Cross-tabulations of private sector sources of financing for functions of health care respond to the question of what type of health care services and products were these privately sourced funds spent on.

In 2022, majority of private sources of financing health expenditure was spent for curative care services, amounting to RM26,074 million (69.2% of private sector health expenditure). This is followed by spending for medical goods dispensed to out-patients at RM6,208 million (16.5% of private sector health expenditure), health programme administration and health insurance at RM2,017 million (5.4% of private sector health expenditure), education and training of health personnel at RM1,573 million (4.2% of private sector health expenditure) and capital formation at RM1,360 million (3.6% of private sector health expenditure). The remaining expenditure for all other functions of health care services and products was RM456 million or 1.2% of private sector health expenditure (Table 5.3.3a and Figure 5.3.3).

The trend in spending by private sources of health care financing over the past 12 years show that the top 2 functions of health care for which the funds are being spent on are for services of curative care and medical goods dispensed to out-patients. Expenditure for services of curative care and medical goods dispensed to out-patients have more than doubled since 2011 (Table 5.3.3b and Table 5.3.3c).

TABLE 5.3.3a: Private Sources Health Expenditure for Functions of Health Care, 2022

MNHA Code	Functions of Health Care	RM Million	Percent
MF1	Services of curative care	26,074	69.18
MF5	Medical goods dispensed to out-patients	6,208	16.47
MF7	Health programme administration and health insurance	2,017	5.35
MR2	Education and training of health personnel	1,573	4.17
MR1	Capital formation of health care provider institutions	1,360	3.61
MF6	Public health services (including health promotion and prevention)	358	0.95
MF4	Ancillary services to health care	51	0.13
MR3	Research and development in health	43	0.11
MF3	Services of long-term nursing care	4	0.01
Total		**37,688**	**100.00**

FIGURE 5.3.3: Private Sources Health Expenditure for Functions of Health Care, 2022

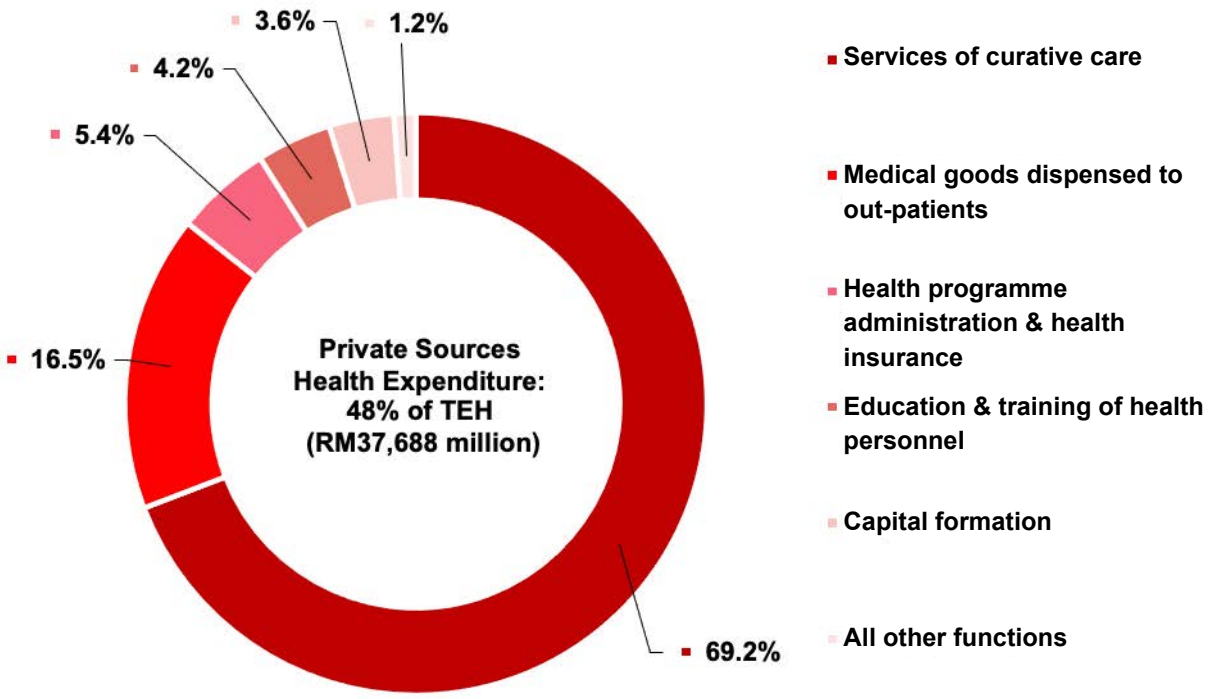


TABLE 5.3.3b: Private Sources Health Expenditure for Functions of Health Care, 2011-2022 (RM Million)													
MNHA Code	Functions of Health Care	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MF1	Services of curative care	10,288	11,151	12,179	13,686	14,779	15,806	17,694	18,594	20,136	19,622	21,347	26,074
MF2	Services of rehabilitative care	1	0	na	na	na	na	na	na	na	na	na	na
MF3	Services of long-term nursing care	14	18	1	1	1	4	1	3	0	3	3	4
MF4	Ancillary services to health care	72	86	97	112	78	40	44	44	108	58	44	51
MF5	Medical goods dispensed to out-patients	2,135	2,339	2,561	3,115	3,644	3,965	4,216	5,058	4,642	4,647	5,328	6,208
MF6	Public health services (including health promotion and prevention)	582	724	843	933	1,295	1,373	1,306	1,282	797	798	731	358
MF7	Health programme administration and health insurance	1,468	1,629	1,343	1,312	1,564	1,728	1,710	1,570	1,451	1,833	2,464	2,017
MR1	Capital formation of health care provider institutions	251	317	272	343	435	583	610	976	1,352	1,827	1,513	1,360
MR2	Education and training of health personnel	879	1,153	1,461	1,328	1,398	1,482	1,523	1,521	1,551	1,628	1,433	1,573
MR3	Research and development in health	12	25	23	28	29	20	16	34	9	33	38	43
Total		15,702	17,442	18,780	20,859	23,222	25,001	27,121	29,084	30,046	30,448	32,900	37,688

TABLE 5.3.3c: Private Sector Health Expenditure for Functions of Health Care, 2011-2022 (Percent, %)													
MNHA Code	Functions of Health Care	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MF1	Services of curative care	65.52	63.93	64.85	65.61	63.64	63.22	65.24	63.93	67.02	64.44	64.88	69.18
MF2	Services of rehabilitative care	0.01	0.00	na	na	na	na	na	na	na	na	na	na
MF3	Services of long-term nursing care	0.09	0.10	0.00	0.00	0.00	0.01	0.00	0.01	0.00	0.01	0.01	0.01
MF4	Ancillary services to health care	0.46	0.49	0.52	0.54	0.34	0.16	0.16	0.15	0.36	0.19	0.13	0.13
MF5	Medical goods dispensed to out-patients	13.60	13.41	13.64	14.94	15.69	15.86	15.54	17.39	15.45	15.26	16.19	16.47
MF6	Public health services (including health promotion and prevention)	3.70	4.15	4.49	4.47	5.58	5.49	4.82	4.41	2.65	2.62	2.22	0.95
MF7	Health programme administration and health insurance	9.35	9.34	7.15	6.29	6.73	6.91	6.31	5.40	4.83	6.02	7.49	5.35
MR1	Capital formation of health care provider institutions	1.60	1.82	1.45	1.65	1.87	2.33	2.25	3.36	4.50	6.00	4.60	3.61
MR2	Education and training of health personnel	5.60	6.61	7.78	6.37	6.02	5.93	5.62	5.23	5.16	5.35	4.36	4.17
MR3	Research and development in health	0.08	0.14	0.12	0.14	0.12	0.08	0.06	0.12	0.03	0.11	0.11	0.11
Total		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

CHAPTER 6

HEALTH EXPENDITURE TO PROVIDERS OF HEALTH CARE

The providers of health care services and products include all hospitals (i.e. health care facilities under MP1 code of MNHA Framework, which include general hospitals, psychiatric hospitals and speciality hospitals), nursing and residential care facility providers, providers of ambulatory health care, retail sale and other providers of medical goods, provision and administration of public health programme providers, general health administration and insurance, other industries, institutions providing health related services and rest of the world.

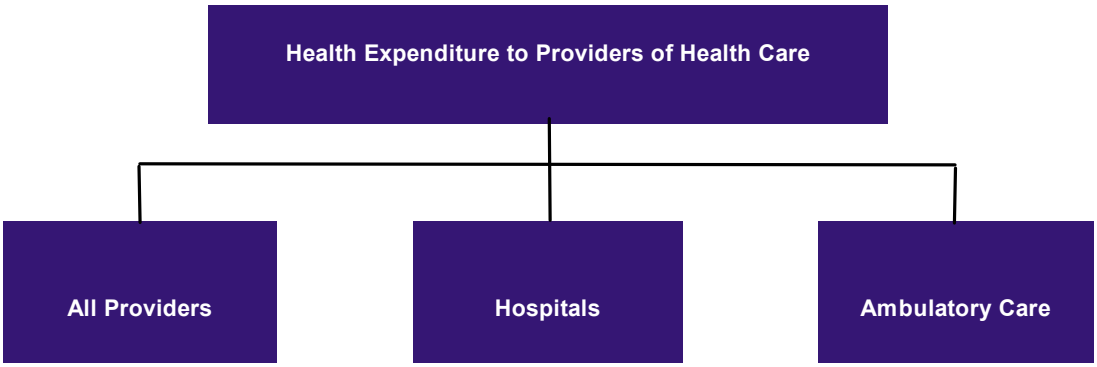
This chapter contains four sections. Section 6.1 describes health expenditure to all providers of health care as classified in MNHA Framework. Health expenditure to providers of all hospitals and providers of ambulatory care services are reported in Sections 6.2 and 6.3, respectively. The overview of health expenditure to providers of health care is shown in Figure 6.0.

6.1 HEALTH EXPENDITURE TO ALL PROVIDERS OF HEALTH CARE

In 2022, the analysis of providers of health care showed that all hospitals consumed RM43,575 million or 55.2% of TEH. This was followed by providers of ambulatory health care at RM16,676 million (21.1% of TEH), general health administration and insurance providers at RM7,281 million (9.2% of TEH), retail sale and other providers of medical goods at RM5,616 million (7.1% of TEH), institutions providing health-related services at RM2,775 million (3.5% of TEH) and provision and administration of public health programmes at RM2,582 million (3.3% of TEH). The remaining providers of health care services and products amounted to RM439 million or 0.6% of TEH (Table 6.1a and Figure 6.1).

The 2011-2022 time series data also shows a similar pattern with the same top two providers

FIGURE 6.0: Organogram of Health Expenditure to Providers of Health Care



(all hospitals and providers of ambulatory health care) contributing to an average of 74.8% share of TEH throughout the same period. The third-highest expenditure from 2011 to 2022 was contributed by expenditure to general health administration and insurance providers (Table 6.1b and Table 6.1c).

Expenditure at all hospitals shows a 2-fold increase. Spending at providers of ambulatory health care and at retail sale and other providers of medical goods show an almost 3-fold increase (Table 6.1b and Table 6.1c).

TABLE 6.1a: Total Expenditure on Health to Providers of Health Care, 2022

MNHA Code	Providers of Health Care	RM Million	Percent
MP1	All hospitals	43,575	55.20
MP3	Providers of ambulatory health care	16,676	21.12
MP6	General health administration and insurance	7,281	9.22
MP4	Retail sale and other providers of medical goods	5,616	7.11
MP8	Institutions providing health-related services	2,775	3.52
MP5	Provision and administration of public health programmes	2,582	3.27
MP7	Other industries (rest of the Malaysian economy)	421	0.53
MP9	Rest of the world (ROW)	12	0.02
MP2	Nursing and residential care facilities	5	0.01
Total		**78,945**	**100.00**

FIGURE 6.1: Total Expenditure on Health to Providers of Health Care, 2022

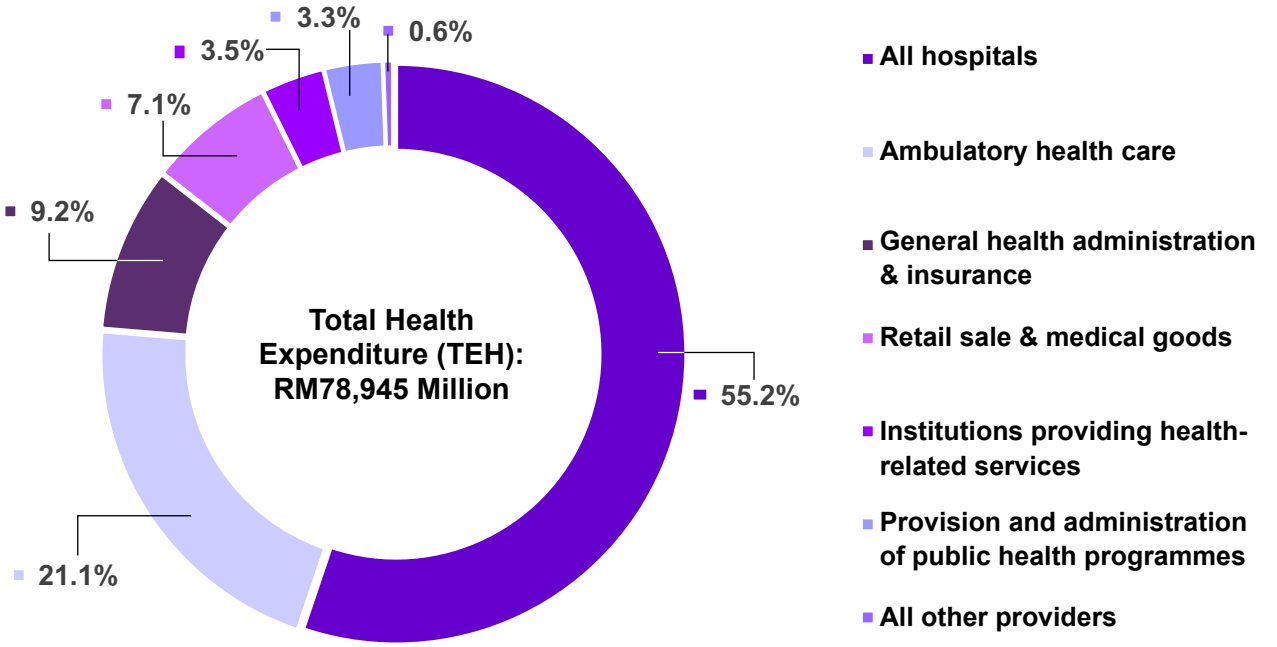


TABLE 6.1b: Total Expenditure on Health to Providers of Health Care, 2011 - 2022 (RM Million)													
MNHA Code	Providers of Health Care	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MP1	All hospitals	18,635	21,047	21,962	24,793	26,848	28,061	30,429	32,767	35,675	35,881	39,316	43,575
MP2	Nursing and residential care facilities	16	20	2	2	2	5	2	5	1	54	5	5
MP3	Providers of ambulatory health care	6,650	7,773	8,756	10,311	10,744	11,189	12,147	12,987	13,864	13,872	19,618	16,676
MP4	Retail sale and other providers of medical goods	1,909	2,129	2,374	2,921	3,350	3,578	3,799	4,505	4,073	4,223	4,807	5,616
MP5	Provision and administration of public health programmes	1,136	1,467	1,166	1,429	1,435	1,628	1,553	1,335	1,683	2,678	2,843	2,582
MP6	General health administration and insurance	4,674	3,961	4,096	4,003	4,509	3,742	5,025	5,241	5,631	6,323	7,082	7,281
MP7	Other industries (rest of the Malaysian economy)	388	430	609	556	547	601	615	603	337	361	969	421
MP8	Institutions providing health-related services	2,442	2,536	2,676	2,754	2,804	2,936	2,813	3,067	3,062	3,652	3,052	2,775
MP9	Rest of the world (ROW)	102	86	7	11	19	16	22	18	11	8	11	12
Total		**35,953**	**39,448**	**41,647**	**46,780**	**50,256**	**51,756**	**56,404**	**60,528**	**64,336**	**67,051**	**77,703**	**78,945**

TABLE 6.1c: Total Expenditure on Health to Providers of Health Care, 2011 - 2022 (Percent, %)													
MNHA Code	Providers of Health Care	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MP1	All hospitals	51.83	53.35	52.73	53.00	53.42	54.22	53.95	54.14	55.45	53.51	50.60	55.20
MP2	Nursing and residential care facilities	0.04	0.05	0.00	0.00	0.00	0.01	0.00	0.01	0.00	0.08	0.01	0.01
MP3	Providers of ambulatory health care	18.50	19.70	21.02	22.04	21.38	21.62	21.53	21.46	21.55	20.69	25.25	21.12
MP4	Retail sale and other providers of medical goods	5.31	5.40	5.70	6.24	6.67	6.91	6.74	7.44	6.33	6.30	6.19	7.11
MP5	Provision and administration of public health programmes	3.16	3.72	2.80	3.06	2.85	3.14	2.75	2.20	2.62	3.99	3.66	3.27
MP6	General health administration and insurance	13.00	10.04	9.84	8.56	8.97	7.23	8.91	8.66	8.75	9.43	9.11	9.22
MP7	Other industries (rest of the Malaysian economy)	1.08	1.09	1.46	1.19	1.09	1.16	1.09	1.00	0.52	0.54	1.25	0.53
MP8	Institutions providing health-related services	6.79	6.43	6.42	5.89	5.58	5.67	4.99	5.07	4.76	5.45	3.93	3.52
MP9	Rest of the world (ROW)	0.28	0.22	0.02	0.02	0.04	0.03	0.04	0.03	0.02	0.01	0.01	0.02
Total		**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

6.2 HEALTH EXPENDITURE TO PROVIDERS OF HEALTH CARE - HOSPITALS

The cross-tabulations of expenditure at all hospitals by sources of financing respond to the question as to who or which agencies finance health care services provided at all hospitals in the country.

In 2022, RM43,575 million or 55.2% of TEH was spent at all hospitals. MOH as the highest source of financing was RM20,552 million (47.2% of health expenditure at all hospitals), followed by private household OOP at RM14,216 million (32.6% of health expenditure at all hospitals), private insurance enterprises (other than social insurance) at RM5,443 million (12.5% of health expenditure at all hospitals), Ministry of Higher Education (MoHE) at RM1,771 million (4.1% of health expenditure at all hospitals) and other federal agencies (including statutory bodies) at RM969 million (2.2% of health expenditure at all hospitals). The remaining expenditure from various sources at all hospitals amounted to RM624 million (1.4% of health expenditure at all hospitals) (Table 6.2a and Figure 6.2).

The 2011-2022 time series expenditure by the top two sources of financing at all hospitals, MOH and private household OOP amounted to an average of 80.3%. The remaining sources of financing spent an average of 19.7% (Table 6.2b and Table 6.2c).

