Malaysia National Health Accounts (MNHA): NATIONAL HEALTH EXPENDITURE 2011-2023

Mesyuarat Pemandu MNHA Bil. 2/2024
24 Disember 2024

Objectives of the Steering Meeting

MNHA Data Importance:

- National level health expenditure data over a time period that comprises data from both public & private sector stakeholders.
- Malaysia National Health Expenditure Data is **macro** level health expenditure estimation which is produced using standardized, internationally acceptable methodology.
- It assists in developing evidence-based health policies.
- It is important to interpret this information responsibly, bearing in mind that limitations do exist when producing the health expenditure data.

Objectives of this meeting:

- To present and to endorse
  - Latest National Health Expenditure Data (2011-2023) based on both the MNHA framework (national) and the SHA 2011 framework (international).
  - National Total Pharmaceutical Expenditure for the years 2018-2023 based on the MNHA framework.

Outline

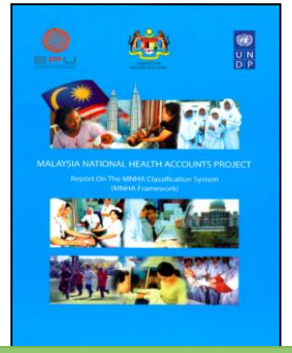
- Introduction
- Methodology
- Result
  - Overview
  - Sources of Financing
  - Providers of Healthcare
  - Functions of Healthcare
  - Primary Health Care (PHC) Expenditure
  - International comparison
- Discussions & Recommendations
- Summary 2023

Introduction

National Health Accounts (NHA) - A tool to demonstrate how a country's health resources are spent, on what services, and who pays for them

Capital formation | Education & training | Research & Development | Other health-related functions

Malaysia NHA (MNHA) National Framework based on SHA Framework, but boundaries are tailored to Malaysia's health system.



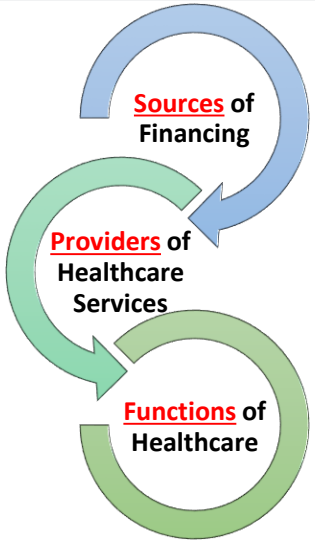
MNHA Framework (National)

Total Expenditure on Health, TEH

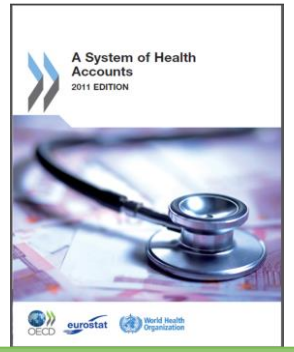
MNHA National Framework 2.0 migration to SHA 2011

Time series data 1997-2022

1920s | 2000 | 2005 | 2011 | 2018 | 2024



OECD NHA Standard – **System of Health Accounts (SHA) International Framework**



SHA 2011 (International)

SHA 2011 International Framework (OECD, WHO and Eurostat)

Current Health Expenditure, CHE

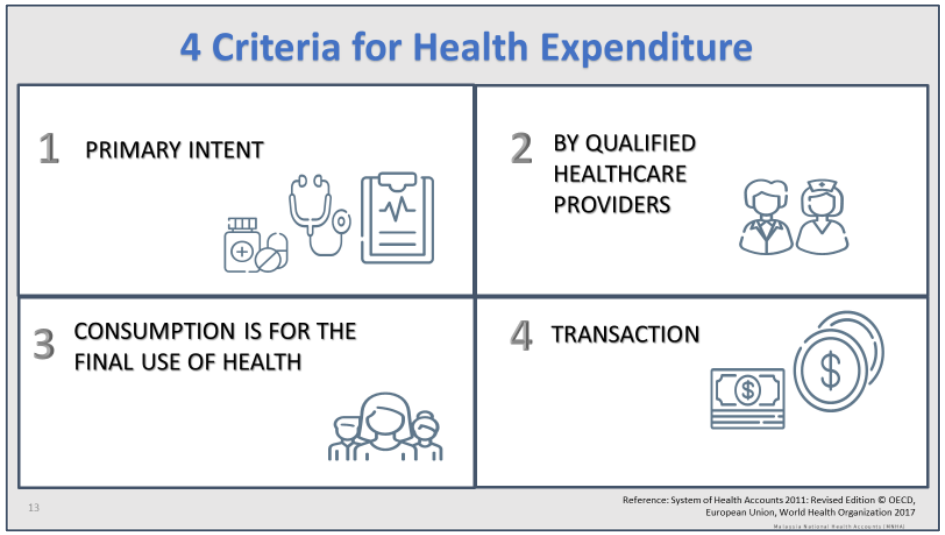
192 countries use SHA 2011 framework

World Health Organization | Global Health Expenditure Database

Source: OECD/Eurostat/WHO (2017), A System of Health Accounts 2011: Revised edition, OECD Publishing, Paris