TABLE 6.2a: Health Expenditure at All Hospitals by Sources of Financing, 2022

MNHA Code	Sources of Financing	RM Million	Percent
MS1.1.1.1	Ministry of Health (MOH)	20,552	47.16
MS2.4	Private household out-of-pocket expenditures (OOP)	14,216	32.63
MS2.2	Private insurance enterprises (other than social insurance)	5,443	12.49
MS1.1.1.2	Ministry of Higher Education (MoHE)	1,771	4.06
MS1.1.1.9	Other federal agencies (including statutory bodies)	969	2.22
MS1.1.2.2	Other state agencies (including statutory bodies)	178	0.41
MS1.2.2	Social Security Organisation (SOCSO)	173	0.40
MS1.2.1	Employees Provident Fund (EPF)	73	0.17
MS2.6	All corporations (other than health insurance)	65	0.15
MS1.1.1.3	Ministry of Defence (MOD)	60	0.14
MS1.1.3	Local authorities (LA)	38	0.09
MS1.1.2.1	(General) State government	31	0.07
MS2.5	Non-profit institutions serving households (NGO)	4	0.01
Total		**43,575**	**100.00**

FIGURE 6.2: Health Expenditure at All Hospitals by Sources of Financing, 2022

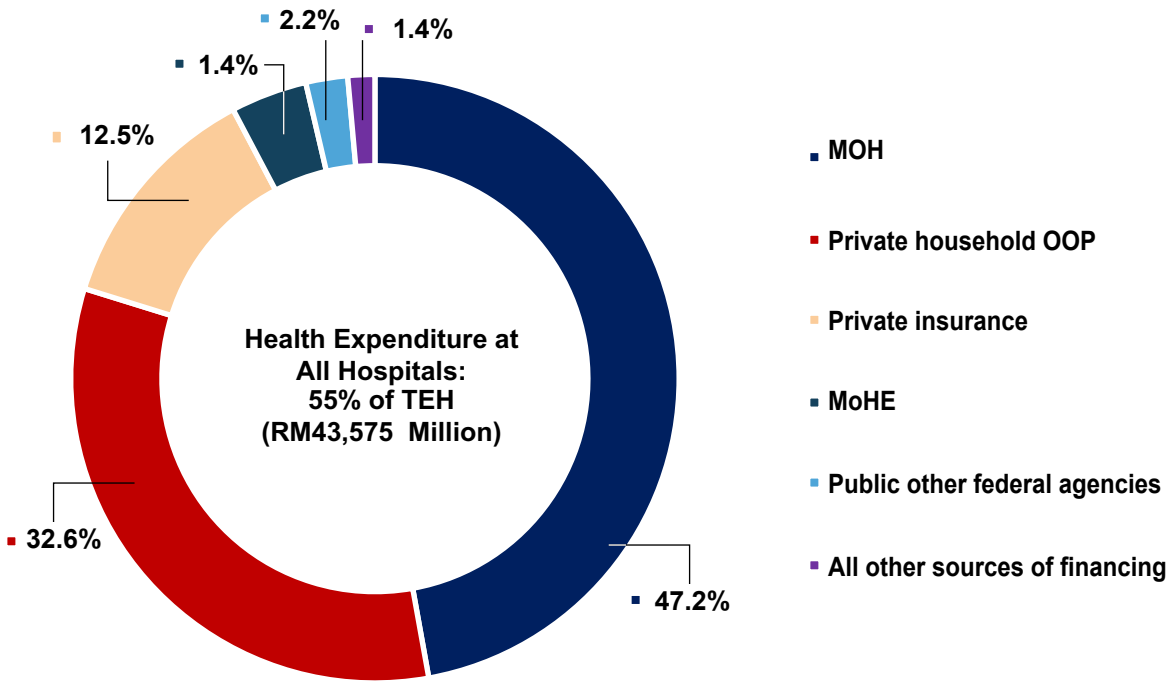


TABLE 6.2b: Health Expenditure at All Hospitals by Sources of Financing, 2011 - 2022 (RM Million)													
MNHA Code	Sources of Financing	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MS1.1.1.1	Ministry of Health (MOH)	9,462	11,331	11,683	13,610	14,277	14,392	15,442	16,535	17,552	18,078	19,980	20,552
MS1.1.1.2	Ministry of Higher Education (MoHE)	1,221	1,285	1,232	1,346	1,293	1,257	1,230	1,343	1,613	1,390	1,690	1,771
MS1.1.1.3	Ministry of Defence (MOD)	83	102	105	110	115	104	84	65	104	95	93	60
MS1.1.1.9	Other federal agencies (including statutory bodies)	420	449	489	506	553	592	610	644	690	606	732	969
MS1.1.2.1	(General) State government	15	19	18	21	17	19	19	28	18	22	29	31
MS1.1.2.2	Other state agencies (including statutory bodies)	10	13	10	12	36	138	129	142	155	151	166	178
MS1.1.3	Local authorities (LA)	20	16	13	22	21	23	31	35	37	48	42	38
MS1.2.1	Employees Provident Fund (EPF)	32	31	35	38	43	47	48	55	68	65	84	73
MS1.2.2	Social Security Organization (SOCSO)	93	104	120	98	100	117	125	158	162	301	162	173
MS2.2	Private insurance enterprises (other than social insurance)	1,474	1,583	1,878	2,373	2,761	3,032	3,311	3,685	4,400	4,028	4,058	5,443
MS2.4	Private household out-of-pocket expenditures (OOP)	5,618	5,866	6,070	6,342	7,159	7,856	8,952	9,647	10,553	10,778	11,909	14,216
MS2.5	Non-profit institutions serving households (NGO)	29	31	44	12	13	1	1	2	2	25	85	4
MS2.6	All corporations (other than health insurance)	158	216	264	303	460	484	445	428	322	295	286	65
Total		**18,635**	**21,047**	**21,962**	**24,793**	**26,848**	**28,061**	**30,429**	**32,767**	**35,675**	**35,881**	**39,316**	**43,575**

TABLE 6.2c: Health Expenditure at All Hospitals by Sources of Financing, 2011 - 2022 (Percent, %)													
MNHA Code	Sources of Financing	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MS1.1.1.1	Ministry of Health (MOH)	50.78	53.84	53.20	54.90	53.18	51.29	50.75	50.46	49.20	50.38	50.82	47.16
MS1.1.1.2	Ministry of Higher Education (MoHE)	6.55	6.10	5.61	5.43	4.82	4.48	4.04	4.10	4.52	3.87	4.30	4.06
MS1.1.1.3	Ministry of Defence (MOD)	0.45	0.49	0.48	0.44	0.43	0.37	0.28	0.20	0.29	0.27	0.24	0.14
MS1.1.1.9	Other federal agencies (including statutory bodies)	2.25	2.13	2.23	2.04	2.06	2.11	2.01	1.97	1.93	1.69	1.86	2.22
MS1.1.2.1	(General) State government	0.08	0.09	0.08	0.08	0.06	0.07	0.06	0.09	0.05	0.06	0.07	0.07
MS1.1.2.2	Other state agencies (including statutory bodies)	0.05	0.06	0.05	0.05	0.13	0.49	0.42	0.43	0.44	0.42	0.42	0.41
MS1.1.3	Local authorities (LA)	0.11	0.08	0.06	0.09	0.08	0.08	0.10	0.11	0.10	0.13	0.11	0.09
MS1.2.1	Employees Provident Fund (EPF)	0.17	0.15	0.16	0.15	0.16	0.17	0.16	0.17	0.19	0.18	0.21	0.17
MS1.2.2	Social Security Organisation (SOCSO)	0.50	0.49	0.54	0.40	0.37	0.42	0.41	0.48	0.45	0.84	0.41	0.40
MS2.2	Private insurance enterprises (other than social insurance)	7.91	7.52	8.55	9.57	10.28	10.80	10.88	11.24	12.33	11.23	10.32	12.49
MS2.4	Private household out-of-pocket expenditures (OOP)	30.15	27.87	27.64	25.58	26.66	28.00	29.42	29.44	29.58	30.04	30.29	32.63
MS2.5	Non-profit institutions serving households (NGO)	0.15	0.15	0.20	0.05	0.05	0.00	0.00	0.01	0.00	0.07	0.22	0.01
MS2.6	All corporations (other than health insurance)	0.85	1.03	1.20	1.22	1.71	1.73	1.46	1.31	0.90	0.82	0.73	0.15
Total		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

6.3 HEALTH EXPENDITURE TO PROVIDERS OF HEALTH CARE – PROVIDERS OF AMBULATORY HEALTH CARE

Providers of ambulatory health care services are the next largest provider of health care after all hospitals. Ambulatory health care comprises establishments primarily engaged in providing health care services directly to outpatients who do not require inpatient services such as medical practitioner clinics, dental clinics, family planning centres, substance abuse centres, dialysis centres, medical and diagnostic centres, ambulance providers and many other outpatient providers. Both MNHA and SHA Frameworks include providers of Traditional and Complementary Medicine under this category.

In 2022, providers of ambulatory health care consumed RM16,676 million (21.1% of TEH). Of this amount, RM8,439 million (50.6% of ambulatory health care expenditure) was funded by private household OOP, public sector excluding social security funds at RM7,654 million (45.9% of ambulatory health care expenditure), private insurance enterprises (other than social insurance) at RM178 million (1.1% of ambulatory health care expenditure) and social security funds at RM175 million (1.1% of ambulatory health care expenditure). The remaining RM230 million (1.4% of ambulatory health care expenditure) by all corporations (other than health insurance) and non-profit organizations serving households (Table 6.3a and Figure 6.3).

The 2011-2022 time series data shows that the expenditure in absolute RM value for ambulatory care services increased by 3-fold in the public sector and 2-fold in the private sector (Table 6.3b).

TABLE 6.3a: Health Expenditure to Providers of Ambulatory Health Care by Sources of Financing, 2022

MNHA Code	Sources of Financing	RM Million	Percent
MS2.4	Private household out-of-pocket expenditures (OOP)	8,439	50.61
MS1.1	Public sector excluding social security funds	7,654	45.90
MS2.2	Private insurance enterprises (other than social insurance)	178	1.07
MS1.2	Social security funds	175	1.05
MS2.6	All Corporations (other than health insurance)	151	0.90
MS2.5	Non-profit institutions serving households (NGO)	79	0.47
Total		**16,676**	**100.00**

FIGURE 6.3: Health Expenditure to Providers of Ambulatory Health Care (Non-Hospital Setting) by Sources of Financing, 2022

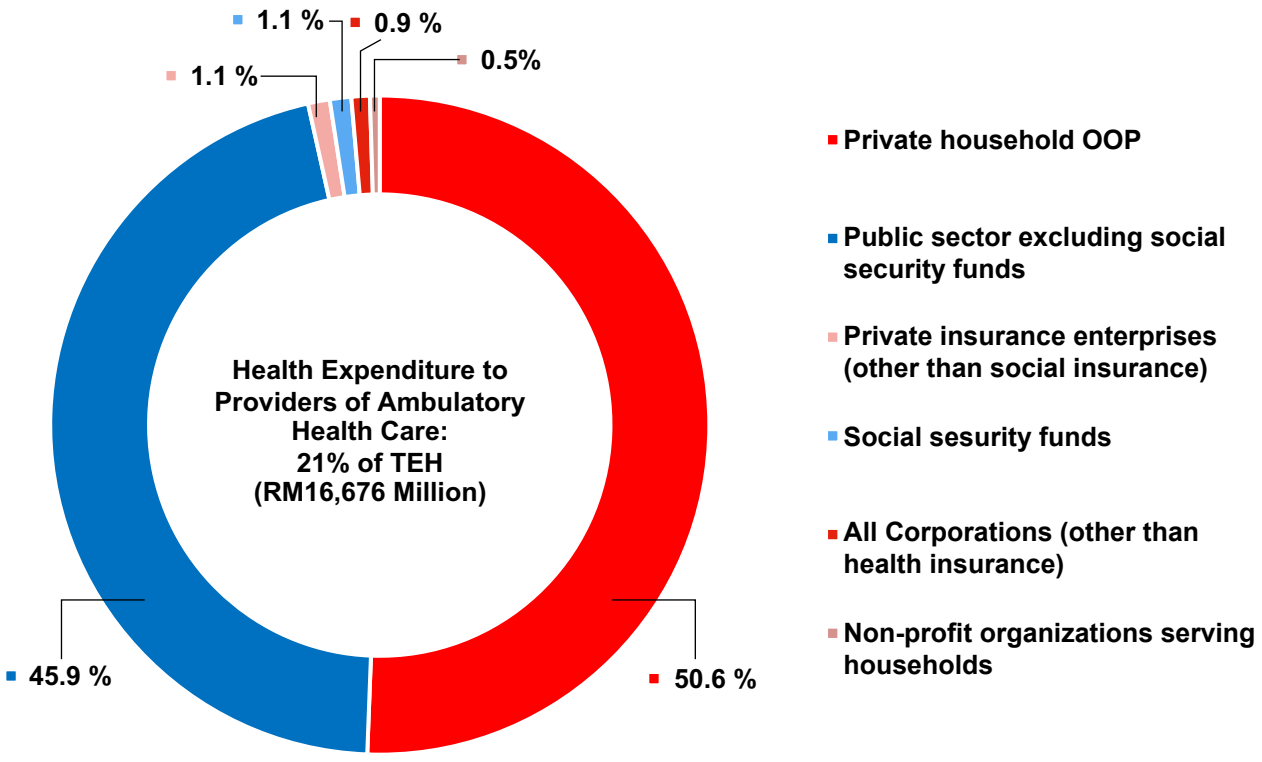


TABLE 6.3b: Health Expenditure to Providers of Ambulatory Health Care by Sources of Financing, 2011 - 2022 (RM Million)													
MNHA Code	Sources of Financing	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MS1.1	Public sector excluding social security funds	2,732	3,180	3,544	4,118	4,300	4,445	4,852	5,373	6,007	6,603	11,717	7,654
MS1.2	Social security funds	13	11	11	68	74	93	99	138	144	43	159	175
Subtotal Public Sector		**2,745**	**3,191**	**3,554**	**4,186**	**4,374**	**4,539**	**4,951**	**5,511**	**6,151**	**6,646**	**11,877**	**7,829**
MS2.2	Private insurance enterprises (other than social insurance)	60	75	85	67	97	125	136	150	146	114	127	178
MS2.4	Private household out-of-pocket expenditures (OOP)	3,339	3,815	4,276	5,101	4,827	5,011	5,650	5,955	6,510	6,415	6,891	8,439
MS2.5	Non-profit institutions serving households (NGO)	19	21	21	18	20	22	45	41	66	70	53	79
MS2.6	All Corporations (other than health insurance)	488	672	819	939	1,426	1,493	1,365	1,330	991	628	670	151
Subtotal Private Sector		**3,906**	**4,582**	**5,201**	**6,125**	**6,370**	**6,651**	**7,196**	**7,476**	**7,713**	**7,226**	**7,741**	**8,847**
Total		**6,650**	**7,773**	**8,756**	**10,311**	**10,744**	**11,189**	**12,147**	**12,987**	**13,864**	**13,872**	**19,618**	**16,676**

TABLE 6.3c: Health Expenditure to Providers of Ambulatory Health Care by Sources of Financing, 2011 - 2022 (Percent, %)													
MNHA Code	Sources of Financing	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MS1.1	Public sector excluding social security funds	41.07	40.91	40.47	39.94	40.02	39.73	39.94	41.37	43.33	47.60	59.73	45.90
MS1.2	Social security funds	0.19	0.14	0.12	0.66	0.69	0.83	0.81	1.07	1.04	0.31	0.81	1.05
Subtotal Public Sector		**41.27**	**41.05**	**40.59**	**40.60**	**40.71**	**40.56**	**40.76**	**42.43**	**44.37**	**47.91**	**60.54**	**46.95**
MS2.2	Private insurance enterprises (other than social insurance)	0.90	0.96	0.97	0.65	0.91	1.12	1.12	1.16	1.05	0.82	0.65	1.07
MS2.4	Private household out-of-pocket expenditures (OOP)	50.21	49.08	48.83	49.47	44.92	44.79	46.51	45.85	46.96	46.24	35.13	50.61
MS2.5	Non-profit institutions serving households (NGO)	0.28	0.26	0.24	0.17	0.19	0.19	0.37	0.32	0.47	0.50	0.27	0.48
MS2.6	All Corporations (other than health insurance)	7.34	8.64	9.36	9.11	13.27	13.34	11.24	10.24	7.15	4.52	3.42	0.90
Subtotal Private Sector		**58.73**	**58.95**	**59.41**	**59.40**	**59.29**	**59.44**	**59.24**	**57.57**	**55.63**	**52.09**	**39.46**	**53.05**
Total		**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

CHAPTER 7

HEALTH EXPENDITURE FOR FUNCTIONS OF HEALTH CARE

This chapter describes the types of health goods and services purchased with the financial resources. Health expenditure for functions of health care is categorised into two, namely the 'core functions of health care' (MF) and 'health-related functions' (MR).

This chapter has four sections. Section 7.1 describes health expenditure according to MNHA classification of all functions of health care for 2022, followed by time series data for 2011-2022 in RM Million and percentage. Section 7.2 explains services of curative care expenditure, Section 7.3 is regarding public health services (including health promotion and prevention) expenditure and Section 7.4 describes expenditure for health education and training.

7.1 HEALTH EXPENDITURE FOR ALL FUNCTIONS OF HEALTH CARE

In 2022, the expenditure for services of curative care amounted to RM51,930 million (65.8% of TEH). This was followed by medical goods dispensed to out-patient at RM6,502 million (8.2% of TEH), health programme administration and health insurance at RM6,351 million (8.0% of TEH), capital formation of health care provider institutions at RM5,912 million (7.5% of TEH), and public health services (including health promotion and prevention) at RM5,181 million (6.6% of TEH). A total of RM2,465 million (3.1% of TEH) was spent for education and training of health personnel, and the remaining RM604 million (0.8% of TEH) was spent on all the other functions (Table 7.1a and Figure 7.1).

The 2011-2022 time series data shows that the expenditure in absolute RM value for services of curative care increased by 2-fold, medical goods dispensed to out-patients increased by 3-fold and health programme administration and health insurance increased by 2-fold. Despite a decrease in the public health services (including health promotion and prevention) as percentage of TEH in the year 2022, when compared to pre pandemic year at 2019, there were significant increases seen in absolute RM value from RM4,077 million to RM5,181 million (Table 7.1b and Table 7.1c).

TABLE 7.1a: Total Expenditure on Health for Functions of Health Care, 2022			
MNHA Code	Functions of Health Care	RM Million	Percent
MF1	Services of curative care	51,930	65.78
MF5	Medical goods dispensed to out-patients	6,502	8.24
MF7	Health programme administration and health insurance	6,351	8.04
MR1	Capital formation of health care provider institutions	5,912	7.49
MF6	Public health services, including health promotion and prevention	5,181	6.56
MR2	Education and training of health personnel	2,465	3.12
MF4	Ancillary services to health care	315	0.40
MR3	Research and development in health	284	0.36
MF3	Services of long-term nursing care	5	0.01
Total		78,945	100.00

FIGURE 7.1: Total Expenditure on Health for Functions of Health Care, 2022

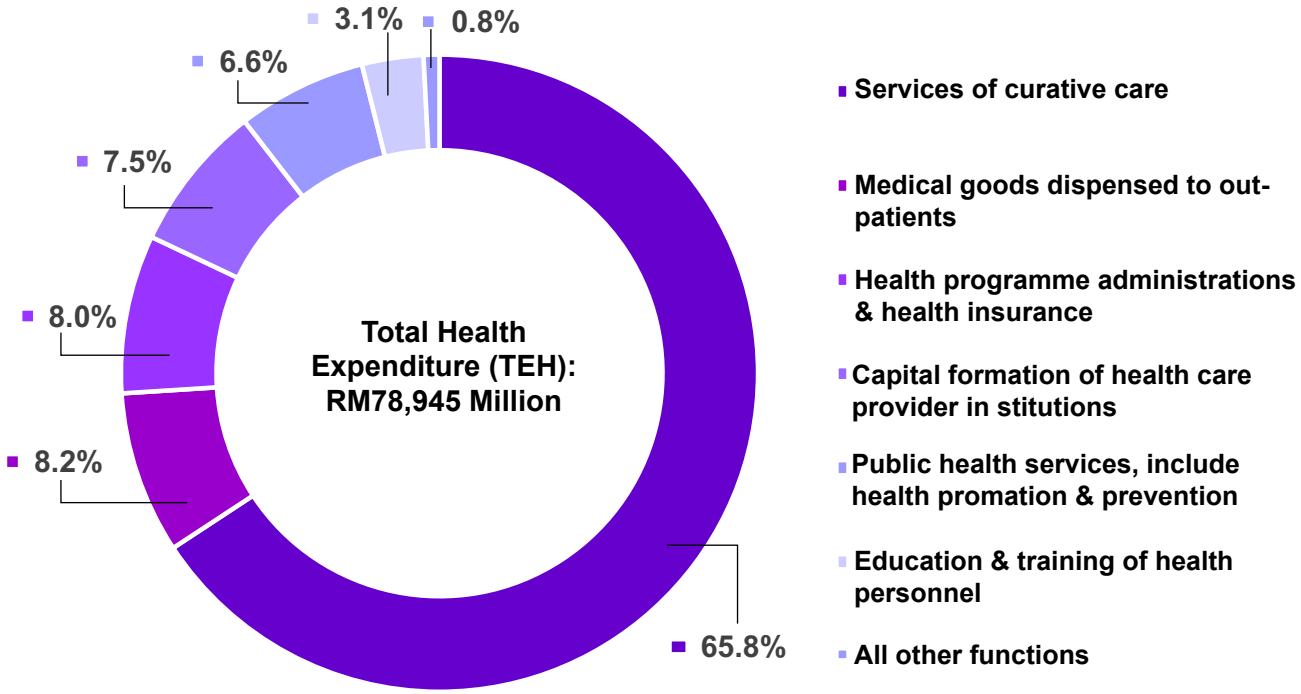


TABLE 7.1b: Total Expenditure on Health for Functions of Health Care, 2011-2022 (RM Million)													
MNHA Code	Functions of Health Care	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MF1	Services of curative care	23,238	26,172	27,191	31,405	33,487	34,927	38,420	41,021	43,292	41,796	45,287	51,930
MF2	Services of rehabilitative care	1	0.02	na	na	na	na	na	na	na	na	na	na
MF3	Services of long-term nursing care	15	19	1	2	1	4	1	4	1	53	4	5
MF4	Ancillary services to health care	296	314	407	380	354	300	328	331	351	301	219	315
MF5	Medical goods dispensed to out-patients	2,242	2,477	2,730	3,298	3,932	4,248	4,520	5,242	4,815	4,752	5,565	6,502
MF6	Public health services (including health promotion and prevention)	1,577	1,925	2,804	2,771	3,223	3,401	3,469	3,640	4,077	5,283	10,604	5,181
MF7	Health programme administration and health insurance	3,632	3,545	3,586	4,248	4,468	3,839	4,780	4,440	5,237	5,853	6,424	6,351
MR1	Capital formation of health care provider institutions	2,430	2,355	2,089	1,831	1,890	2,016	1,986	2,632	3,319	5,758	6,919	5,912
MR2	Education and training of health personnel	2,463	2,560	2,749	2,758	2,813	2,949	2,831	3,128	3,099	2,984	2,319	2,465
MR3	Research and development in health	58	81	90	87	87	71	68	91	146	270	362	284
Total		**35,953**	**39,448**	**41,647**	**46,780**	**50,256**	**51,756**	**56,404**	**60,528**	**64,336**	**67,051**	**77,703**	**78,945**

TABLE 7.1c: Total Expenditure on Health for Functions of Health Care, 2011 - 2022 (Percent, %)													
MNHA Code	Functions of Health Care	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MF1	Services of curative care	64.63	66.35	65.29	67.13	66.63	67.48	68.11	67.77	67.29	62.33	58.28	65.78
MF2	Services of rehabilitative care	0.00	0.00	na	na	na	na	na	na	na	na	na	na
MF3	Services of long-term nursing care	0.04	0.05	0.00	0.00	0.00	0.01	0.00	0.01	0.00	0.08	0.01	0.01
MF4	Ancillary services to health care	0.82	0.80	0.98	0.81	0.71	0.58	0.58	0.55	0.55	0.45	0.28	0.40
MF5	Medical goods dispensed to out-patients	6.24	6.28	6.56	7.05	7.82	8.21	8.01	8.66	7.48	7.09	7.16	8.24
MF6	Public health services (including health promotion and prevention)	4.39	4.88	6.73	5.92	6.41	6.57	6.15	6.01	6.34	7.88	13.65	6.56
MF7	Health programme administration and health insurance	10.10	8.99	8.61	9.08	8.89	7.42	8.48	7.33	8.14	8.73	8.27	8.04
MR1	Capital formation of health care provider institutions	6.76	5.97	5.02	3.92	3.76	3.90	3.52	4.35	5.16	8.59	8.90	7.49
MR2	Education and training of health personnel	6.85	6.49	6.60	5.90	5.60	5.70	5.02	5.17	4.82	4.45	2.98	3.12
MR3	Research and development in health	0.16	0.21	0.22	0.19	0.17	0.14	0.12	0.15	0.23	0.40	0.47	0.36
Total		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

7.2 HEALTH EXPENDITURE FOR FUNCTIONS OF HEALTH CARE - CURATIVE CARE BY SOURCES OF FINANCING

Services of curative care include medical, paramedical and allied health services, which could be either allopathic or TCM services and is inclusive of dental care services. It could be provided either at hospital or non-hospital settings. The non-hospital setting includes medical or dental clinics.

In 2022, a total of RM51,930 million (65.8% of TEH) was for services of curative care. The source of financing for services of curative care was RM25,856 million (49.8% of curative care expenditure) from the public sector and the remaining RM26,074 million (50.2% of curative care expenditure) from the private sector. For the services of curative care expenditure in hospitals, the public sector spent 41.0%, and the private sector spent 35.2%. The remaining expenditure was spent at non-hospital settings, the public sector spent 8.8%, and the private sector spent 15.0% (Table 7.2a and Figure 7.2).

The 2011-2022 time series data shows that the public sector share remains higher than the private sector share as a source of financing but vice versa for 2022 (Table 7.2b and 7.2c).

TABLE 7.2a: Health Expenditure for Curative Care by Sources of Financing, 2022

Source	Provider	RM Million	Percent
Public Sector	Hospital	21,268	40.96
	Non-Hospital	4,588	8.83
	Sub-Total	**25,856**	**49.79**
Private Sector	Hospital	18,260	35.16
	Non-Hospital	7,814	15.05
	Sub-Total	**26,074**	**50.21**
	Total	**51,930**	**100.00**

FIGURE 7.2: Health Expenditure for Curative Care by Sources of Financing, 2022

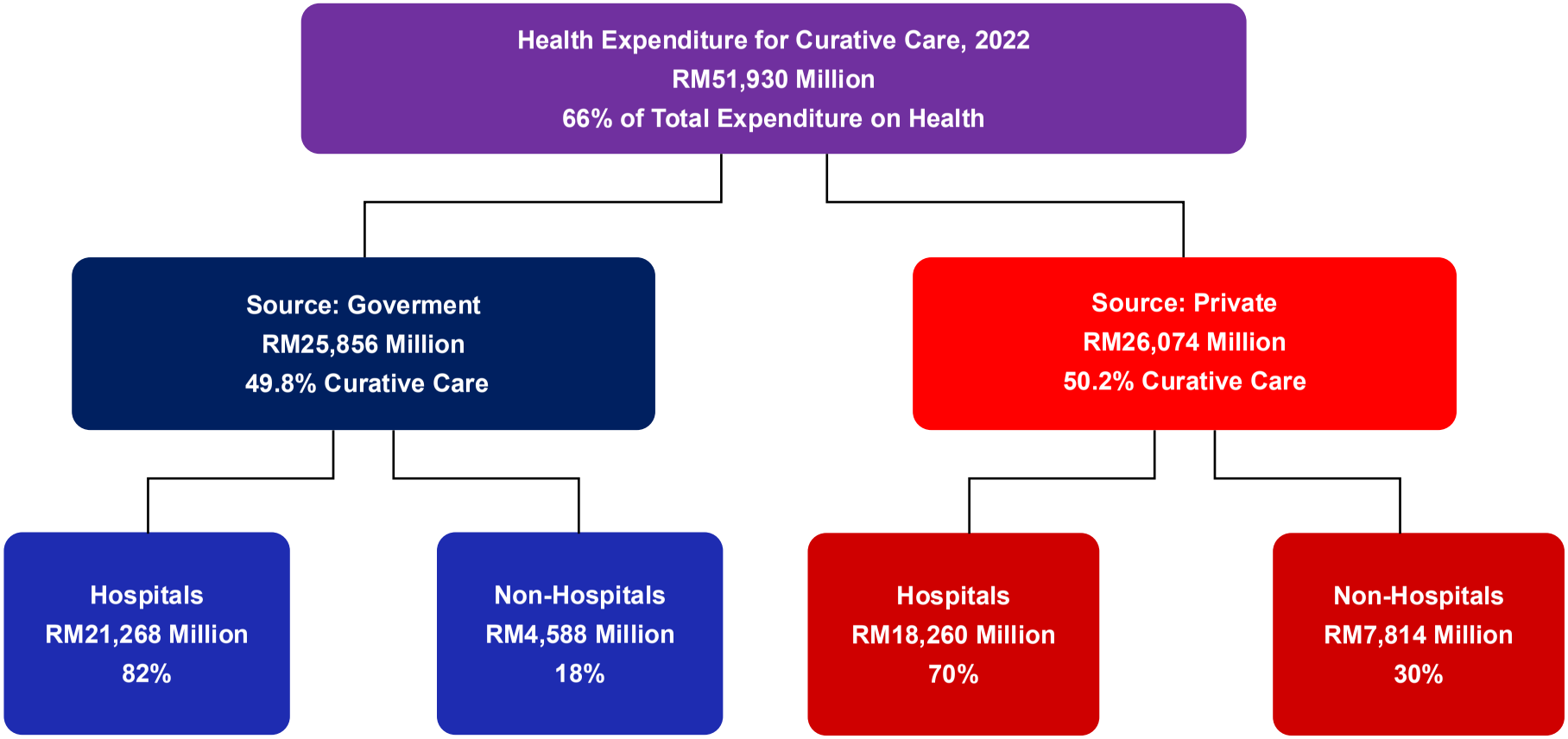


TABLE 7.2b: Health Expenditure for Curative Care by Sources of Financing, 2011 - 2022 (RM Million)													
Source	Provider	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Source	Hospital	10,873	12,651	13,011	15,240	15,885	16,104	17,373	18,684	19,721	18,580	20,323	21,268
	Non-Hospital	2,077	2,370	2,001	2,479	2,823	3,017	3,352	3,742	3,436	3,594	3,617	4,588
	Sub-Total	**12,950**	**15,021**	**15,013**	**17,719**	**18,708**	**19,121**	**20,725**	**22,427**	**23,156**	**22,174**	**23,940**	**25,856**
Private Source	Hospital	7,018	7,363	7,961	8,652	9,921	10,760	12,065	12,692	13,866	13,542	14,834	18,260
	Non-Hospital	3,271	3,788	4,218	5,034	4,858	5,045	5,629	5,902	6,270	6,080	6,513	7,814
	Sub-Total	**10,288**	**11,151**	**12,179**	**13,686**	**14,779**	**15,806**	**17,694**	**18,594**	**20,136**	**19,622**	**21,347**	**26,074**
Total		**23,238**	**26,172**	**27,191**	**31,405**	**33,487**	**34,927**	**38,420**	**41,021**	**43,292**	**41,796**	**45,287**	**51,930**

TABLE 7.2c: Health Expenditure for Curative Care by Sources of Financing, 2011 - 2022 (Percent %)													
Source	Provider	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Source	Hospital	46.79	48.34	47.85	48.53	47.44	46.11	45.22	45.55	45.55	44.45	44.88	40.96
	Non-Hospital	8.94	9.06	7.36	7.89	8.43	8.64	8.73	9.12	7.94	8.60	7.99	8.83
	Sub-Total	**55.73**	**57.39**	**55.21**	**56.42**	**55.87**	**54.75**	**53.95**	**54.67**	**53.49**	**53.05**	**52.86**	**49.79**
Private Source	Hospital	30.20	28.13	29.28	27.55	29.63	30.81	31.40	30.94	32.03	32.40	32.76	35.16
	Non-Hospital	14.07	14.47	15.51	16.03	14.51	14.45	14.65	14.39	14.48	14.55	14.38	15.05
	Sub-Total	**44.27**	**42.61**	**44.79**	**43.58**	**44.13**	**45.25**	**46.05**	**45.33**	**46.51**	**46.95**	**47.14**	**50.21**
Total		**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

7.3 HEALTH EXPENDITURE FOR FUNCTIONS OF HEALTH CARE – PUBLIC HEALTH SERVICES (INCLUDING HEALTH PROMOTION AND PREVENTION) BY SOURCES OF FINANCING

This section refers to expenditure for services designed to improve the health status of the population in the form of structured public health services, including promotive and preventive programmes. This excludes the expenditure of similar services delivered on an individual basis which is captured as part of curative care services.

In 2022, a total of RM5,181 million (6.6% of TEH) was spent for public health services. MOH was the highest financier of public health services, spending RM4,496 million or 86.8% of the total expenditure on public health services. The second-highest financier was all corporations (other than health insurance) that spent RM 343 million (6.6% of public service health expenditure), followed by other federal agencies (including statutory bodies) amounting to RM173 million (3.3% of public service health expenditure). The remaining expenditure for public health services spent at RM169 million (3.3% of public service health expenditure) (Table 7.3a).

In 2022, 93% of public health service expenditure came from public sector RM4,823 million, MOH spent about 93.2 % of public sector health expenditure on public health services and non-MOH spent 6.8 % of public sector health expenditure on public health services. Private sector sources of financing on public health services spent RM358 million (6.9% of public health service expenditure) (Figure 7.3).

The 2011-2022 time series data shows MOH as the largest source of financing for this function, with a 6-fold increase from RM752 million in 2011 to RM4,496 million in 2022. The second highest from all corporations (other than health insurance) decreased from RM563 million in 2011 to RM343 million in 2022 (Table 7.3b and 7.3c).

TABLE 7.3a: Health Expenditure for Public Health Services (Including Health Promotion and Prevention) by Sources of Financing, 2022

MNHA Code	Sources of Financing	RM Million	Percent
MS1.1.1.1	Ministry of Health (MOH)	4,496	86.77
MS2.6	All corporations (other than health insurance)	343	6.63
MS1.1.1.9	Other federal agencies (including statutory bodies)	173	3.34
MS1.1.2.2	Other state agencies (including statutory bodies)	52	1.00
MS1.1.2.1	(General) State government	49	0.95
MS1.1.3	Local authorities (LA)	47	0.91
MS2.5	Non-profit institutions serving households (NGO)	10	0.20
MS1.2.2	Social Security Organization (SOCSO)	6	0.12
MS2.4	Private household out-of-pocket expenditures (OOP)	4	0.09
MS1.1.1.2	Ministry of Higher Education (MoHE)	<1	< 0.09
Total		**5,181**	**100.00**

FIGURE 7.3: Health Expenditure for Public Health Services (Including Health Promotion and Prevention) by Sources of Financing, 2022

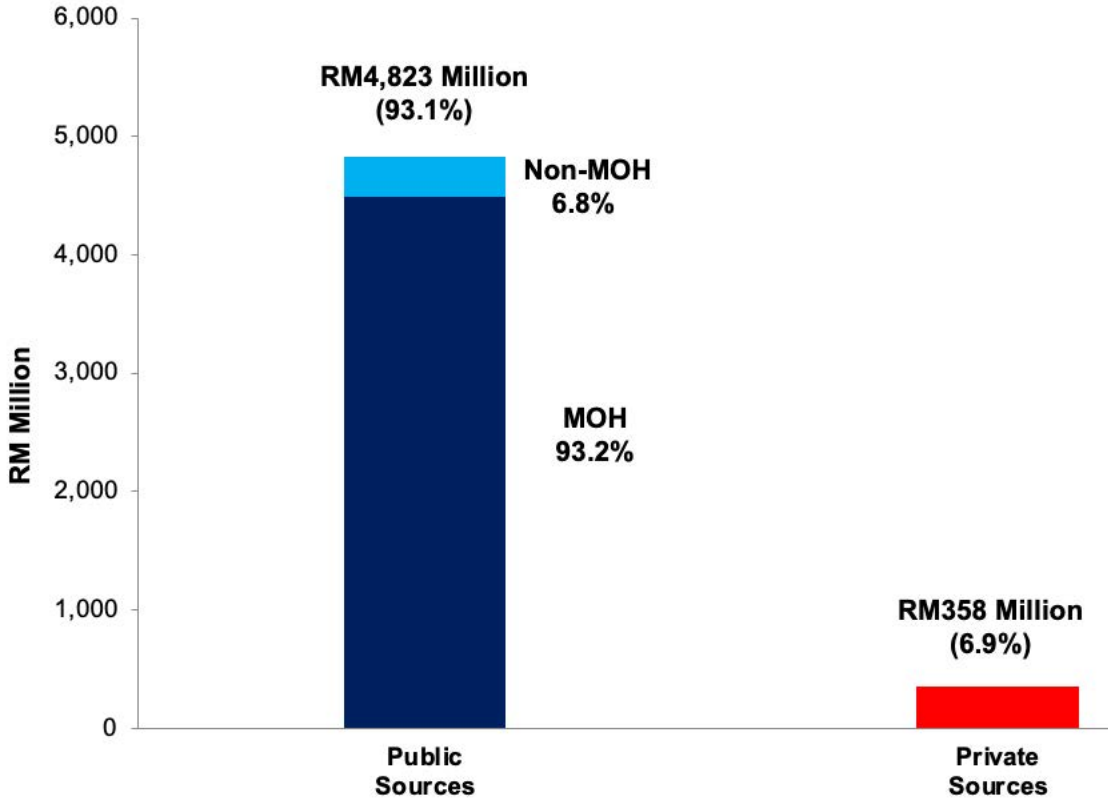


TABLE 7.3b: Health Expenditure for Public Health Services (including Health Promotion and Prevention) by Sources of Financing, 2011 - 2022 (RM Million)													
MNHA Code	Sources of Financing	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MS1.1.1.1	Ministry of Health (MOH)	752	898	1,634	1,541	1,653	1,777	1,902	2,118	3,010	3,622	8,728	4,496
MS1.1.1.2	Ministry of Higher Education (MoHE)	na	na	na	na	na	na	na	na	na	75	1	0.15
MS1.1.1.9	Other federal agencies (including statutory bodies)	94	118	128	121	140	128	141	129	146	576	922	173
MS1.1.2.1	(General) State government	54	64	25	31	31	35	27	30	22	89	119	49
MS1.1.2.2	Other state agencies (including statutory bodies)	30	34	66	78	43	52	50	50	55	66	48	52
MS1.1.3	Local authorities (LA)	62	83	72	44	52	26	36	30	47	50	50	47
MS1.2.2	Social Security Organisation (SOCSO)	4	5	35	23	9	11	8	na	na	8	5	6
MS2.4	Private household out-of-pocket expenditures (OOP)	8	10	10	8	6	6	6	8	7	8	21	4
MS2.5	Non-profit institutions serving households (NGO)	10	16	1	1	21	28	17	18	2	21	18	10
MS2.6	All corporations (other than health insurance)	563	698	832	924	1,267	1,339	1,283	1,256	787	769	692	343
Total		**1,577**	**1,925**	**2,804**	**2,771**	**3,223**	**3,401**	**3,469**	**3,640**	**4,077**	**5,283**	**10,604**	**5,181**

TABLE 7.3c: Health Expenditure for Public Health Services (including Health Promotion and Prevention) by Sources of Financing, 2011 - 2022 (Percent, %)													
MNHA Code	Sources of Financing	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MS1.1.1.1	Ministry of Health (MOH)	47.71	46.66	58.27	55.59	51.29	52.24	54.82	58.19	73.83	68.55	82.31	86.77
MS1.1.1.2	Ministry of Higher Education (MoHE)	na	na	na	na	na	na	na	na	na	1.43	0.01	0.00
MS1.1.1.9	Other federal agencies (including statutory bodies)	5.95	6.11	4.57	4.38	4.35	3.75	4.06	3.55	3.58	10.91	8.69	3.34
MS1.1.2.1	(General) State government	3.41	3.30	0.90	1.13	0.96	1.02	0.76	0.83	0.54	1.69	1.13	0.95
MS1.1.2.2	Other state agencies (including statutory bodies)	1.89	1.75	2.35	2.81	1.33	1.52	1.43	1.38	1.36	1.24	0.45	1.00
MS1.1.3	Local authorities (LA)	3.90	4.29	2.58	1.59	1.62	0.76	1.04	0.82	1.15	0.94	0.48	0.91
MS1.2.2	Social Security Organisation (SOCSO)	0.26	0.27	1.26	0.83	0.27	0.33	0.24	na	na	0.15	0.04	0.12
MS2.4	Private household out-of-pocket expenditures (OOP)	0.50	0.52	0.35	0.27	0.20	0.17	0.16	0.22	0.18	0.14	0.19	0.09
MS2.5	Non-profit institutions serving households (NGO)	0.66	0.81	0.04	0.04	0.67	0.84	0.49	0.49	0.05	0.40	0.17	0.20
MS2.6	All corporations (other than health insurance)	35.71	36.28	29.67	33.35	39.32	39.37	36.99	34.50	19.31	14.56	6.52	6.63
Total		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

7.4 HEALTH EXPENDITURE FOR FUNCTIONS OF HEALTH CARE - HEALTH EDUCATION AND TRAINING BY SOURCES OF FINANCING

This section describes expenditure for all health and health-related education and training of personnel. Although MNHA Framework includes this expenditure under the TEH, the SHA 1.0 framework excludes this because of the shortfalls involved in making assumptions and the difficulties in capturing this expenditure in other countries. Furthermore, personnel who undergo health and health-related education and training may not continue to provide services in the health sector.

In 2022, a total of RM2,465 million or about 3.1% of TEH was spent on health education and training of health personnel. Public sector sources of financing spent RM891 million (36.2% of health education and training expenditure). The MOH spent about 30.1% of public sector on health education and training expenditure and non-MOH spent 69.9% of public sector on health education and training expenditure. Private sector sources of financing spent RM1,573 million (63.8% of health education and training expenditure) (Table 7.4a and Figure 7.4).

The 2011-2022 time series data shows that both public sector and private sector sources of financing range between 36% to 64% respectively (Table 7.4b and Table 7.4c). Public sources of financing show almost 2-fold decrease and private sources of financing show almost 2-fold increase in spending for health education and training throughout the 12 years.

TABLE 7.4a: Health Expenditure for Health Education and Training by Sources of Financing, 2022

MNHA Code	Sources of Financing	RM Million	Percent
MS1.1.1.1	Public source (MOH)	268	10.88
MS1 (others)	Public source (non-MOH)	623	25.29
MS2	Private source	1,573	63.83
Total		**2,465**	**100.00**

FIGURE 7.4: Health Expenditure for Health Education and Training by Sources of Financing, 2022

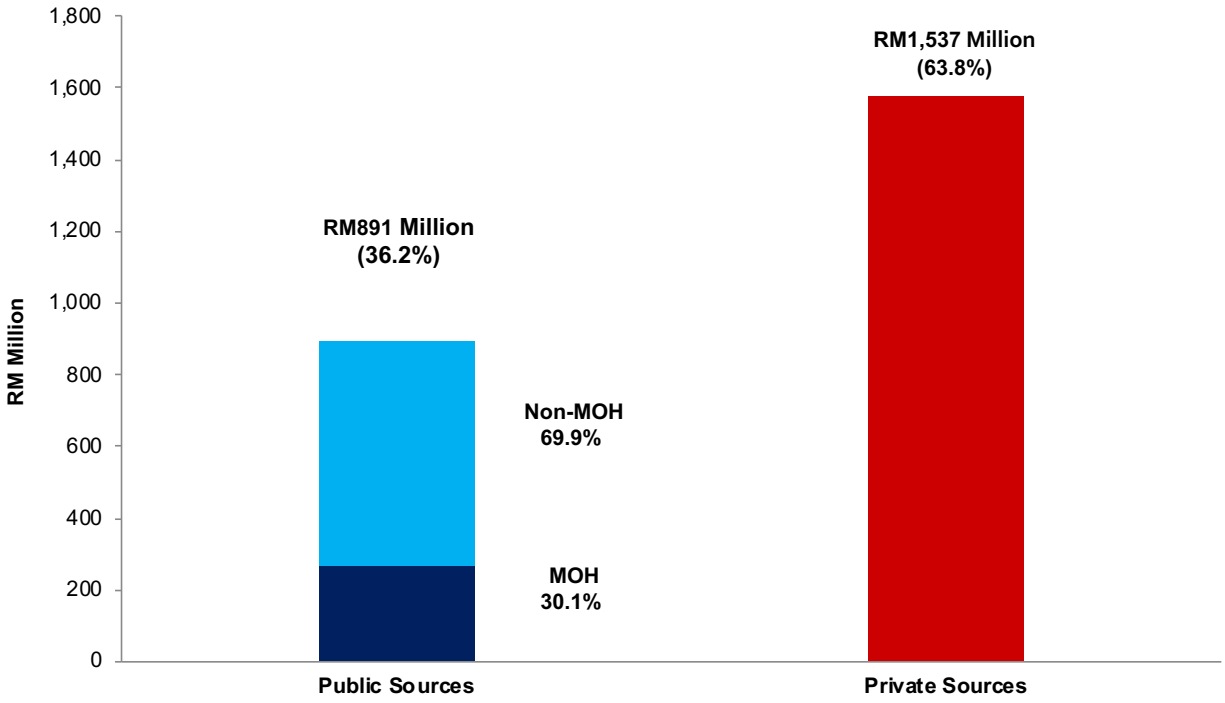


TABLE 7.4b: Health Expenditure for Health Education and Training by Sources of Financing, 2011 - 2022 (RM Million)													
MNHA Code	Sources of Financing	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MS1.1.1.1	Public source (MOH)	380	377	407	438	446	428	244	380	370	356	269	268
MS1 (others)	Public source (non-MOH)	1,204	1,030	881	992	969	1,039	1,064	1,227	1,178	1,001	617	623
MS2	Private source	879	1,153	1,461	1,328	1,398	1,482	1,523	1,521	1,551	1,628	1,433	1,573
Total		**2,463**	**2,560**	**2,749**	**2,758**	**2,813**	**2,949**	**2,831**	**3,128**	**3,099**	**2,984**	**2,319**	**2,465**

TABLE 7.4c: Health Expenditure for Health Education and Training by Sources of Financing, 2011 - 2022 (Percent, %)													
MNHA Code	Sources of Financing	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
MS1.1.1.1	Public source (MOH)	15.44	14.74	14.81	15.89	15.86	14.51	8.63	12.14	11.94	11.94	11.59	10.88
MS1 (others)	Public source (non-MOH)	48.87	40.23	32.04	35.95	34.45	35.22	37.57	39.23	38.02	33.53	26.61	25.29
MS2	Private source	35.69	45.03	53.15	48.16	49.69	50.27	53.80	48.63	50.04	54.53	61.80	63.83
Total		**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

CHAPTER 8

MOH HEALTH EXPENDITURE

There are slight differences in reporting MOH health expenditures using the MNHA Framework and the government treasury accounting system used by MOH Accounts Division (AG database). This chapter aims to provide some information on MOH expenditure as a share of total expenditure on health and national GDP and enlighten the differences in expenditure reporting of MOH hospitals as the provider of health care services and MOH source of financing at MOH hospitals using the MNHA Framework.