Methodology

1. DATA SOURCE PREPARATION → 2. DATA COLLECTION → 3. DATA ANALYSIS → 4. DATA VERIFICATION & VALIDATION



Total agencies 4,408

Primary & Secondary Data

Public & Private Sectors

Direct & Indirect Spending for Health

Direct Spending for Health

- Public
  - MOH HQ, Pharm HQ, JKN, PKD, Vector states, PDN, Hospitals, PPD, Kolej, Institutes, MKAK, Bloodbank, Akaun Amanah, COVID-19 KKM, KWC, KWAN, AAB, PKU, DOSH, NIOSH, TCM, IJN & others
- Private
  - Private Hospitals, Private Medical Clinics, Private Dental Clinics, Private Haemodialysis Centres, Community Pharmacies, FOMEMA, MCO & others

Indirect Spending for Health

- Public
  - Federal Statutory Bodies, State Statutory Bodies, Local Authority Bodies, BNM, MAIN/Zakat, SOCSO, EPF, MOHE, APM, MOSTI, TH, JAKOA, JPA, IPTA, Pension, LPPKN, State Governments, JBA, JKM, AADK, NADMA, MOD, EMRS, Institut Sukan Negara & others
- Private
  - Corporations, NGO, Private Insurance, ROW, IPTS & others

Source: OECD/Eurostat/WHO (2017), A System of Health Accounts 2011: Revised edition, OECD Publishing, Paris

3 latest RMK

Public

Private

Introduction

Methodology

Result

- Overview
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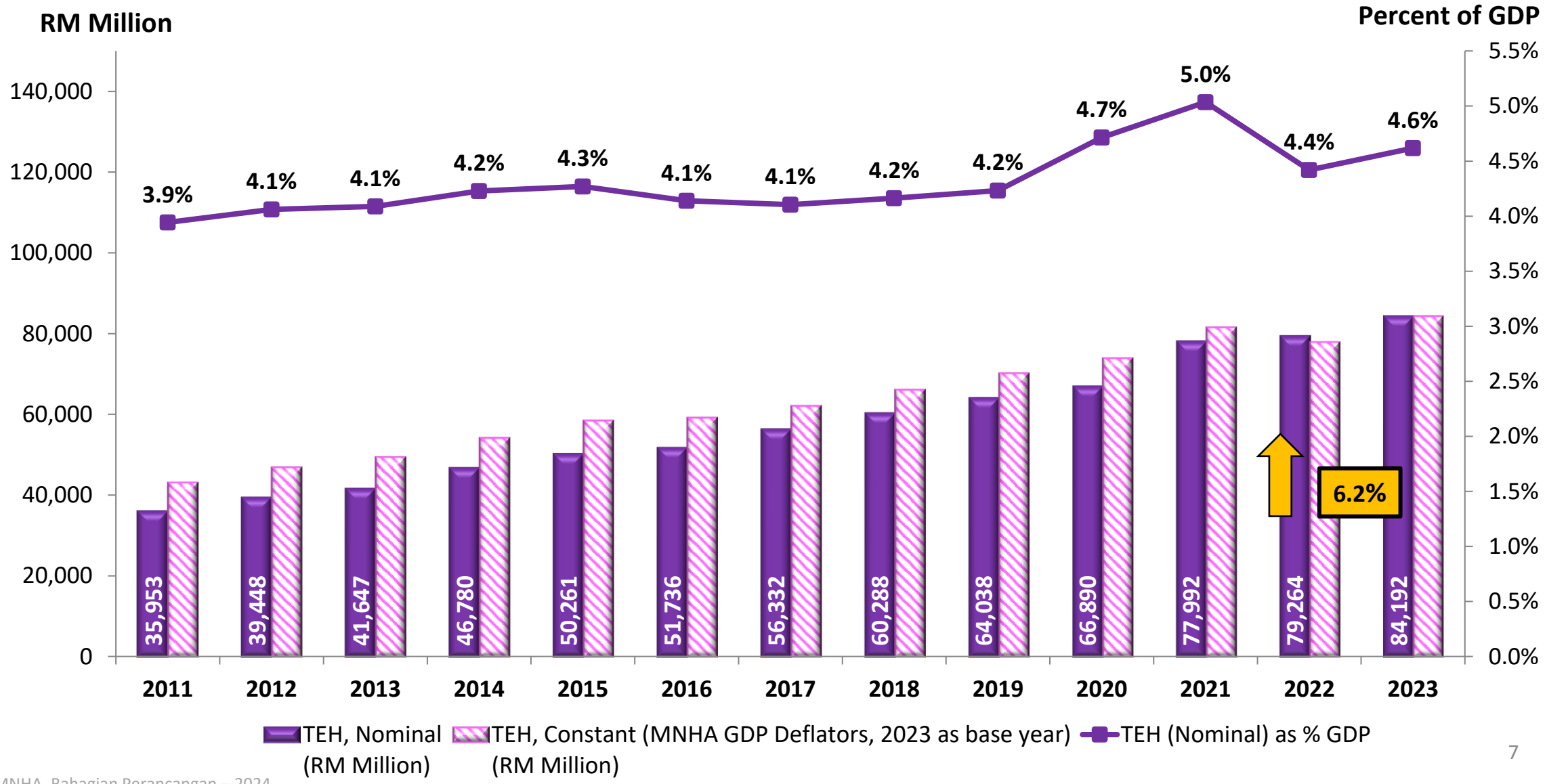
- Primary Health Care (PHC) Expenditure
- International comparison