The first section in this chapter describes the proportion of MOH expenditure from TEH and MOH health expenditure as a percentage of national GDP using the MNHA Framework. The second section aims to explain some differences in NHA reporting of expenditure at hospitals based on the two dimensions of the MNHA Framework; sources of financing and functions of health care.

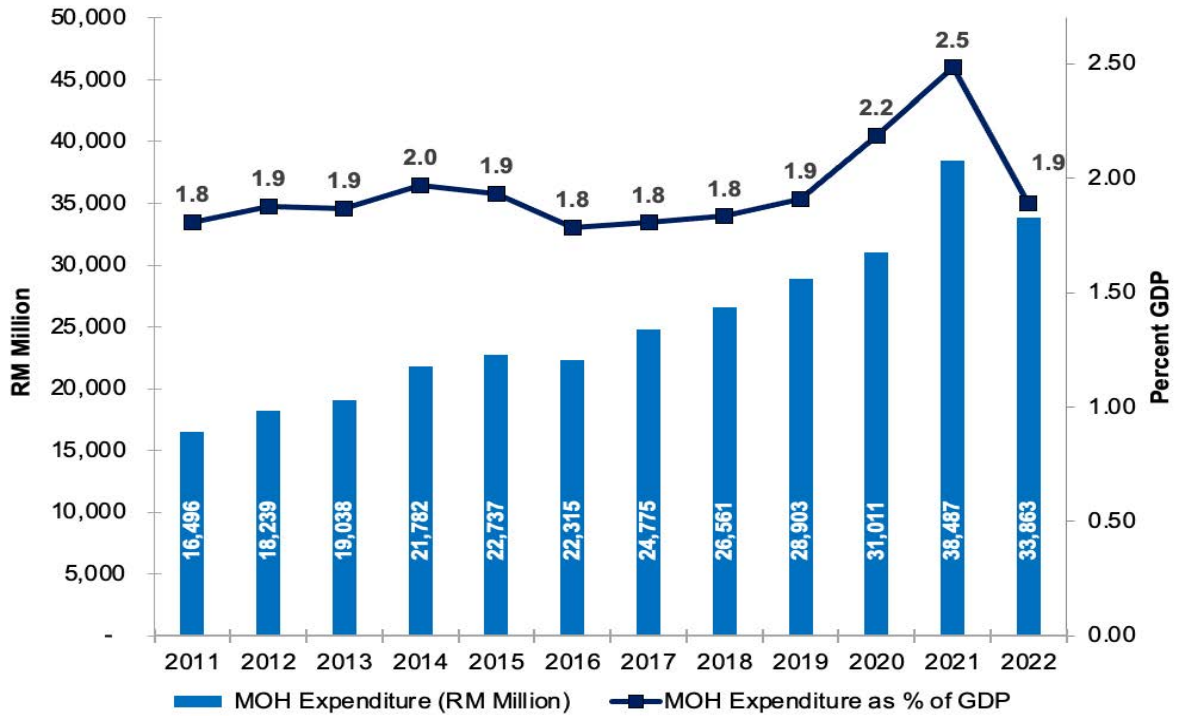
8.1 MOH HEALTH EXPENDITURE – MOH SHARE OF TOTAL EXPENDITURE ON HEALTH AND NATIONAL GDP

MOH health expenditure reported in this section describes what MOH, as a 'source of financing', spends on health care. The expenditure of MOH as a 'source of financing' differs from the total MOH expenditure reported in the government treasury accounting system. The latter includes both operating and development expenditures for a particular MNHA Framework facilitates the tracking of reimbursements by various agencies, such as EPF, SOCSO, private health insurance and state government including statutory bodies. These reimbursements are deducted from the total MOH expenditure to accurately reflect the actual MOH expenditure at the healthcare provider level. Consequently, MOH expenditure as a 'source of financing' appears slightly lower under the MNHA Framework due to the effect of 'addressing double counting,' as explained in Chapter 3.

Using the MNHA Framework, in 2022, a total amount of RM33,863 million (42.9% of TEH) was spent by MOH. MOH expenditure data for 2011-2022 time series shows various trends throughout the years. MOH expenditure throughout the same period was ranging between 42.9% - 49.5% of the TEH. In 2011, MOH spent RM16,496 million (45.9% of TEH), while in the year 2022, MOH spent RM33,863 million (42.9% of TEH). In relation to GDP, MOH expenditure in 2011 is equivalent to 1.8% of the national GDP, while in 2022, it is 1.9% of the national GDP (Table 8.1 and Figure 8.1).

TABLE 8.1: MOH Share of Total Expenditure on Health and Percent GDP, 2011-2022					
Year	TEH, Nominal (RM Million)	MOH Expenditure (RM Million)	MOH Expenditure as % TEH	TEH (Nominal) as % GDP	MOH Expenditure as % of GDP
2011	35,953	16,496	45.88	3.94	1.81
2012	39,448	18,239	46.24	4.06	1.88
2013	41,647	19,038	45.71	4.09	1.87
2014	46,780	21,782	46.56	4.23	1.97
2015	50,256	22,737	45.24	4.27	1.93
2016	51,756	22,315	43.12	4.14	1.79
2017	56,404	24,775	43.92	4.11	1.81
2018	60,528	26,561	43.88	4.18	1.83
2019	64,336	28,903	44.93	4.25	1.91
2020	67,051	31,011	46.25	4.73	2.19
2021	77,703	38,487	49.53	5.02	2.48
2022	78,945	33,863	42.89	4.41	1.89

FIGURE 8.1: MOH Expenditure on Health and Percent GDP, 2011-2022



8.2 MOH HEALTH EXPENDITURE - MOH HOSPITAL

All programmes, projects and services under the purview of MOH, inclusive of health care services provided at all MOH hospitals, come from federal government consolidated funds. As the provider of health care services, MOH hospitals take up the largest percentage of the total MOH allocated funds. The development funds spent at MOH hospital were assigned as non-curative care expenditures, mainly for hospital facility development and renovation. Using the MNHA Framework, the operating fund spent at MOH hospitals was assigned as curative care expenditure for patient care services disaggregated based on functional classification and categorised as an in-patient, out-patient and day-care, and this was described under Section 3.2 of this report.

8.2.1 MOH Health Expenditure - MOH Hospital, Sources of Financing

In 2022, both the public and private sector sources of financing at MOH hospitals totalled to RM21,039 million. Various financiers were tracked through MOH hospitals accounting systems, and sources of financing codes were assigned for payments made through private household out-of-pocket, private health insurance and other types of sources of financing. As a result, RM20,469 million (97.3% of total expenditure at MOH hospitals) was sourced from MOH. A small amount of RM569 million (2.7% of total expenditure at MOH hospitals) was accounted for by other financiers such as private household OOP at RM304 million, other state agencies (including statutory bodies) at RM92 million, private insurance enterprises (other than social insurance) at RM91 million, Social Security Organisation (SOCSO) contributed RM42 million, other federal agencies (including statutory bodies) at RM31 million and the remaining non-MOH expenditure at RM9 million (Table 8.2.1a).

The 2011-2022 time series expenditure on sources of financing shows a similar trend with MOH as the highest financier followed by non-MOH (Table 8.2.1b and Figure 8.2.1). The time series data on MOH as the source of financing shows that the expenditure increased by 2-fold in absolute RM value, with an average of 97.3% of the total health expenditure at MOH hospitals (Table 8.2.1c).

TABLE 8.2.1a: Health Expenditure at MOH Hospitals by Sources of Financing, 2022*				
	MNHA Code	Sources of Financing	RM Million	Percent
Ministry of Health (MOH)	MS1.1.1.1	Ministry of Health (MOH)	20,469	97.29
Non-Ministry of Health (non-MOH)	MS2.4	Private household out-of-pocket expenditures (OOP)	304	1.45
	MS1.1.2.2	Other state agencies (including statutory bodies)	92	0.44
	MS2.2	Private insurance enterprises (other than social insurance)	91	0.43
	MS1.2.2	Social Security Organisation (SOCSO)	42	0.20
	MS1.1.1.9	Other federal agencies (including statutory bodies)	31	0.15
	MS2.5	Non-profit institutions serving households (NGO)	2	0.01
	MS1.1.3	Local authorities (LA)	2	0.01
	MS1.1.2.1	(General) State government	2	0.01
	MS1.2.1	Employees Provident Fund (EPF)	1	0.01
	MS2.6	All corporations (other than health insurance)	1	0.01
		Non-MOH Sub-total	569	2.71
Total			21,039	100.00

Note: *MOH Hospital Provider codes include MP1.1a, MP1.2a and MP1.3a

FIGURE 8.2.1: Health Expenditure at MOH Hospitals by Sources of Financing, 2011-2022 (RM Million)

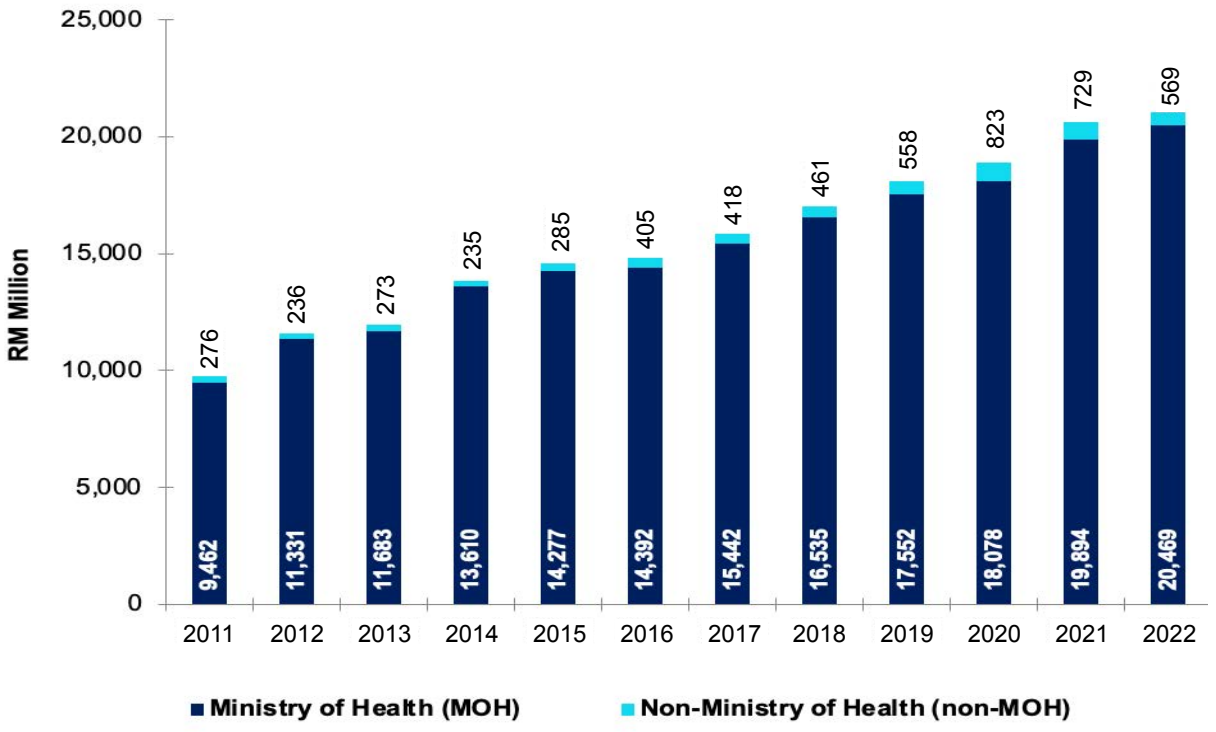


TABLE 8.2.1b: Health Expenditure at MOH Hospitals by Sources of Financing, 2011-2022 (RM Million)												
Sources of Financing	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Ministry of Health (MOH)	9,462	11,331	11,683	13,610	14,277	14,392	15,442	16,535	17,552	18,078	19,894	20,469
Non-Ministry of Health (non-MOH)	276	236	273	235	285	405	418	461	558	823	729	569
Total	**9,739**	**11,567**	**11,956**	**13,845**	**14,562**	**14,797**	**15,860**	**16,995**	**18,110**	**18,901**	**20,623**	**21,039**

TABLE 8.2.1c: Health Expenditure at MOH Hospitals by Sources of Financing, 2011-2022 (Percent, %)												
Sources of Financing	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Ministry of Health (MOH)	97.16	97.96	97.72	98.30	98.04	97.26	97.36	97.29	96.92	95.65	96.46	97.29
Non-Ministry of Health (non-MOH)	2.84	2.04	2.28	1.70	1.96	2.74	2.64	2.71	3.08	4.35	3.54	2.71
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

8.2.2 MOH Health Expenditure - MOH Hospital, Functions of Curative Care

This section provides further information on patient care services at MOH hospitals. Functions of curative care services provided in MOH hospitals are further categorised as in-patient curative care, out-patient curative care and day-cases of curative care. Under the MNHA Framework, these types of services were inclusive of allopathic as well as some traditional and complementary health care services.

In 2022, RM21,039 million was spent at MOH hospitals. Of this amount, RM18,738 million (89.1% of total expenditure at MOH hospitals) was for curative care services (Table 8.2.2a). In the same year, the expenditure for curative care services at MOH hospitals showed that RM11,995 million (64.0%) was spent for in-patient curative care services. This was followed by RM5,397 million (28.8%) for out-patient curative care services and RM1,346 million (7.2%) for day cases of curative care services (Figure 8.2.2).

The 2011-2022 time series data shows that in absolute RM value, the curative care services expenditure in 2022 increased by two-fold compared to the expenditure in 2011 (Table 8.2.2b). The curative care services expenditure in time series shows an average of 95.8% spending at the MOH hospitals (Table 8.2.2c).

TABLE 8.2.2a: Health Expenditure at MOH Hospitals for Functions of Health Care, 2022

	MNHA Code	Functions of Health Care	RM Million	Percent
Curative Care	MF1.1	In-patient curative care	11,995	57.01
	MF1.3	Out-patient curative care	5,397	25.65
	MF1.2	Day cases of curative care	1,346	6.40
	Sub-total (Curative care)		**18,738**	**89.06**
Non-Curative Care	MR1	Capital formation of health care provider institutions	2,293	10.90
	MF6.4	Prevention of non-communicable disease	8	<0.01
	Sub-total (non-Curative care)		**2,301**	**10.94**
Total			**21,039**	**100.00**

FIGURE 8.2.2: Health Expenditure at MOH Hospitals for Curative Care Functions of Health Care, 2022

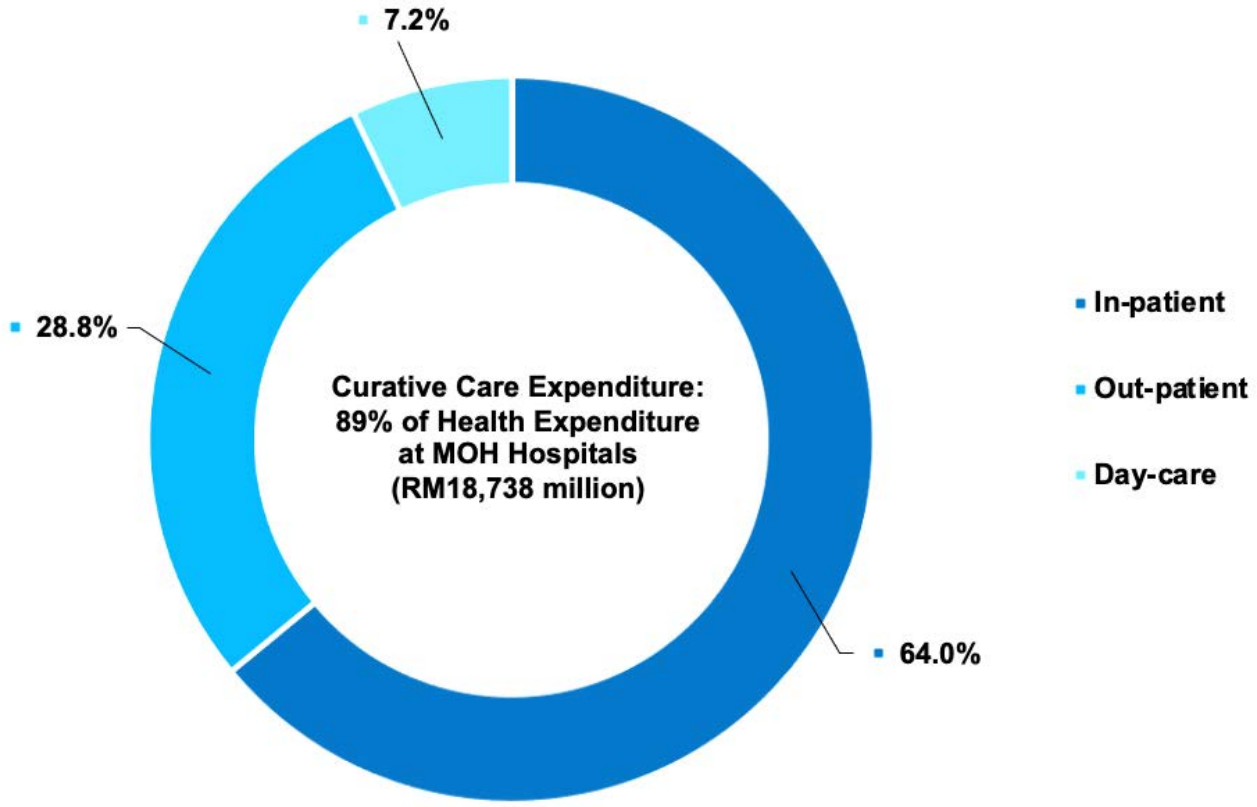


TABLE 8.2.2b: Health Expenditure at MOH Hospitals for Functions of Health Care, 2011-2022 (RM Million)												
Functions of Health Care	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Curative Care	9,643	11,302	11,590	13,576	14,271	14,478	15,749	16,920	17,819	16,785	17,985	18,738
Non-Curative Care	96	265	366	269	292	319	112	76	291	2,116	2,638	2,301
Total	**9,739**	**11,567**	**11,956**	**13,845**	**14,562**	**14,797**	**15,860**	**16,995**	**18,110**	**18,901**	**20,623**	**21,039**

TABLE 8.2.2c: Health Expenditure at MOH Hospitals for Functions of Health Care, 2011-2022 (Percent, %)												
Functions of Health Care	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Curative Care	99.02	97.71	96.94	98.06	98.00	97.85	99.30	99.55	98.39	88.81	87.21	89.06
Non-Curative Care	0.98	2.29	3.06	1.94	2.00	2.15	0.70	0.45	1.61	11.19	12.79	10.94
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

CHAPTER 9

OUT-OF-POCKET HEALTH EXPENDITURE

Many countries often obtain household out-of-pocket (OOP) health expenditures through community surveys. However, the best approach for this estimation as used in this report is through a complex method called the integrative method, whereby the gross level of direct health spending from consumption, provision and financing perspectives are collated, followed by a deduction of third-party financial reimbursements by various agencies to avoid double counting.

The data shown in this chapter includes OOP spending for TCM, health education and training. OOP health expenditure estimation through the integrative method is explained in Chapter 3. In brief, OOP health expenditure estimation uses the formula as follows:

OOP Health Expenditure = (Gross OOP Health Expenditure – Third Party Payer Reimbursement) + OOP Expenditure for Health Education & Training

9.1 OUT-OF-POCKET HEALTH EXPENDITURE – OOP SHARE OF TOTAL EXPENDITURE ON HEALTH AND NATIONAL GDP

In 2022, the OOP health expenditure amounted to RM29,381 million, equivalent to 37.2% of the TEH and 78.0% share of the private sector health expenditure (Table 9.1a). The 2011-2022 time series data shows that the household OOP health expenditure was between 31.8% and 37.2% of TEH (Table 9.1a and Figure 9.1a). It has remained the largest single source of financing in the private sector throughout the years, with an average of 73.4% of private sector health expenditure (Table 9.1a, Figure 9.1b). The OOP health expenditure from 2011 to 2022 increased from RM11,466 million to RM29,381 million, which constitutes 1.3% of GDP in 2011 to 1.6% of GDP in 2022 (Table 9.1b and Figure 9.1c).

TABLE 9.1a: OOP Share of Total Expenditure on Health and Private Sector Health Expenditure, 2011-2022

Year	Private Sector Health Expenditure (RM Million)	Total Expenditure on Health (RM Million)	OOP Health Expenditure (RM Million)	OOP Share of Total Expenditure on Health (Percent %)	OOP Share of Private Sector Health Expenditure (Percent %)
2011	15,702	35,953	11,466	31.89	73.02
2012	17,442	39,448	12,649	32.06	72.52
2013	18,780	41,647	13,933	33.45	74.19
2014	20,859	46,780	15,373	32.86	73.70
2015	23,222	50,256	16,349	32.53	70.40
2016	25,001	51,756	17,555	33.92	70.22
2017	27,121	56,404	19,518	34.60	71.97
2018	29,084	60,528	21,302	35.19	73.24
2019	30,046	64,336	22,382	34.79	74.49
2020	30,448	67,051	22,648	33.78	74.38
2021	32,900	77,703	24,688	31.77	75.04
2022	37,688	78,945	29,381	37.22	77.96

FIGURE 9.1a: OOP Share of Total Expenditure on Health, 2011-2022 (Percent, %)

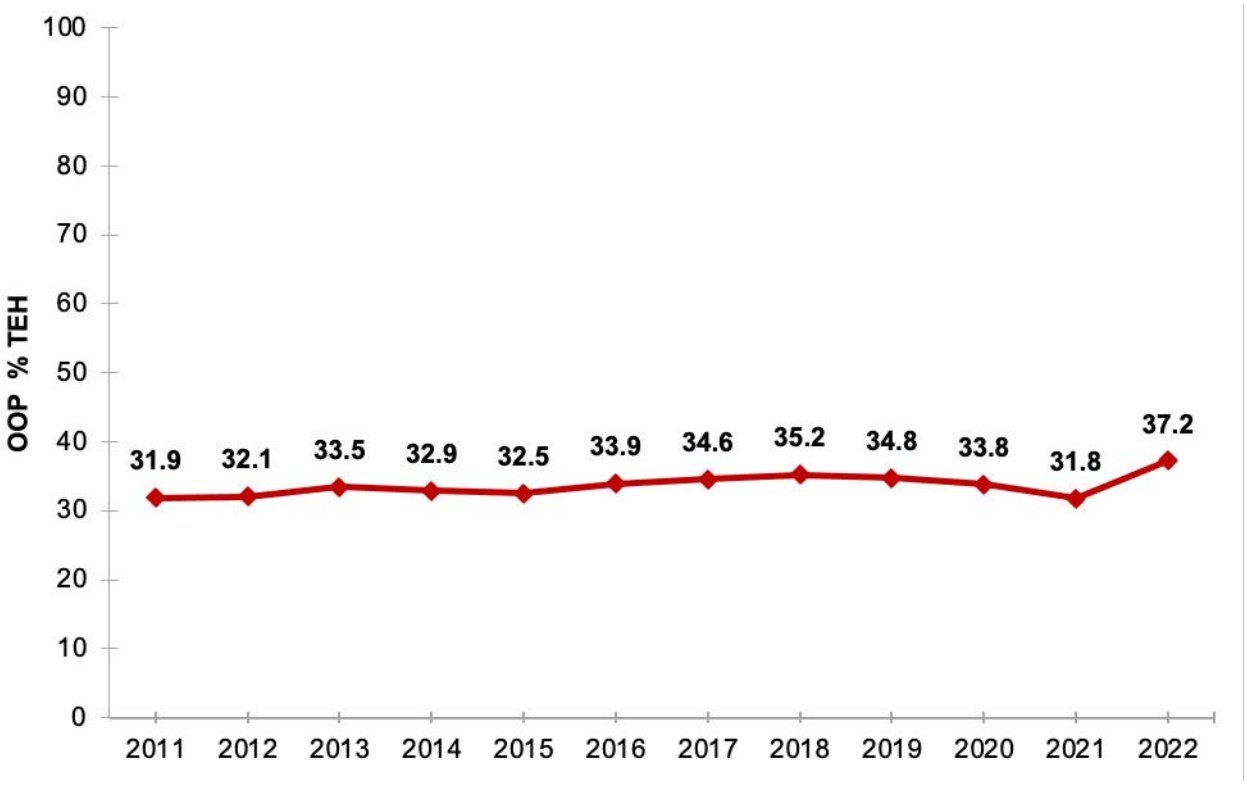


TABLE 9.1b: OOP Health Expenditure and as GDP Percentage, 2011-2022

Year	OOP Health Expenditure (RM Million)	OOP Health Expenditure as % GDP
2011	11,466	1.26
2012	12,649	1.30
2013	13,933	1.37
2014	15,373	1.39
2015	16,349	1.39
2016	17,555	1.40
2017	19,518	1.42
2018	21,302	1.47
2019	22,382	1.48
2020	22,648	1.60
2021	24,688	1.59
2022	29,381	1.64

FIGURE 9.1b: OOP Share of Private Sector Health Expenditure, 2011-2022 (Percent, %)

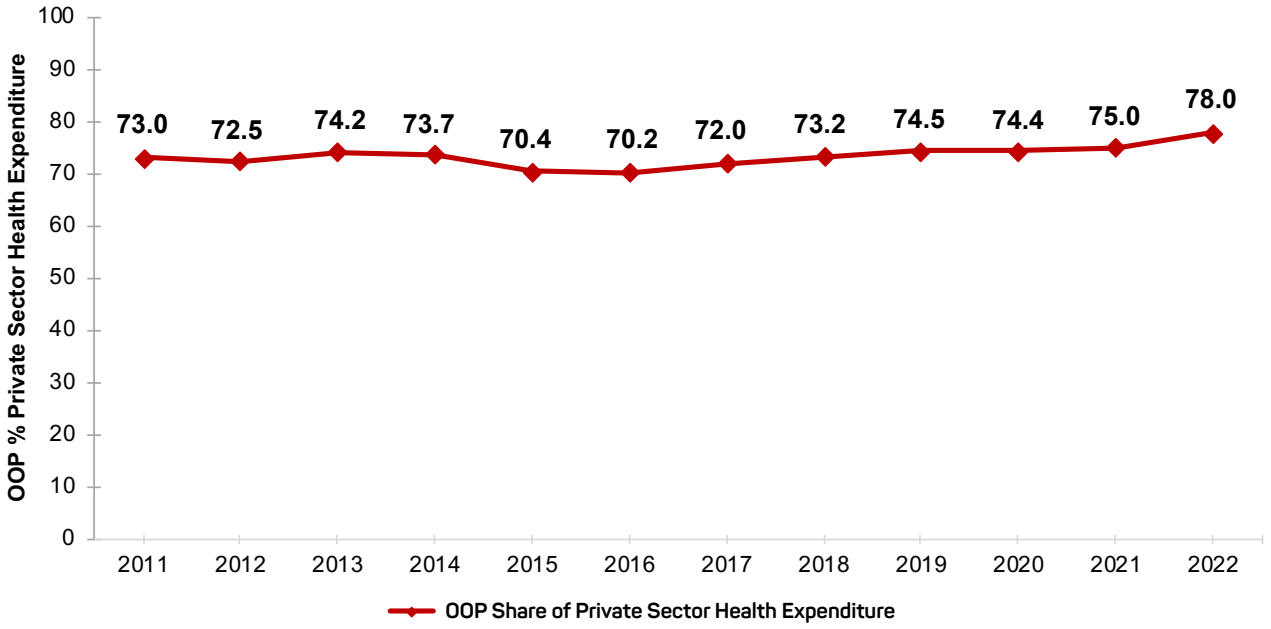
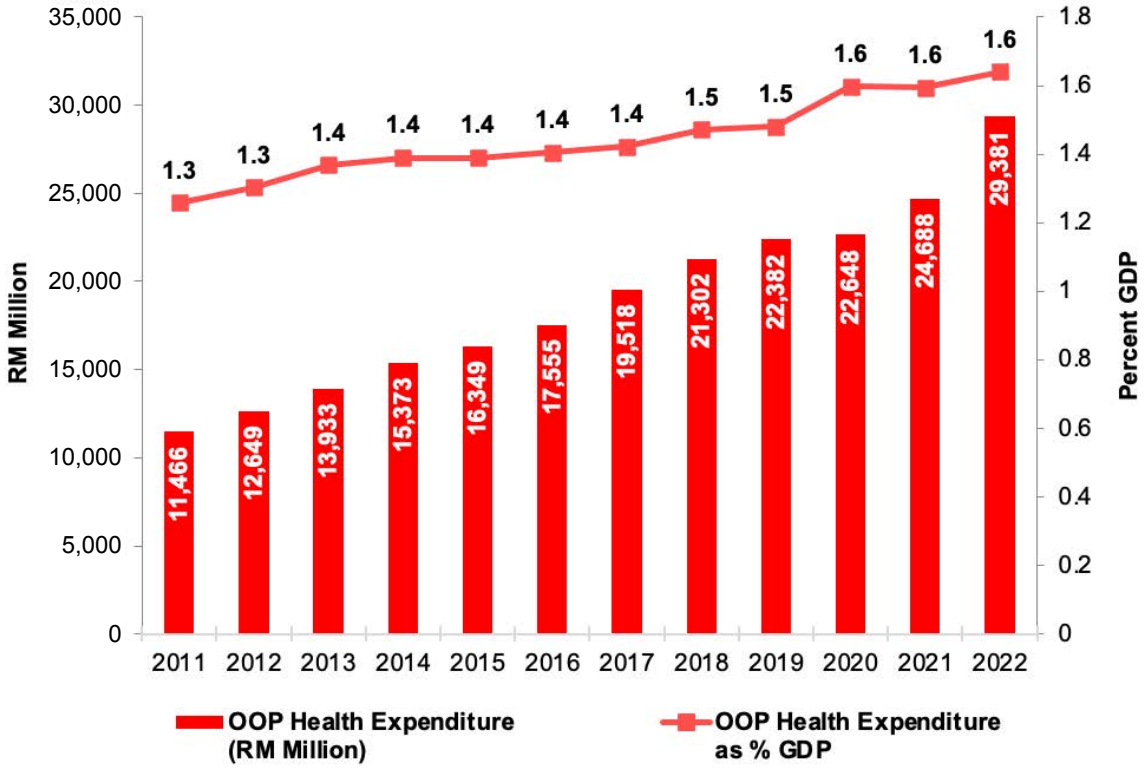


FIGURE 9.1c: OOP Health Expenditure and as GDP percentage, 2011-2022 (RM Million, Percent %)



9.2 OUT-OF-POCKET HEALTH EXPENDITURE TO PROVIDERS OF HEALTH CARE

This section cross tabulates OOP health expenditure with providers of health care. Health providers are defined as entities that produce and provide health care goods and services, which benefit individuals or population groups. These providers could be either public or private providers of health care. The government heavily subsidizes the majority of public sector healthcare services for patients in this country, even if the government outsources any of the services to private providers of health care. However, under the provision of public sector services, there are some components of health care services and several products like prostheses, which are purchased by patients from private providers of health care. When patients seek private sector services, they are often at liberty to purchase these services or products separately. The private providers of health care include several categories of standalone private facilities such as private hospitals, private medical clinics, providers of medical appliances, TCM providers, private dental clinics, community pharmacies and private laboratories. OOP is the mode of payment for services either in the public or private sector. Furthermore, the final amount reported under OOP health expenditure includes expenditure reported by this mode for health education and training.

Throughout the 2011-2022 time series, OOP health expenditure to providers of health care generally shows an increasing pattern (Table 9.2a and Figure 9.2a). In 2022, of the total RM28,232 million of OOP health expenditure to private providers of health care, private hospitals consumed the largest share at RM13,696 million (48.5%), followed by private medical clinics at RM5,995 million (21.2%), community pharmacies at RM4,599 million (16.3%), private dental clinics at RM1,416 million (5.0%), TCM providers at RM795 million (2.8%), retail sale and other suppliers of medical goods and appliances at RM498 million (1.8%), private medical and diagnostic laboratories at RM41 million (0.1%) and the balance, RM1,191 million (4.2%) comprised of other private providers of health care such as private institutions, private haemodialysis and other of ambulatory care services (Table 9.2b and Figure 9.2b).

The 2011-2022 time series data shows an average of 94.3% of OOP health expenditure occurred at private providers of health care, with an increasing expenditure pattern (RM value) at various private providers. The highest increase in absolute amount is seen at private hospitals, from RM5,359 million in 2011 to RM13,696 million in 2022, a difference of RM8,337 million. Similarly, there is an increase in spending at community pharmacies from RM1,407 million in 2011 to RM4,599 million in 2022. The OOP health expenditure at private medical clinics showed a fluctuating trend, with an expenditure of RM5,995 million in 2022. The time series data also shows a fluctuating pattern of OOP health expenditure at public providers with an average of 5.7% throughout the years (Table 9.2c and Table 9.2d).

TABLE 9.2a: OOP Health Expenditure to Public and Private Providers of Health Care, 2011 - 2022 (RM Million)

Provider name	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Providers	628	691	1,013	995	1,086	1,222	1,222	1,148	1,160	1,310	1,024	1,148
Private Providers	10,838	11,957	12,920	14,378	15,263	16,333	18,295	20,154	21,222	21,338	23,664	28,232
Total	**11,466**	**12,649**	**13,933**	**15,373**	**16,349**	**17,555**	**19,518**	**21,302**	**22,382**	**22,648**	**24,688**	**29,381**

FIGURE 9.2a: OOP Health Expenditure to Public and Private Providers of Health Care,2011-2022 (RM Million)

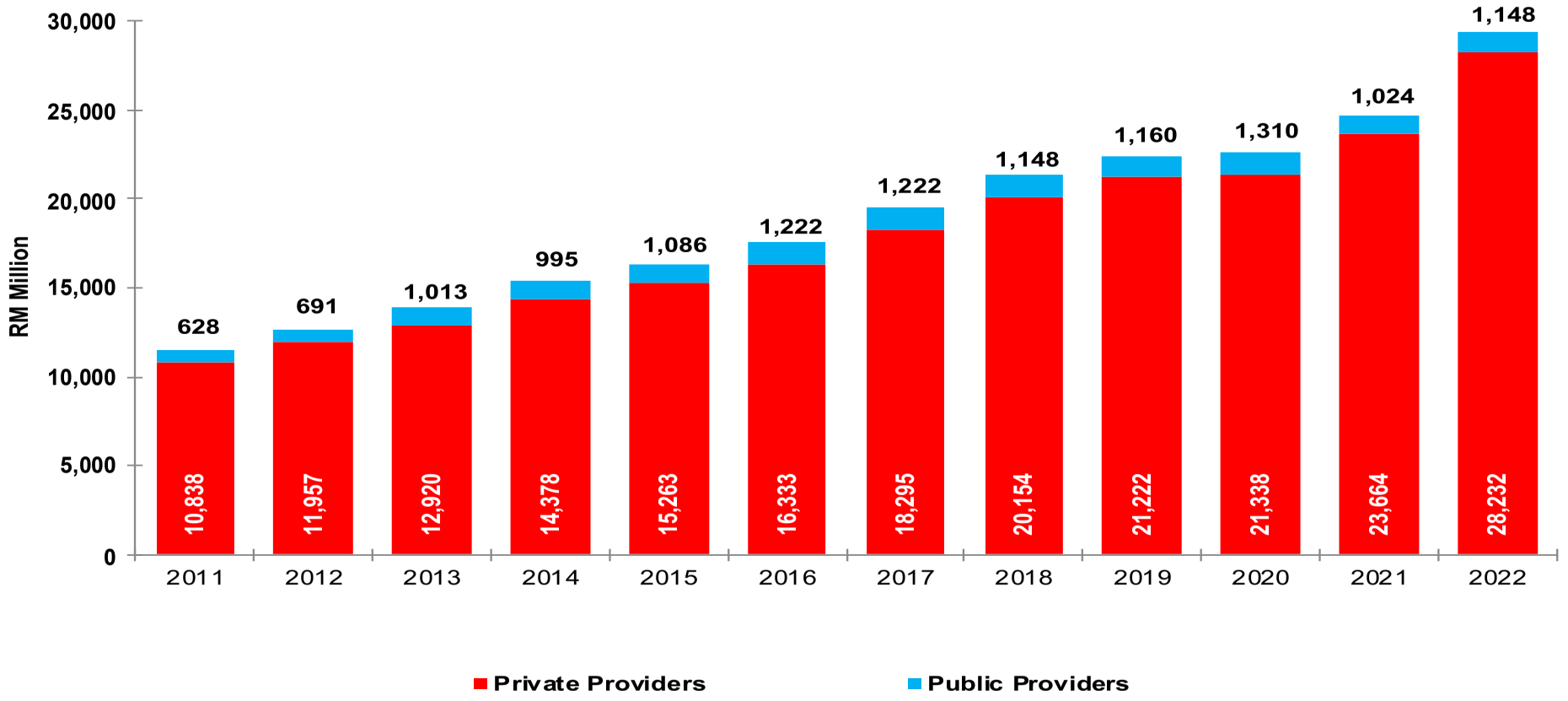


TABLE 9.2b: OOP Health Expenditure to Private Providers of Health Care, 2022 (RM Million, Percent %)		
Provider Name	RM (Million)	Percent
Private hospitals	13,696	48.51
Private medical clinics	5,995	21.23
Private pharmacies	4,599	16.29
Private dental clinics	1,416	5.02
All other private sector providers of health care	1,191	4.22
Traditional and Complementary Medicine (TCM) providers	795	2.82
Retail sale and other suppliers of medical goods and appliances	498	1.77
Private medical and diagnostic laboratories	41	0.15
Total	28,232	100.00

FIGURE 9.2b: OOP Health Expenditure to Private Providers of Health Care, 2022

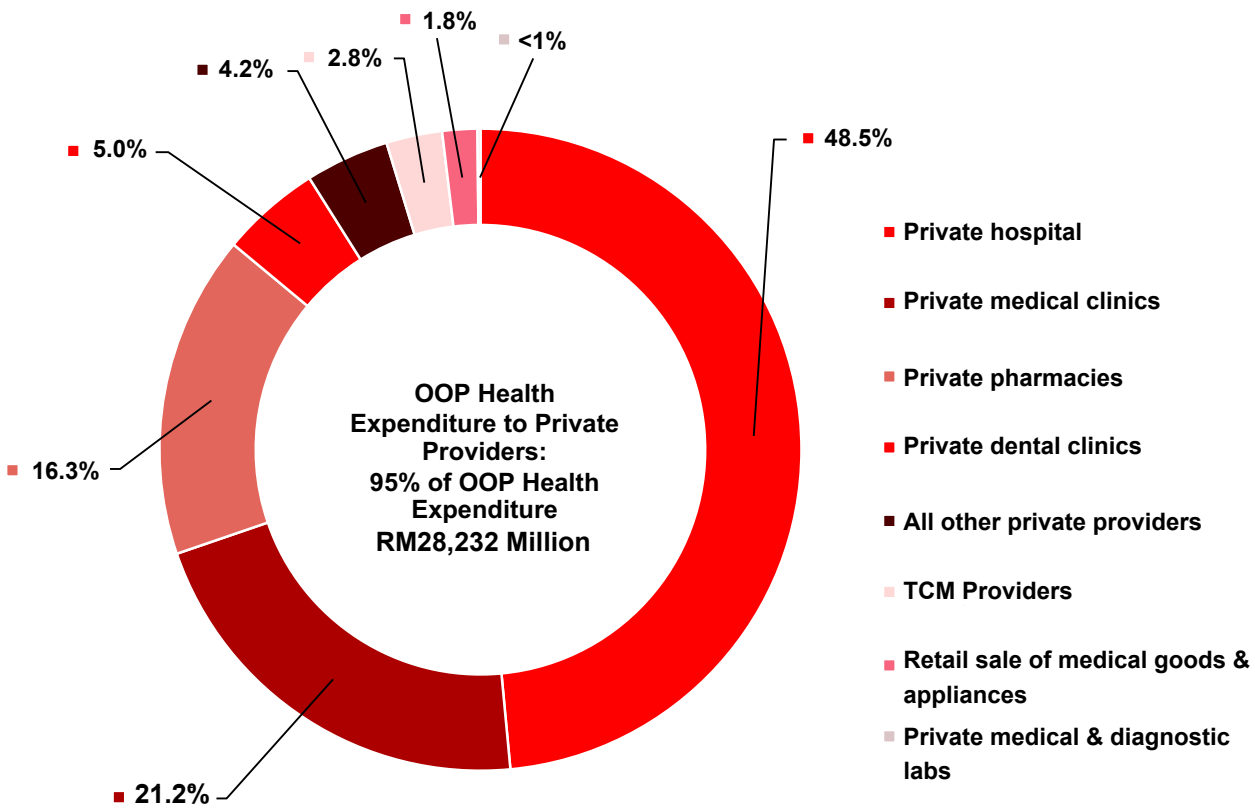


TABLE 9.2c: OOP Health Expenditure to Providers of Health Care, 2011-2022 (RM Million)												
Provider Name	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Private hospitals	5,359	5,613	5,736	6,034	6,801	7,411	8,512	9,216	10,093	10,265	11,436	13,696
Private medical clinics	2,272	2,654	3,055	3,767	3,237	3,308	3,804	4,011	4,487	4,474	4,782	5,995
Private pharmacies	1,407	1,580	1,842	2,360	2,625	2,749	2,922	3,734	3,292	3,392	3,955	4,599
Private dental clinics	509	560	592	646	851	914	1,017	1,086	1,152	1,096	1,207	1,416
Traditional and Complementary Medicine (TCM) providers	394	412	424	452	534	624	658	667	667	627	686	795
Retail sale and other suppliers of medical goods and appliances	321	326	325	334	424	523	562	578	588	552	602	697
Private medical and diagnostic laboratories	43	59	78	108	72	33	35	35	35	33	36	41
All other private sector providers of health care	534	754	869	678	719	772	786	829	907	900	960	993
Sub-Total (Private Providers)	**10,838**	**11,957**	**12,920**	**14,378**	**15,263**	**16,333**	**18,295**	**20,154**	**21,222**	**21,338**	**23,664**	**28,232**
Public hospitals	259	253	334	309	358	445	440	431	460	514	473	520
Public medical clinics	45	50	44	48	47	47	43	43	45	69	39	37
Public institutions providing health-related services	324	388	634	638	669	716	724	657	635	713	493	574
Public dental clinics	na	na	na	na	13	14	16	17	20	11	15	18
Provision and administration of public health programmes (MOH)	na	na	na	na	na	na	na	na	na	4	4	na
Sub-Total (Public Providers)	**628**	**691**	**1,013**	**995**	**1,086**	**1,222**	**1,222**	**1,148**	**1,160**	**1,310**	**1,024**	**1,148**
Total	**11,466**	**12,649**	**13,933**	**15,373**	**16,349**	**17,555**	**19,518**	**21,302**	**22,382**	**22,648**	**24,688**	**29,381**

TABLE 9.2d: OOP Health Expenditure to Providers of Health Care, 2011-2022 (Percent, %)												
Provider Name	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Private hospitals	46.74	44.38	41.17	39.25	41.60	42.22	43.61	43.26	45.10	45.32	46.32	46.62
Private medical clinics	19.82	20.98	21.93	24.50	19.80	18.84	19.49	18.83	20.05	19.76	19.37	20.40
Private pharmacies	12.27	12.49	13.22	15.35	16.06	15.66	14.97	17.53	14.71	14.98	16.02	15.65
Private dental clinics	4.44	4.43	4.25	4.20	5.20	5.20	5.21	5.10	5.15	4.84	4.89	4.82
Traditional and Complementary Medicine (TCM) providers	3.43	3.25	3.04	2.94	3.27	3.55	3.37	3.13	2.98	2.77	2.78	2.71
Retail sale and other suppliers of medical goods and appliances	2.80	2.57	2.34	2.17	2.59	2.98	2.88	2.71	2.63	2.44	2.44	2.37
Private medical and diagnostic laboratories	0.38	0.47	0.56	0.70	0.44	0.19	0.18	0.16	0.16	0.14	0.14	0.14
All other private sector providers of health care	4.65	5.96	6.23	4.41	4.40	4.40	4.03	3.89	4.05	3.97	3.89	3.38
Sub-Total (Private Providers)	**94.52**	**94.53**	**92.73**	**93.53**	**93.36**	**93.04**	**93.74**	**94.61**	**94.82**	**94.22**	**95.85**	**96.09**
Public hospitals	2.26	2.00	2.40	2.01	2.19	2.53	2.25	2.02	2.05	2.27	1.92	1.77
Public medical clinics	0.40	0.40	0.32	0.31	0.29	0.27	0.22	0.20	0.20	0.30	0.16	0.12
Public institutions providing health-related services	2.83	3.07	4.55	4.15	4.09	4.08	3.71	3.09	2.84	3.15	2.00	1.95
Public dental clinics	na	na	na	na	0.08	0.08	0.08	0.08	0.09	0.05	0.06	0.06
Provision and administration of public health programmes (MOH)	na	na	na	na	na	na	na	na	na	0.02	0.01	na
Sub-Total (Public Providers)	**5.48**	**5.47**	**7.27**	**6.47**	**6.64**	**6.96**	**6.26**	**5.39**	**5.18**	**5.78**	**4.15**	**3.91**
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

9.3 OUT-OF-POCKET HEALTH EXPENDITURE FOR FUNCTIONS OF HEALTH CARE

The data under this section responds to the question on the type of health care services and products that are purchased with the OOP spending. This includes expenditures for core functions of health care such as services of curative care, ancillary services, medical goods and appliances and others, as well as health-related functions such as capital asset purchases, education and training, research and development and others.

In 2022 the largest proportion of OOP health expenditure was RM12,364 million (42.1% of OOP Health expenditure) for out-patient care services. This includes out-patient care services provided both in standalone medical clinics and hospital facilities. In the same year, in-patient care services were at RM7,158 million (24.4% of OOP health expenditure). This includes spending at public and private hospitals, with a greater proportion at private hospitals. The OOP health spending for pharmaceuticals, including over-the-counter and prescription drugs, was RM4,599 million (15.7% of OOP health expenditure), health education and training was RM1,498 million (5.1%), medical appliances and non-durable goods was RM985 million (3.4% of OOP health expenditure), day-care services at RM737 million (2.5% of OOP health expenditure), TCM was RM601 million (2.0% of OOP health expenditure), and the remaining RM1,439 million (4.9% of OOP health expenditure) was for other functions (Table 9.3a, Table 9.3b and Figure 9.3a).

Although the 2011-2022 time series data shows a general increase in OOP health spending for various functions, the proportions showed some variations. Over these 12 years, the OOP health spending for out-patient services increased from RM5,145 million in 2011 to RM12,364 million in 2022. There is also a rise in spending on in-patient services from RM2,786 million in 2011 to RM7,158 million in 2022, with the proportion of this function fluctuating from 19.9% to 24.4% over the same period (Table 9.3b). There is a 3-fold increase in OOP health spending for pharmaceuticals from RM1,407 million in 2011 to RM4,599 million in 2022 and health education and training from RM789 million in 2011 to RM1,498 million in 2022 and almost a 2-fold increase in OOP health expenditure (Table 9.3a and Table 9.3b).

TABLE 9.3a: OOP Health Expenditure for Functions of Health Care, 2011-2022 (RM Million)												
Function Name	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Out-patient services	5,145	5,709	6,206	7,067	6,922	7,171	8,137	8,621	9,406	9,269	10,177	12,364
In-patient services	2,786	2,831	2,976	3,056	3,454	3,866	4,458	4,484	4,897	5,181	5,846	7,158
Pharmaceuticals	1,407	1,580	1,842	2,360	2,625	2,749	2,922	3,734	3,292	3,392	3,955	4,599
Health education and training	789	1,066	1,424	1,244	1,325	1,427	1,452	1,451	1,491	1,558	1,368	1,498
Medical appliances and non-durable goods	384	394	398	413	599	712	771	801	824	776	849	985
Day-care services	328	338	374	409	471	495	593	641	557	518	591	737
Traditional and Complementary Medicine (TCM)	298	310	317	335	407	489	513	513	507	476	519	601
All other functions	329	421	396	489	545	647	672	1,057	1,407	1,479	1,383	1,439
Total	**11,466**	**12,649**	**13,933**	**15,373**	**16,349**	**17,555**	**19,518**	**21,302**	**22,382**	**22,648**	**24,688**	**29,381**

TABLE 9.3b: OOP Health Expenditure for Functions of Health Care, 2011-2022 (Percent, %)												
Function Name	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Out-patient services	44.87	45.13	44.54	45.97	42.34	40.85	41.69	40.47	42.03	40.93	41.22	42.08
In-patient services	24.29	22.38	21.36	19.88	21.13	22.02	22.84	21.05	21.88	22.88	23.68	24.36
Pharmaceuticals	12.27	12.49	13.22	15.35	16.06	15.66	14.97	17.53	14.71	14.98	16.02	15.65
Health education and training	6.89	8.43	10.22	8.09	8.10	8.13	7.44	6.81	6.66	6.88	5.54	5.10
Medical appliances and non-durable goods	3.35	3.12	2.86	2.69	3.67	4.05	3.95	3.76	3.68	3.43	3.44	3.35
Day-care services	2.86	2.68	2.69	2.66	2.88	2.82	3.04	3.01	2.49	2.29	2.39	2.51
Traditional and Complementary Medicine (TCM)	2.60	2.45	2.27	2.18	2.49	2.79	2.63	2.41	2.26	2.10	2.10	2.04
All other functions	2.87	3.33	2.84	3.18	3.34	3.68	3.44	4.96	6.29	6.53	5.60	4.90
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

FIGURE 9.3a: OOP Health Expenditure for Functions of Health Care, 2022

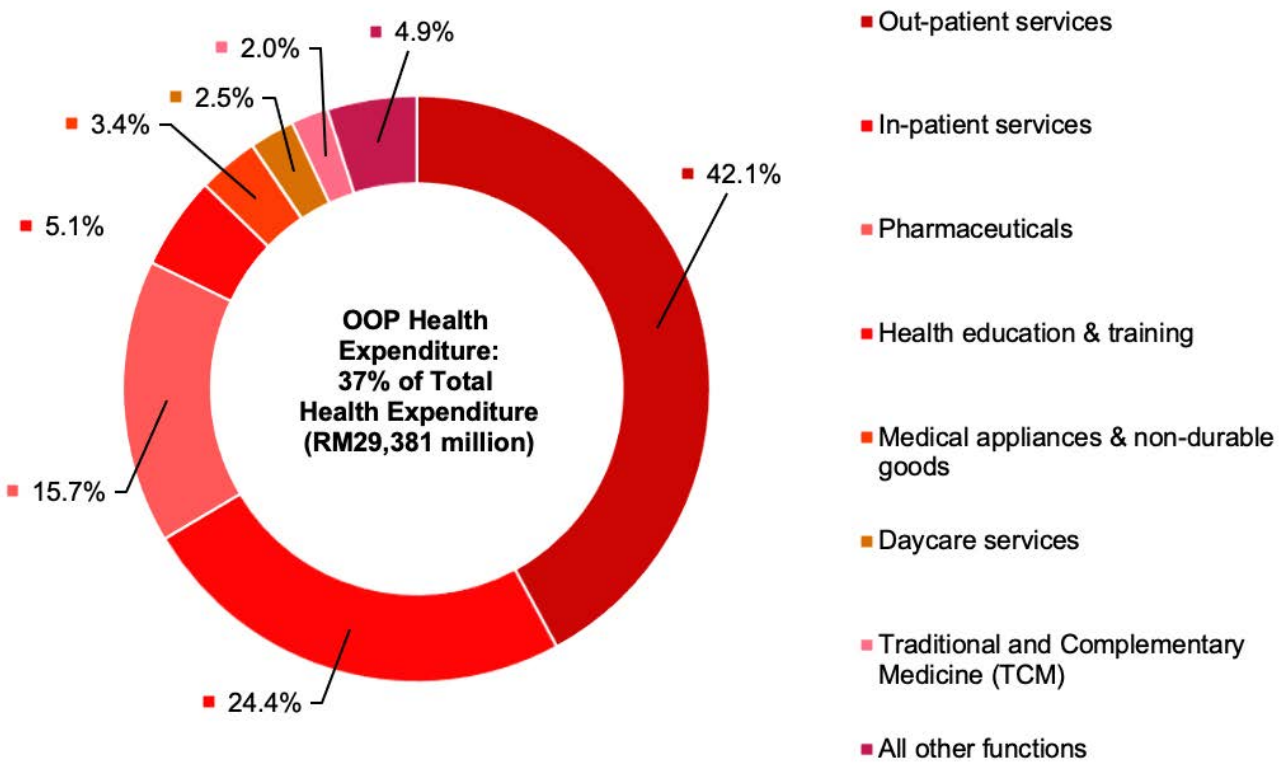
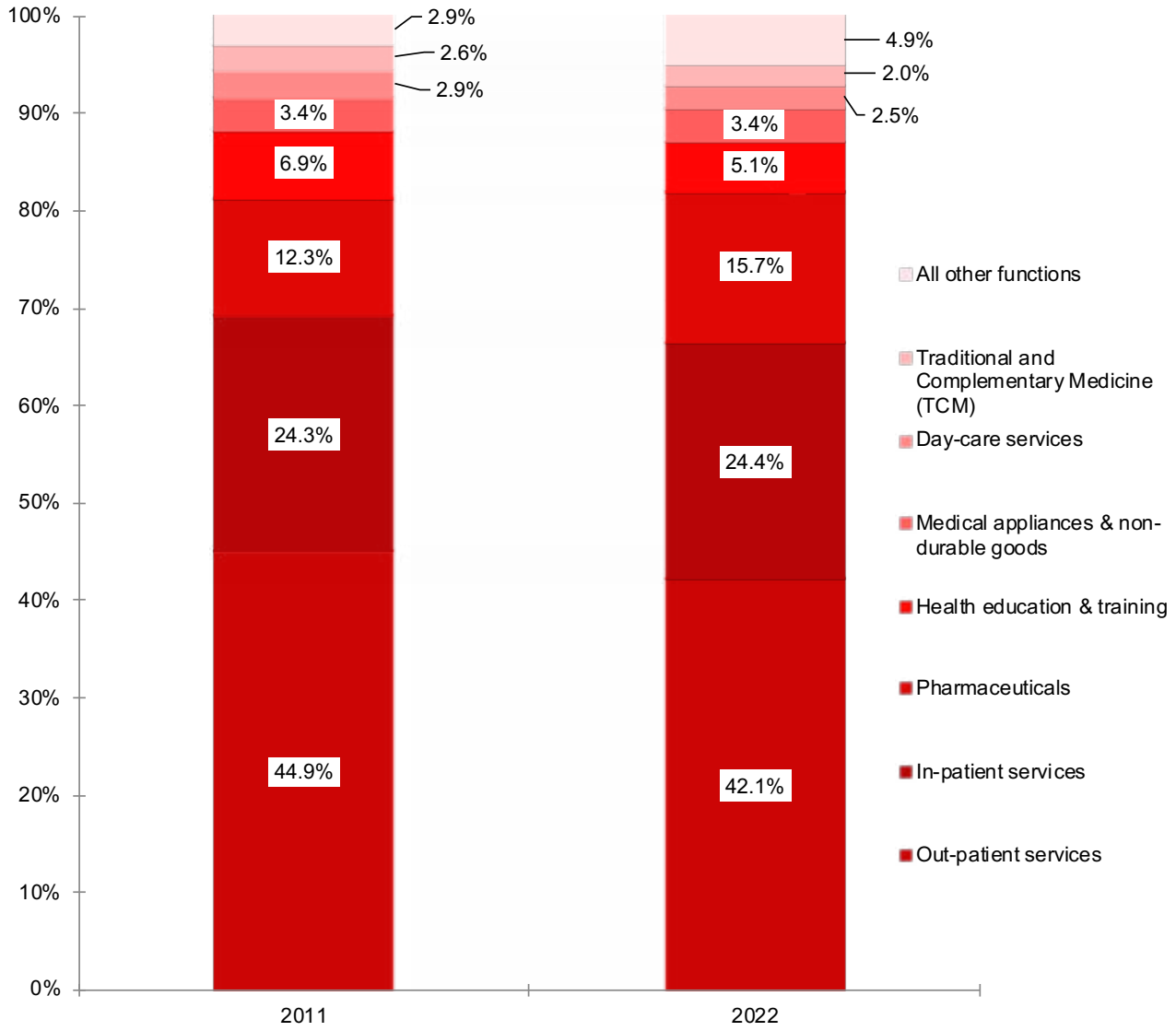


FIGURE 9.3b: OOP Health Expenditure for Functional Proportion, 2011 & 2022



CHAPTER 10

PRIMARY HEALTH CARE (PHC) EXPENDITURE

10.1 CONCEPTUALIZATION OF PRIMARY HEALTH CARE

The concept of Primary Health Care (PHC) has evolved over the years since its original definition in the 1978 Declaration of Alma-Ata. Different interpretations of PHC exist, ranging from basic health care services to priority interventions for underserved populations. However, these interpretations often oversimplify the comprehensive approach outlined in the Alma-Ata Declaration, risking the loss of the benefits of a holistic PHC strategy.

A comprehensive approach to health encompasses the whole government and whole of society approach, intending to achieve the highest level of health and well-being for all individuals and ensure equal access to healthcare services. The concept of PHC consists of three key components:

- **Integrated health services**

  This includes providing comprehensive care that addresses people's health needs throughout their lives, focusing on promotion, protection, prevention, treatment, and palliative care. Additionally, it involves strategically prioritizing essential healthcare services for individuals, families, and the population.

- **Multisectoral policy and action**

  It involves addressing the broader determinants of health. This includes considering social, economic, and environmental factors, as well as individual characteristics and behaviours. Evidence-based policies and actions are implemented across all sectors to improve health outcomes.

- **Empowerment of individuals and communities**

  Recognizing their active role in promoting and maintaining their health is crucial. This involves providing individuals and communities with the knowledge, resources, and support necessary to make informed decisions about their health and actively participate in healthcare processes.

10.2 VARIOUS INTERNATIONAL PRIMARY HEALTH CARE GUIDELINES

PHC is widely acknowledged as the cornerstone of any health system and is considered the most efficient, effective, and fair method of delivering essential health services to the majority of the population at the lowest possible cost. The recent updates from WHO, the Organisation for Economic Co-operation and Development (OECD), and The Lancet Global Health Commission have led to the development of various guidelines regarding the boundaries of PHC.

- The **OECD** defines PHC expenditure as the spending on basic healthcare services derived from the healthcare function classification. This includes general outpatient curative

care, outpatient dental care, home-based curative care, and preventive care. An extended option also includes spending on pharmaceuticals. The expenditure is limited to services provided by ambulatory care providers.

- On the other hand, the **WHO**'s definition of PHC also uses the health care function classification but includes additional components. These components are curative outpatient care not elsewhere classified, outpatient and home-based long-term health care, 80% of medical goods provided outside health care services, and 80% of health system administration and governance expenditure. The inclusion of hospital-based general outpatient care, pharmaceuticals, and administrative costs makes the WHO definition broader than the OECD's definition.

- The **Lancet Global Health Commission** uses the WHO's definition of PHC expenditure but excludes administration and governance expenditures. This decision was made to provide a more focused analysis.

TABLE 10.1 displays a summary of the different boundaries mentioned, compared to the old PHC boundaries of Malaysia.

Globally, determining whether the amount spent on PHC Expenditure in a particular country is sufficient remains a challenge. Ultimately, the significance of expenditure lies in understanding how it is financed, the structure of the health system, fiscal conditions, and other relevant factors. It is crucial to recognize that monitoring PHC spending is not an end goal in itself, and the aim should not be solely to increase spending by a certain percentage.

10.3 MALAYSIA'S NEW BOUNDARIES OF PRIMARY HEALTH CARE

The definition and scope of primary healthcare (PHC) may vary depending on the specific policy requirements of each country. In the past, a set of criteria was established in 2018 to define the boundaries of primary healthcare (PHC). However, as time goes on, it becomes necessary to adjust the country's PHC boundaries to a new set that better reflects the current situation.

TABLE 10.1: Comparison of PHC boundaries (Global)

Description	OLD MOH	OECD	WHO	LANCET
Provider Perspective	YES	YES	NO	NO
Medical Goods	NO	YES, partial Extended Classification	YES (80%)	YES (80%)
Governance, Health System, and Financing Administration	NO	NO	YES (80%)	NO
Prevention and Public Health Service	YES	Partial	YES	YES
Long-term Care	NO	NO	YES	YES
Private Hospitals (General Outpatient)	NO	YES	YES	YES
Home-based Curative Care	YES	YES	YES	YES
General Outpatient Curative Care	Partial	YES	YES	YES

Key stakeholders in Malaysia conducted extensive discussions and consultations to establish a framework for mapping the cross-tabulation of MNHA's healthcare provider and function codes within the MNHA framework, following international recommendations. This cross-tabulation was aimed at enhancing the precision of primary healthcare spending. The main objective was to accurately represent PHC in alignment with a diverse set of agreed-upon guidelines. Discussions involved various organisations, including the Family Health Development Division (BPKK), the Public Health Development Division (BPKA), the Pharmaceutical Services Divisions, and the MNHA team of the Planning Division.

The boundaries of PHC extends beyond providing essential services to individuals, encompassing broader health determinants such as community-based disease prevention efforts as well as expenditures related to health promotion and prevention activities. Following continuous deliberations, an agreement was reached regarding the final boundaries of the National PHC, which are comprehensively outlined in Table 10.2. These conclusive arrangements underwent review by the Technical Advisory Committee and Steering Committee before receiving official endorsement.

TABLE 10.2: Primary Health care (PHC) Boundaries (Malaysia)

NEW		OLD	
Provider	**Function**	**Provider**	**Function**
MOH Hospitals without Specialist	Basic medical and diagnostic services	MOH Hospitals without Specialist	Basic medical and diagnostic services
Hospitals (Public non-MOH)	Basic medical and diagnostic services	Hospitals (Public non-MOH)	Basic medical and diagnostic services
Hospitals (Private)	Basic medical and diagnostic services		
Medical practitioner clinics	Basic medical and diagnostic services	Medical practitioner clinics	Basic medical and diagnostic services
	Services of curative home care		Services of curative home care
All Providers	Dental outpatient curative care	All Providers	Dental outpatient curative care
	Prevention and public health services (partial)		Prevention and public health services (all)
	Outpatient long-term health care		
	Outpatient home-based long-term care		
	Pharmaceuticals and other medical non-durables (80%)		

References:

1. Organisation for Economic Co-operation and Development. 2019. Deriving Preliminary Estimates of Primary Care Spending Under the SHA 2011 Framework.
2. World Health Organization. 2021. Measuring Primary Health Care Expenditure Under SHA 2011 Technical Note.
3. Hanson K. et al. 2022. The Lancet Global Health Commission on Financing Primary Health Care: Putting People at The Centre.

10.4 PRIMARY HEALTH CARE EXPENDITURE

In 2022, the expenditure on primary health care (PHC) amounted to RM23,990 million, constituting 30.4% of the total health expenditure (TEH) (Figure 10.1). From this total PHC expenditure, public sources contributed 36.2%, while private sources accounted for 63.8% (Figure 10.2). The Ministry of Health (MOH) allocated RM8,020 million, representing 23.7% of its overall expenditure, towards PHC (Figure 10.3).

FIGURE 10.1: Primary Health Care Expenditure as Percentage of Total Expenditure on Health, 2022

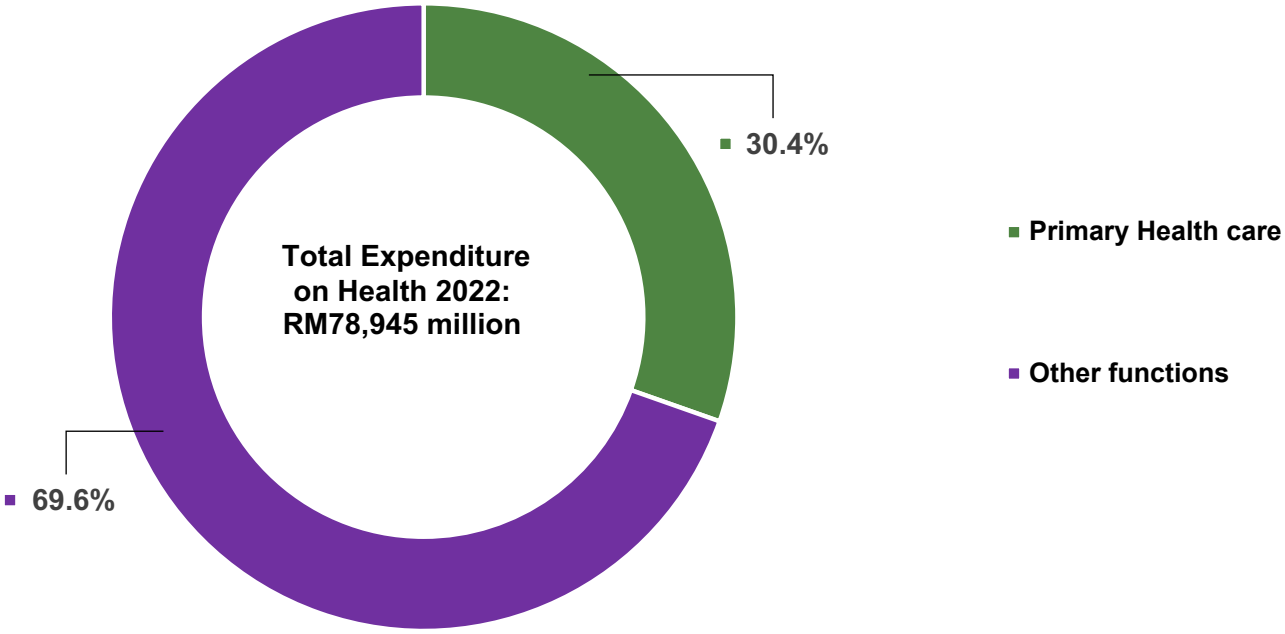


FIGURE 10.2: Primary Health Care Expenditure by Sources of Financing, 2022

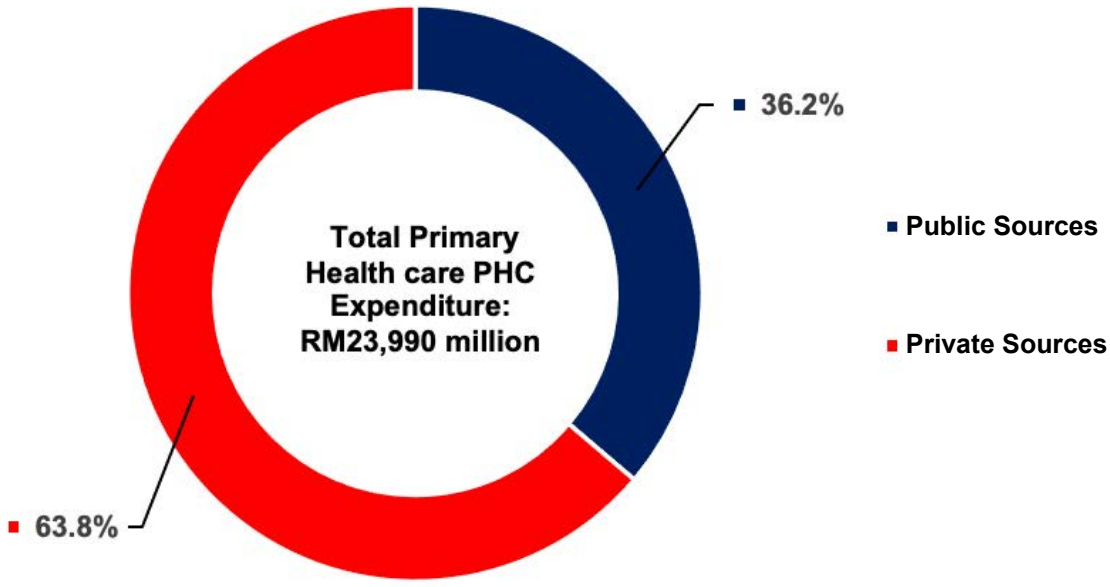
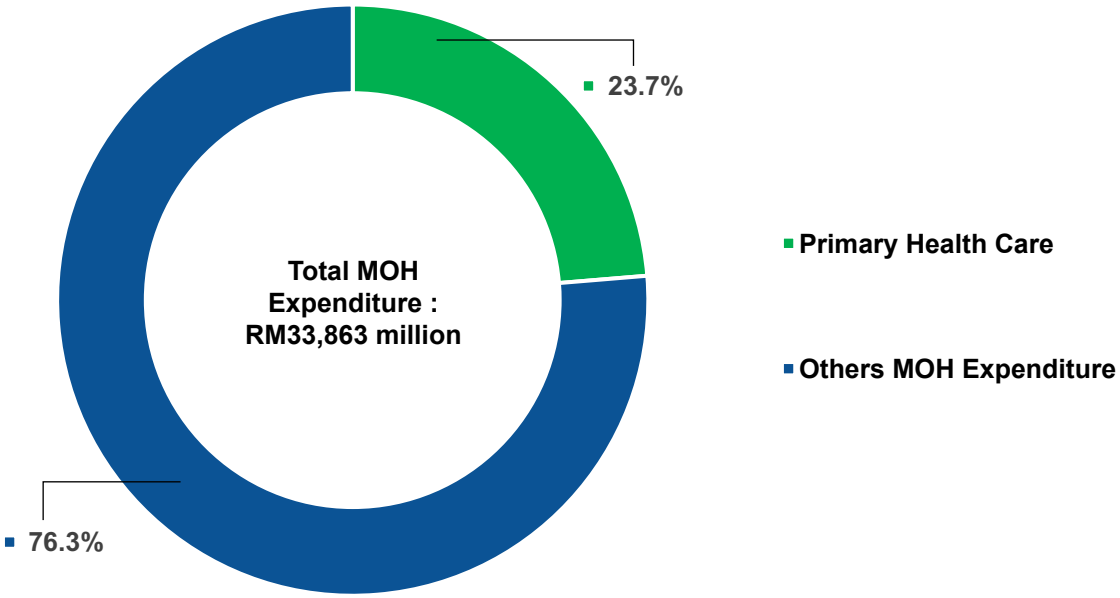


FIGURE 10.3: Primary Health Care Expenditure as Percentage of MOH Expenditure, 2022



CHAPTER 11

INTERNATIONAL NHA DATA

Global Health Expenditure Database (GHED) is the largest database that provides a global reference for health expenditure data for 190 World Health Organization (WHO) member countries. On an annual basis, every member country submits their two years lag (t-2) national health expenditure data according to WHO request formats. WHO carries out its own country-level analysis and estimations in case of gaps in data based on the System of Health Accounts (SHA) framework. Available submitted country-specific NHA data and country-specific macro-level data from various sources, including the United Nations (UN), World Bank (WB), and International Monetary Fund (IMF) form the basis of WHO's NHA analysis.

The outputs of WHO analysis are then uploaded onto the GHED as the international health expenditure data of the member countries. These WHO estimations for member countries allow standardisation in NHA reporting and ensure better cross-country comparability. This is freely accessible via the related website. However, it is important to recognise that every member country, like Malaysia, may produce their own NHA reporting based on local needs. As such, the MNHA Framework with slightly different boundaries of definitions is more relevant in the Malaysian context, especially for policymakers, health planners, researchers and other interested parties.

SHA is an internationally accepted methodology for analysing financial flow in the health systems of various countries. It was first published in 2000 by the Organisation for Economic Cooperation and Development (OECD) and later adopted by the WHO to inform health policy and measure health system performance. The first version of the SHA is referred to as SHA 1.0. In keeping with structural changes and further development of the health care industry during the subsequent decade, related international organisations of OECD, Eurostat, and WHO produced an updated version of the SHA, which is referred to as SHA 2011.

GHED, in WHO website, accommodates NHA data reporting based on the latest SHA 2011 framework since December 2017. It was decided that for countries which have yet to migrate to this new format of NHA reporting, WHO would carry out their own analysis based on whatever available data, either in SHA 1.0 or SHA 2011 formats. Table 11.1 shows available data in the GHED under various headers, which have further disaggregated data as listed in Appendix Table A3.1 and A3.2.

A total of eight developing and developed countries with potential policy relevance to Malaysia are selected from the WHO GHED database for country comparison. Comparisons were made based on 2021 as the latest available year when this report was produced. The countries included were the United States of America, United Kingdom, Australia, Republic of Korea, Singapore, Türkiye, Thailand and Indonesia.

As mentioned in Section 2.3, CHE instead of TEH was used by WHO for international comparison. In 2021, based on the WHO GHED, the CHE of

Malaysia was 4.4% of GDP compared to 4.1% in 2020, which was lower than other countries such as Türkiye, Thailand, Singapore, Republic of Korea, Australia, United Kingdom and United States of America but higher than our neighbouring country Indonesia (Figure 11.1).

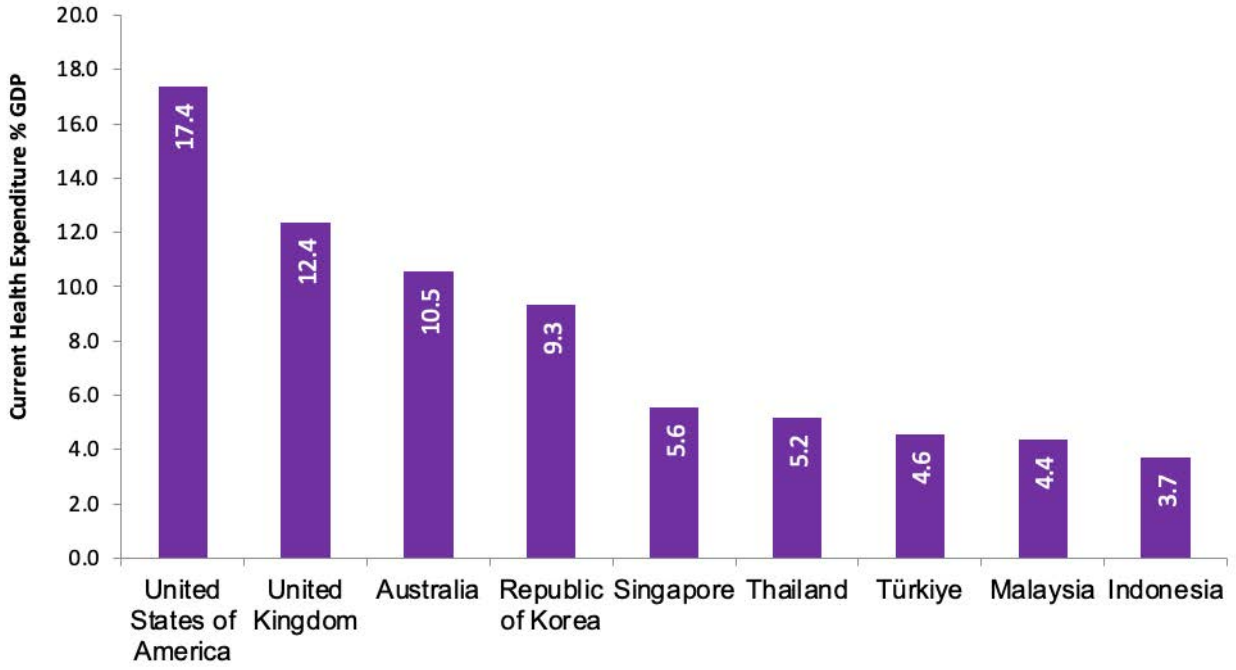
Even though SHA 2011 does not use the terms "public" or "private" sources of financing, the GHED maintains this terminology under the list of indicators under "domestic general government" and "domestic private" health expenditure (Appendix Table A3.1). Most developed countries have higher domestic government health expenditures than domestic private health expenditures (Figure 11.2). In terms of OOP health financing scheme, Malaysia is listed on first highest rank with 32.1% of CHE compare to other countries (Figure 11.3).

TABLE 11.1: Available Data in GHED under Various Headers

	Main Header		Sub-Header
1	Indicators	1.1	Aggregates
		1.2	Financing Sources
		1.3	Financing Schemes
		1.4	Primary Health Care
		1.5	Diseases and Conditions
		1.6	COVID-19
		1.7	Macro
2	Health Expenditure Data	2.1	Revenues
		2.2	Financing Schemes
		2.3	Health Care Functions
		2.4	Diseases and Conditions
		2.5	COVID-19 Spending Memorandum Items
		2.6	Age
		2.7	Health Care Providers
		2.8	Capital Expenditure
3	Macro Data	3.1	Consumption
		3.2	Exchanges Rates
		3.3	Price Index
		3.4	Population

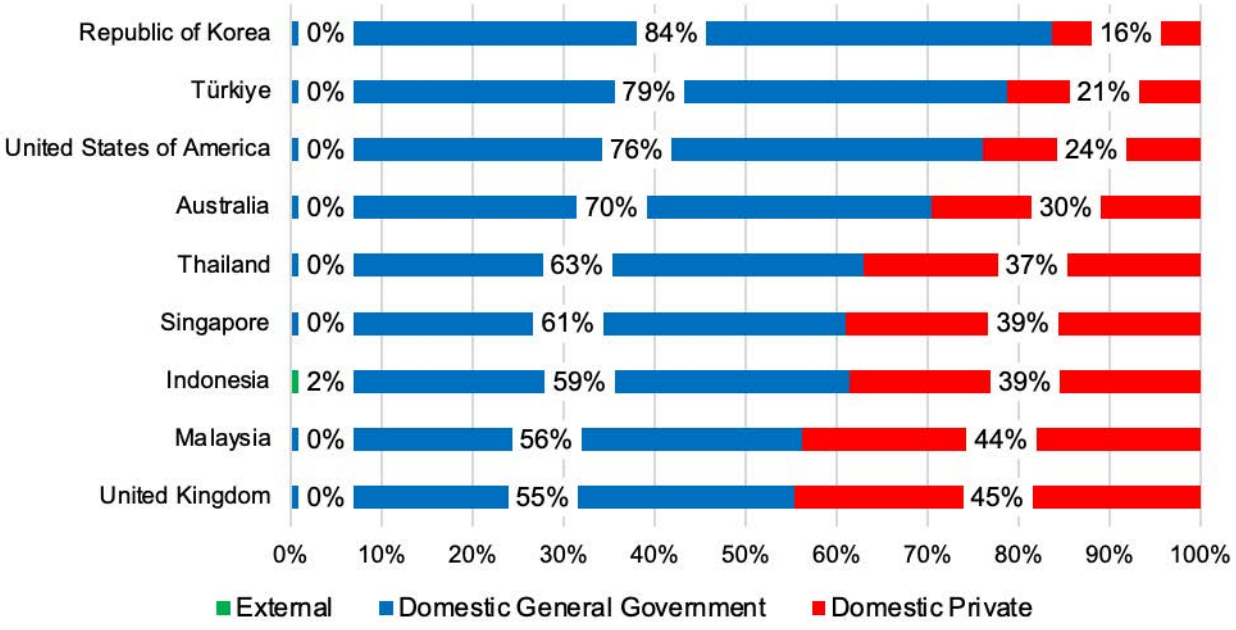
Source: Global Health Expenditure Database (GHED) WHO NHA on 5th February 2024

FIGURE 11.1: International Comparison of Current Health Expenditure as Percent GDP, 2021



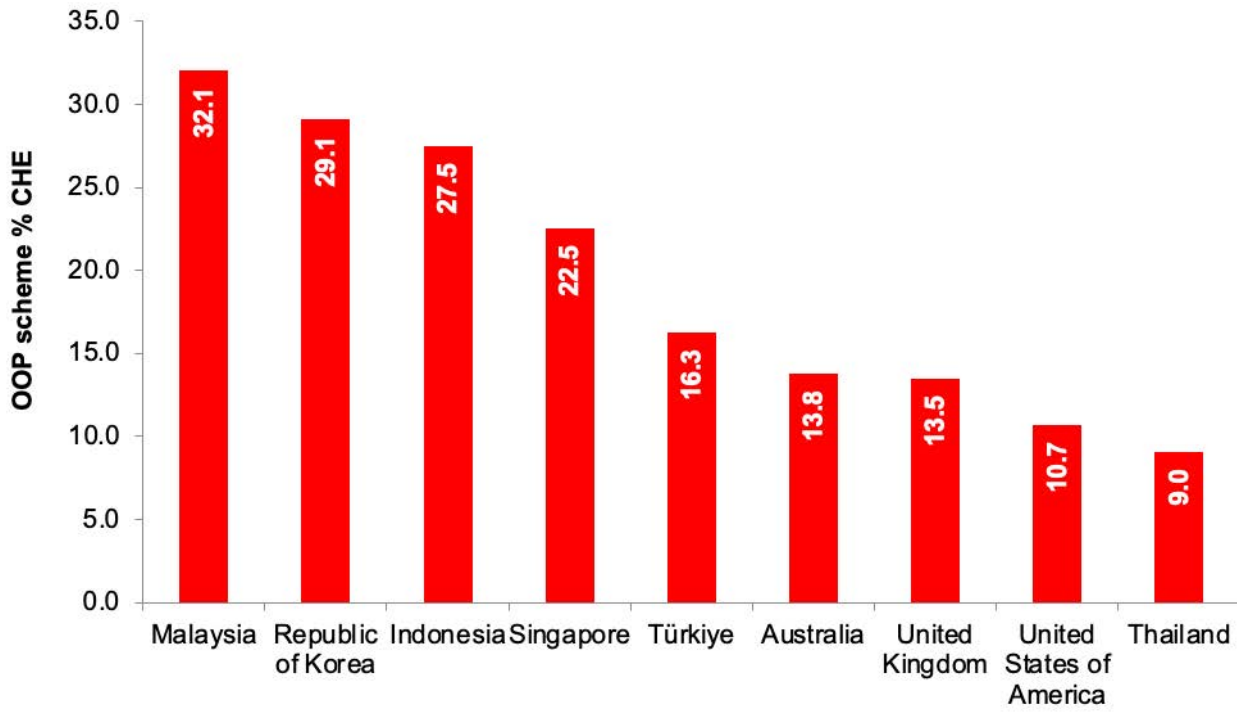
Source: Global Health Expenditure Database (GHED) WHO NHA on 5th February 2024

FIGURE 11.2: International Comparison of Domestic Government and Private Health Expenditure, 2021



Source: Global Health Expenditure Database (GHED) WHO NHA on 5th February 2024

FIGURE 11.3: International Comparison of Out-of-pocket Health Financing Scheme as Percent of Current Health Expenditure, 2021



Source: Global Health Expenditure Database (GHED) WHO NHA on 5th February 2024

APPENDIX TABLES

TABLE A1.1: Source of Data			
Data Sources for Public Sector Estimation			
PUBLIC SECTOR			
	Main Agencies	Specific Organisation	Source of Data
1	Ministry of Health (MOH)	Accountant-General's Department	MOH - AG DATA (expenditure)
			MOH - B11
			MOH - B12
		Ministry of Health (MOH)	MOH - KWC
			MOH - IT
			MOH - Donation Perolehan
			MOH - Donation JKN
2	Other Ministries	Ministry of Higher Education	MNHA Survey - MOHE
		Ministry of Defence	MNHA Survey - MOD
3	Other Federal Agencies	National Population and Family Development Board	MNHA Survey - LPPKN
		Department of Orang Asli Development	MNHA Survey - JAKOA
		Public Service Department-Pension	MNHA Survey - JPA
		Civil Defence Department	MNHA Survey - JPAM
		Prison Department of Malaysia	MNHA Survey - PENJARA
		Social Welfare Department	MNHA Survey - JKM
		Department Occupational Safety and Health	MNHA Survey - DOSH
		National Institute of Occupational Safety and Health Malaysia	MNHA Survey - NIOSH
		National Anti-Drug Agency	MNHA Survey - AADK
		Pilgrims Fund Board	MNHA Survey - LTH
		National Heart Institute	MNHA Survey - IJN
		Federal Statutory Bodies	MNHA Survey - BERKANUN (Fed)
		Public Water Supply Department (Federal)	MNHA Survey - JBA (OFA)
		National Sports Institute of Malaysia	MNHA Survey - ISN
		Employee Provident Fund - HQ	MNHA Survey - KWSP (0001)
		Employee Provident Fund - state	MNHA Survey - KWSP (0002)
		Social Security Organization - HQ	MNHA Survey - PERKESO (0001)
		Social Security Organization - state	MNHA Survey - PERKESO (0002)
		Ministry of Science Technology and Innovation	MNHA Survey - MOSTI
		Public Higher Education Institutions	MNHA Survey - TRAINING (OFA-Pu)
		Private Higher Education Institutions	MNHA Survey - TRAINING (OFA-Pr)
		Emergency Medical Rescue Services, Malaysia Fire and Rescue Department	MNHA Survey - EMRS
		National Disaster Management Agency (NADMA)	MNHA Survey - NADMA
		Majlis Keselamatan Negara (MKN)	MNHA Survey - MKN
4	State Agencies	State Government (General)	MNHA Survey - KN
		Public Water Supply Department (State)	MNHA Survey - JBA (state)
		State Statutory Body (SSB)	MNHA Survey - BERKANUN (state)
		Public Water Supply Department (State Statutory Body)	MNHA Survey - JBA (SSB)
		State Islamic Religious Council/Zakat Collection Centre	MNHA Survey - MAIN
5	Local Authorities	Local Authority - Health care Services	MNHA Survey - PBT (Perkhid)
		Local Authority - Staff	MNHA Survey - PBT (Ktgn)

TABLE A1.2: Source of Data			
Data Sources for Private Sector Estimation			
PRIVATE SECTOR			
	Main Agencies	Specific Organisation	Source of Data
1	Private Insurance	Central Bank of Malaysia	MNHA Survey - BNM
		Insurance Agencies	MNHA Survey - INSURAN
2	Managed Care Organization	MCO Agencies	MNHA Survey - MCO
3	Out of Pocket (Gross Spending)	MOH user charges	MOH - AG DATA (Revenue)
		IJN user charges	MNHA Survey - IJN
		MOE user charges	MNHA Survey - KPT
		Private Hospital (MNHA)	MNHA Survey - PRIVATE HOSPITAL
		Private Hospital (DOSM)	DOSM Survey - PRIVATE HOSPITAL
		Private Clinic (Medical), DOSM	DOSM Survey - PRIVATE MEDICAL CLINIC
		Private Clinic (Dental), DOSM	DOSM Survey - PRIVATE DENTAL CLINIC
		Private Haemodialysis Centre (MNHA)	MNHA Survey - PRIVATE HEMO (0001)
		Pharmacy Division, MOH	MNHA Survey - FARMASI (0001)
		IQVIA	MNHA Survey - FARMASI (0002)
		Medical supplies HIES, DOSM	DOSM Survey - HES DATA
		Medical durables/prostheses/equipments HIES, DOSM	DOSM Survey - HES DATA
		Ancillary services HIES, DOSM	DOSM Survey - HES DATA
		Private TCM HIES, DOSM	DOSM Survey - HES DATA
		Public Higher Education Institutions	MNHA Survey - TRAINING (OOP-Pu)
		Private Higher Education Institutions	MNHA Survey - TRAINING (OOP-Pr)
4	Out-of Pocket (Third Party Deductions)	Insurance Agencies	MNHA Survey - INSURAN
		Central Bank of Malaysia	MNHA Survey - BNM
		Private Corporations	MNHA Survey - PRIVATE CORPORATION
		Employees Provident Fund	MNHA Survey - KWSP
		Social Security Organization	MNHA Survey - PERKESO
		Federal Statutory Bodies	MNHA Survey - BERKANUN (Fed)
		State Statutory Body	MNHA Survey - BERKANUN (state)
		FOMEMA/UNITAB MEDIC - OOP data	MNHA Survey - UNITABMEDIC
		GROWARISAN - OOP data	MNHA Survey - GROWARISAN

PRIVATE SECTOR			
	Main Agencies	Specific Organisation	Source of Data
5	Non-Governmental Organization	Non-Governmental Organizations	MNHA Survey - NGO
6	Corporations	Limited and Private Limited Corporations	MNHA Survey - PRIVATE CORPORATION
		Labour Force Survey, DOSM	DOSM Survey - CORPS_DOS (0002)
		Industrial Survey, DOSM	DOSM Survey - CORPS_DOS (0001-non med)
		Private Hospital staff, DOSM	DOSM Survey - CORPS_DOS (0001-hosp)
		Private Clinic Medical, DOSM	DOSM Survey - CORPS_DOS (0001-clinic)
		Private Clinic Dental, DOSM	DOSM Survey - CORPS_DOS (0001-dental)
		Private Water Supply Department	MNHA Survey - JBA (corp)
		FOMEMA/UNITAB MEDIC	MNHA Survey - UNITABMEDIC
		GROWARISAN	MNHA Survey - GROWARISAN
		Public Higher Education Institutions	MNHA Survey - TRAINING (Corp-Pu)
		Private Higher Education Institutions	MNHA Survey - TRAINING (Corp-Pr)
		Information Technology Corporations	CORPS - IT
7	Rest of the world	International Organizations in Malaysia	MNHA Survey - Rest
8	Other National Surveys	DOSM-Population survey	General-DOS General_DOS (0001)
		DOSM-GDP & GDP Deflator	General-DOS General_DOS (0002)
		DOSM-Household Consumption	General-DOS General_DOS (0003)

TABLE A2.1: Classification of Total Expenditure on Health by Sources of Financing			
MNHA Code	**ICHA Code**	**Sources of Financing**	**Description**
MS1	HF.1	Public Sector	Refers to MS1.1 and MS1.2 classifications
MS1.1	HF.1.1	Public sector excluding social security funds	Refers to Federal Government, state government & local authorities
MS1.2	HF.1.2	Social security funds	SOCSO & EPF
MS2	HF.2	Private sector	Refers to MS2 classification
MS2.1	HF.2.1	Private social insurance	Currently does not exist in Malaysia
MS2.2	HF.2.2	Private insurance enterprises (other than social insurance)	Private health insurance
MS2.3	HF.2.2	Private MCOs and other similar entities	Registered MCO other than private health insurance
MS2.4	HF.2.3	Private household OOP expenditures	Individual OOP spending on health
MS2.5	HF.2.4	Non-profit institutions serving households	Health-related NGOs
MS2.6	HF.2.5	All corporations (other than health insurance)	Private employers
MS9	HF.3	Rest of the world	Rest of the world

TABLE A2.2: Classification of Total Expenditure on Health to Providers of Health Care			
MNHA Code	**ICHA Code**	**Providers of Health Care**	**Description**
MP1	HP.1	All hospitals	Public & private hospitals
MP2	HP.2	Nursing and residential care facilities	Nursing care facilities including psychiatric care facilities, residential facilities for mental health, etc.
MP3	HP.3	Providers of ambulatory healthcare	Establishments providing ambulatory health care services directly to non-hospital setting, e.g. medical practitioner clinics, dental clinics, etc.
MP4	HP.4	Retail sale and other providers of medical goods	Pharmacies & retail sale/suppliers of vision products, hearing aids, medical appliances
MP5	HP.5	Provision and administration of public health programmes	Providers of public health programmes including health prevention & promotion services (public & private)
MP6	HP.6	General health administration and insurance	Overall administration of health care (public & private) and health insurance administration. (note: for MOH it includes administration of HQ excluding public health programmes), state health dept., admin. cost for hospitals management
MP7	HP.7	Other industries (rest of the Malaysian economy)	Private occupational health care & home care, etc.
MP8	HP.7.9	Institutions providing health-related services	Health training institutions (public & private)
MP9	HP.9	Rest of the world	Non-resident providers providing health care for the final use of residents of Malaysia

TABLE A2.3: Classification of Total Expenditure on Health for Functions of Health Care			
MNHA Code	ICHA Code	Functions of Health Care	Description
MF1	HC.1	Services of curative care	Curative care provider at inpatient, outpatient, daycare & homecare services
MF2	HC.2	Services of rehabilitative care	Rehabilitative care provider at inpatient, outpatient, daycare & homecare services
MF3	HC.3	Services of long-term nursing care	Long term nursing care provider at inpatient, outpatient, daycare & homecare services
MF4	HC.4	Ancillary services to health care	Stand-alone laboratory, diagnostic imaging, transport & emergency rescue, etc.
MF5	HC.5	Medical goods dispensed to out-patients	Pharmaceuticals, appliances, western medicines, TCM, etc.
MF6	HC.6	Public health services, including health promotion and prevention	Health promotion, prevention, family planning, school health services, etc.
MF7	HC.7	Health program administration and health insurance	Administration at HQ, State health dept, local authorities, SOCSO, EPF, private insurance, etc.
MR1	HC.R.1	Capital formation of health care provider institutions	Gross capital formation of domestic health care provider institutions exclude retail sale and others providers goods
MR2	HC.R.2	Education and training of health personnel	Government & private provision of education and training of health personnel, including admin., etc.
MR3	HC.R.3	Research and development in health	Research and development in relation to health care
MR9	HC.R.6	All other health-related expenditures	Category to capture all other expenditures that not classified elsewhere in MNHA

TABLE A3.1: WHO Indicators and Data - Malaysian Health Expenditure from Global Health Expenditure Database (GHED)										
SHA 2011	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Current Health Expenditure (CHE) as % Gross Domestic Product (GDP)	3.3%	3.5%	3.5%	3.7%	3.8%	3.7%	3.7%	3.8%	3.8%	4.1%
Health Capital Expenditure (HK) % Gross Domestic Product (GDP)	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	0.2%	0.2%	0.4%
Current Health Expenditure (CHE) per Capita in US$	349.6	379.4	390.8	426.0	380.5	363.3	381.1	427.8	438.9	429.5
Current Health Expenditure (CHE) per Capita in PPP	730	806	836	926	948	945	990	1,062	1,137	1,152
General Government Health Expenditure (GGHE) as % General Government Expenditure (GGE)	6.5%	6.5%	6.8%	7.8%	8.2%	8.3%	8.7%	8.5%	8.5%	8.6%
General Government Health Expenditure (GGHE) as % Gross Domestic Product (GDP)	1.8%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	1.9%	2.0%	2.2%
Domestic Health Expenditure (DOM) as % of Current Health Expenditure (CHE)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Domestic General Government Health Expenditure (GGHE-D) as % Current Health Expenditure (CHE)	53.2%	53.9%	53.9%	54.7%	53.2%	51.0%	51.7%	51.3%	52.3%	52.8%
Domestic Private Health Expenditure (PVT-D) as % Current Health Expenditure (CHE)	46.8%	46.1%	46.1%	45.3%	46.8%	49.0%	48.3%	48.7%	47.7%	47.2%
Voluntary Health Insurance (VHI) as % of Current Health Expenditure (CHE)	8.5%	8.1%	8.0%	7.7%	8.1%	8.3%	8.0%	7.9%	8.4%	8.4%
Out-of-pocket (OOPS) as % of Current Health Expenditure (CHE)	34.0%	33.0%	33.7%	33.0%	33.7%	35.9%	35.9%	36.6%	36.1%	35.9%
External Health Expenditure (EXT) as % of Current Health Expenditure (CHE)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Domestic General Government Health Expenditure (GGHE-D) as % General Government Expenditure (GGE)	6.5%	6.5%	6.8%	7.8%	8.2%	8.3%	8.7%	8.5%	8.5%	8.6%
Domestic General Government Health Expenditure (GGHE-D) as % Gross Domestic Product (GDP)	1.8%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	1.9%	2.0%	2.2%
Domestic General Government Health Expenditure (GGHE-D) per Capita in US$	186.14	204.60	210.68	233.15	202.44	185.43	197.20	219.29	229.69	226.55
Domestic General Government Health Expenditure (GGHE-D) per Capita in PPP Int$	388	435	451	507	504	482	512	544	595	608
Domestic Private Health Expenditure (PVT-D) per Capita in US$	163.45	174.77	180.15	192.81	178.05	177.91	183.90	208.54	209.20	202.85
Domestic Private Health Expenditure (PVT-D) per Capita in PPP Int$	341	371	386	419	444	463	478	517	542	544
External Health Expenditure (EXT) per Capita in US$	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
External Health Expenditure (EXT) per Capita in PPP Int$	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Out-of-Pocket Expenditure (OOPS) per Capita in US$	119	125	132	141	128	131	137	157	158	154
Out-of-Pocket Expenditure (OOPS) per Capita in PPP Int$	248	266	282	306	308	319	339	370	386	391
Compulsory Financing Arrangements (CFA) as % of Current Health Expenditure (CHE)	53.4%	54.0%	54.0%	54.8%	53.3%	51.2%	51.9%	51.4%	52.5%	52.9%
Government Financing Arrangements (GFA) as % of Currrent Health Expenditure (CHE)	52.7%	53.4%	53.3%	54.1%	52.6%	50.4%	51.1%	50.5%	51.7%	52.1%
Compulsory Health Insurance (CHI) as % of Current Health Expenditure (CHE)	0.5%	0.5%	0.6%	0.6%	0.6%	0.7%	0.6%	0.8%	0.7%	0.7%
Compulsory Private Health Insurance (CHI-PVT) as % of Current Health Expenditure (CHE)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Social Health Insurance (SHI) as % of Current Health Expenditure (CHE)	0.5%	0.5%	0.6%	0.6%	0.6%	0.7%	0.6%	0.8%	0.7%	0.7%
Voluntary Financing Arrangements (VFA) as % of Current Health Expenditure (CHE)	46.6%	46.0%	46.0%	45.2%	46.7%	48.8%	48.1%	48.6%	47.5%	47.1%
Rest of the World (RoW) as % of Current Health Expenditure (CHE)	0.0%									0.0%
Primary Health Care (PHC) Expenditure per Capita in US$	143	154	162	179	160	153	160	180	182	188
Primary Health Care (PHC) Expenditure as % Current Health Expenditure (CHE)	40.8%	40.7%	41.6%	42.0%	42.0%	42.0%	42.1%	42.2%	41.6%	43.9%
Expenditure on Immunization Programmes as % Current Health Expenditure (CHE)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
Expenditure on Vaccines as % Current Health Expenditure (CHE)										
Expenditure on COVID as % Current Health Expenditure (CHE)										2.7%

TABLE A3.2: Malaysia Current Health Expenditure by Revenues and Health Care Financing Schemes from Global Health Expenditure Database (GHED)										
SHA 2011	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Current health expenditure by revenues of health care financing schemes	**30,649**	**34,062**	**36,290**	**41,636**	**44,983**	**46,249**	**50,978**	**54,428**	**58,088**	**58,427**
Transfers from government domestic revenue (allocated to health purposes)	16,162	18,194	19,343	22,525	23,672	23,293	26,050	27,488	30,006	30,421
Internal transfers and grants	16,162	18,194	19,343	22,525	23,672	23,293	26,050	27,488	30,006	30,421
Transfers distributed by government from foreign origin	0									
Social insurance contributions	157	176	219	264	261	310	329	410	394	402
Social insurance contributions from employees	35	39	48	59	58	69	73	91	87	89
Social insurance contributions from employers	122	137	170	206	203	242	256	319	306	313
Compulsory prepayment (Other, and unspecified, than FS.3)	39	38	42	46	52	56	58	67	83	79
Voluntary prepayment	2,614	2,774	2,916	3,203	3,623	3,846	4,085	4,313	4,875	4,937
Other domestic revenues n.e.c.	11,677	12,880	13,770	15,598	17,375	18,744	20,455	22,149	22,730	22,582
Other revenues from households n.e.c.	10,425	11,253	12,218	13,759	15,163	16,626	18,318	19,943	20,948	20,970
Other revenues from corporations n.e.c.	952	1,278	1,478	1,802	2,146	2,034	2,048	2,119	1,694	1,506
Other revenues from NPISH n.e.c.	300	348	73	37	67	84	88	88	89	106
Current health expenditure by financing schemes	**30,649**	**34,062**	**36,290**	**41,636**	**44,983**	**46,249**	**50,978**	**54,428**	**58,088**	**58,427**
Government schemes and compulsory contributory health care financing schemes	16,358	18,408	19,604	22,835	23,985	23,659	26,437	27,965	30,483	30,901
Government schemes	16,162	18,194	19,343	22,525	23,672	23,293	26,050	27,488	30,006	30,414
Compulsory contributory health insurance schemes	157	176	219	264	261	310	329	410	394	409
Social health insurance schemes	157	176	219	264	261	310	329	410	394	409
Compulsory Medical Saving Accounts (CMSA)	39	38	42	46	52	56	58	67	83	79
Voluntary health care payment schemes	3,867	4,400	4,467	5,042	5,836	5,964	6,222	6,520	6,657	6,562
Voluntary health insurance schemes	2,857	3,076	3,202	3,640	4,244	4,670	4,957	5,227	5,838	5,923
NPISH financing schemes (including development agencies)	300	348	73	37	67	84	88	88	89	106
Enterprise financing schemes	709	976	1,191	1,365	1,524	1,210	1,177	1,205	731	533
Household out-of-pocket payment	10,425	11,253	12,218	13,759	15,163	16,626	18,318	19,943	20,948	20,957
Rest of the world financing schemes (non-resident)	0									7

TABLE A3.3: Malaysia Current Health Expenditure for Functions of Health Care from Global Health Expenditure Database (GHED)										
SHA 2011	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Current health expenditure by Health Care Functions	**30,648**	**34,062**	**36,290**	**41,636**	**44,983**	**46,249**	**50,978**	**54,428**	**58,088**	**58,427**
Curative care	23,238	26,172	27,191	31,405	33,766	35,481	38,847	41,677	44,268	42,760
Inpatient curative care	11,168	12,583	13,177	15,067	16,287	17,022	18,749	20,106	21,843	21,117
Day curative care	1,526	1,598	1,753	2,094	2,309	2,396	2,625	2,893	3,015	2,880
Outpatient curative care	10,544	11,991	12,261	14,244	15,170	16,063	17,474	18,678	19,410	18,763
General outpatient curative care	6,004	6,893	6,827	8,255	8,721	9,527	10,312	11,183	11,292	11,034
Dental outpatient curative care	556	595	826	875	978	1,045	1,172	1,284	1,385	1,371
Specialised outpatient curative care	3,984	4,503	4,608	5,114	5,471	5,492	5,989	6,212	6,732	6,358
Rehabilitative care	1	0	na	na	na	na	na	na	na	na
Long-term care (health)	15	19	1	2	1	4	1	4	1	6
Inpatient long-term care (health)	1	2	1	1	1	0	1	1	1	3
Day long-term care (health)	0	0	0	0	0	0	0	0	0	0
Home-based long-term care (health)	14	17	0	1	0	4	0	3	0	3
Ancillary services (non-specified by function)	296	314	407	380	354	300	328	331	351	301
Medical goods (non-specified by function)	2,242	2,477	2,730	3,298	3,933	4,250	4,523	5,247	4,818	4,760
Preventive care	1,224	1,535	2,375	2,304	2,514	2,463	2,587	2,793	3,509	4,727
Immunization Programmes	3	6	77	36	41	37	44	46	239	503
Governance, and health system and financing administration	3,632	3,545	3,586	4,248	4,414	3,751	4,691	4,376	5,140	5,873
Special reporting items to track COVID-19 spending within CHE	na	na	na	na	na	na	na	na	na	1,560
COVID-19 related treatment	na	na	na	na	na	na	na	na	na	330
COVID-19 testing and contract tracing	na	na	na	na	na	na	na	na	na	268
COVID-19 vaccination	na	na	na	na	na	na	na	na	na	na
COVID-19 medical goods	na	na	na	na	na	na	na	na	na	na
Other COVID-19 health care spending (incl. in CHE)	na	na	na	na	na	na	na	na	na	962
Capital health expenditure	2,430	2,355	2,089	1,831	1,841	1,890	1,943	2,257	2,644	4,980
Capital Health Expenditure (Domestic Public)	2,179	2,038	1,817	1,488	1,454	1,430	1,375	1,653	1,966	3,900
Capital Health Expenditure (Domestic Private)	251	317	272	343	387	460	568	604	678	1,012
Capital Health Expenditure (External)	0	0	0	0	0	0	0	0	0	68

TABLE A3.4: Macro Data from Global Health Expenditure Database (GHED)

SHA 2011	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
CONSUMPTION	na	na	na	na	na	na	na	na	na	na
Gross Domestic Product	924,685	985,049	1,033,085	1,122,160	1,176,941	1,249,697	1,372,310	1,447,760	1,513,158	1,416,605
Final consumption expenditure of Households and profit institutions serving households	437,340	482,237	527,749	579,985	635,099	684,681	760,146	831,334	903,720	861,509
General government expenditure	250,477	280,792	286,992	291,279	290,801	285,652	302,499	330,088	356,653	357,927
Exchange Rate (NCU per US$)	3.06	3.09	3.15	3.27	3.91	4.15	4.30	4.04	4.14	4.20
Purchasing Power Parity (NCU per Int$)	1.47	1.45	1.47	1.51	1.57	1.59	1.65	1.63	1.60	1.57
PRICE INDEX	na	na	na	na	na	na	na	na	na	na
Gross domestic product - Price index (2018 = 100)	91.6	92.5	92.7	95.0	94.9	96.4	100.1	100.7	100.8	100.0
POPULATION	na	na	na	na	na	na	na	na	na	na
POPULATION (in thousands)	28,651	29,068	29,469	29,867	30,271	30,685	31,105	31,528	31,950	32,366

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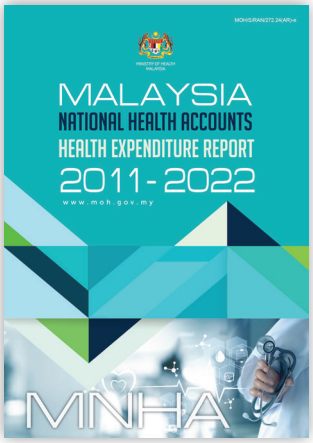

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