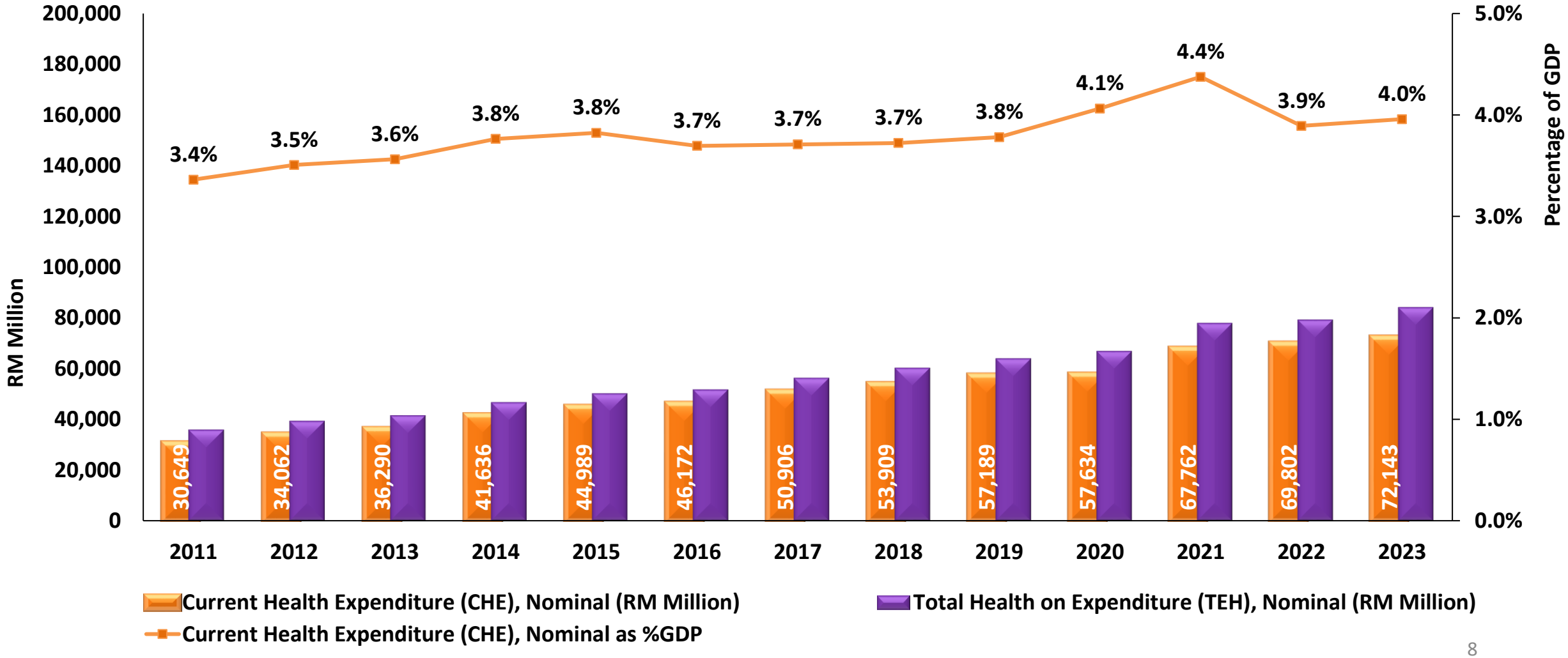
Discussions & Recommendations

Summary 2023

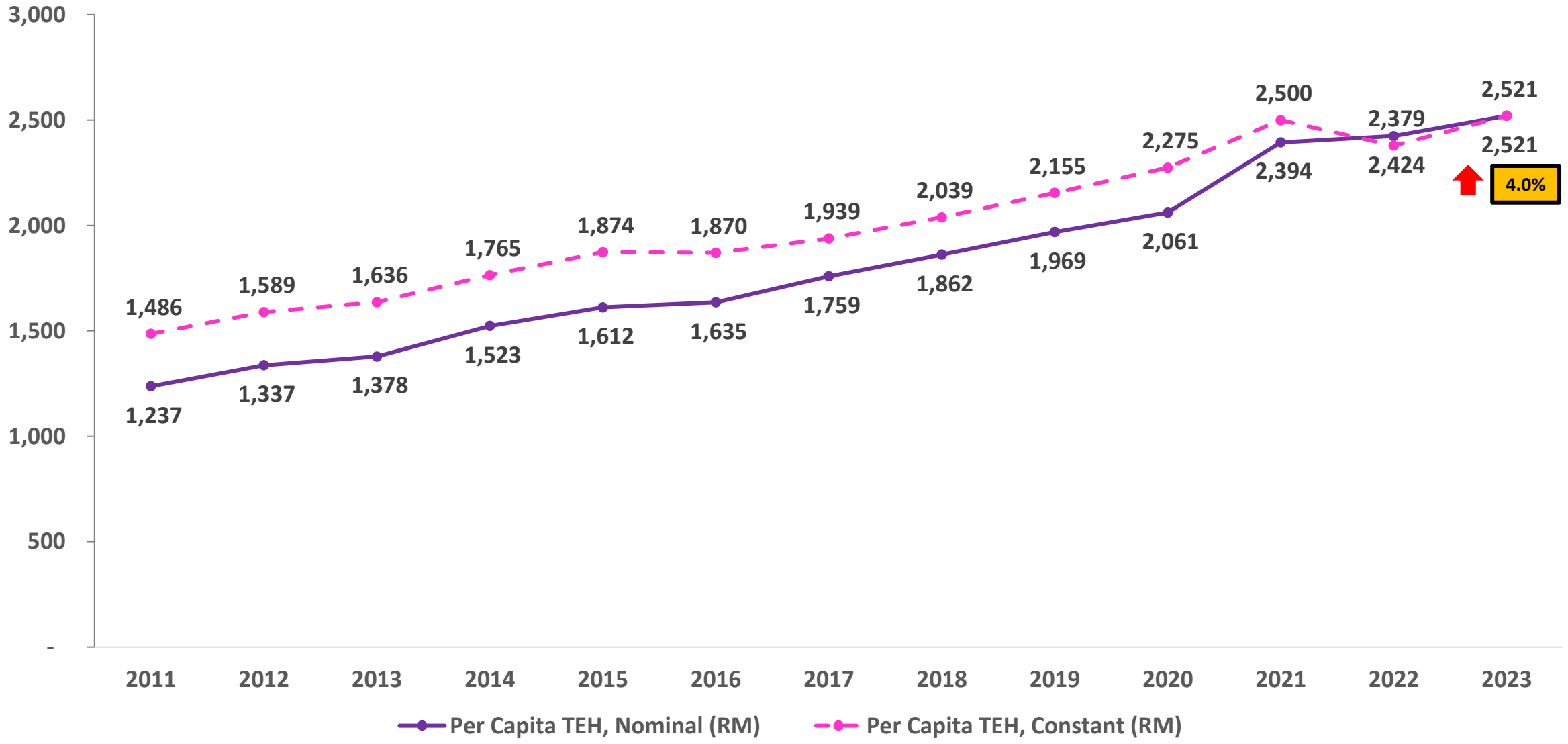
Total Expenditure on Health (TEH) & TEH as percentage of Gross Domestic Product (GDP), 2011-2023



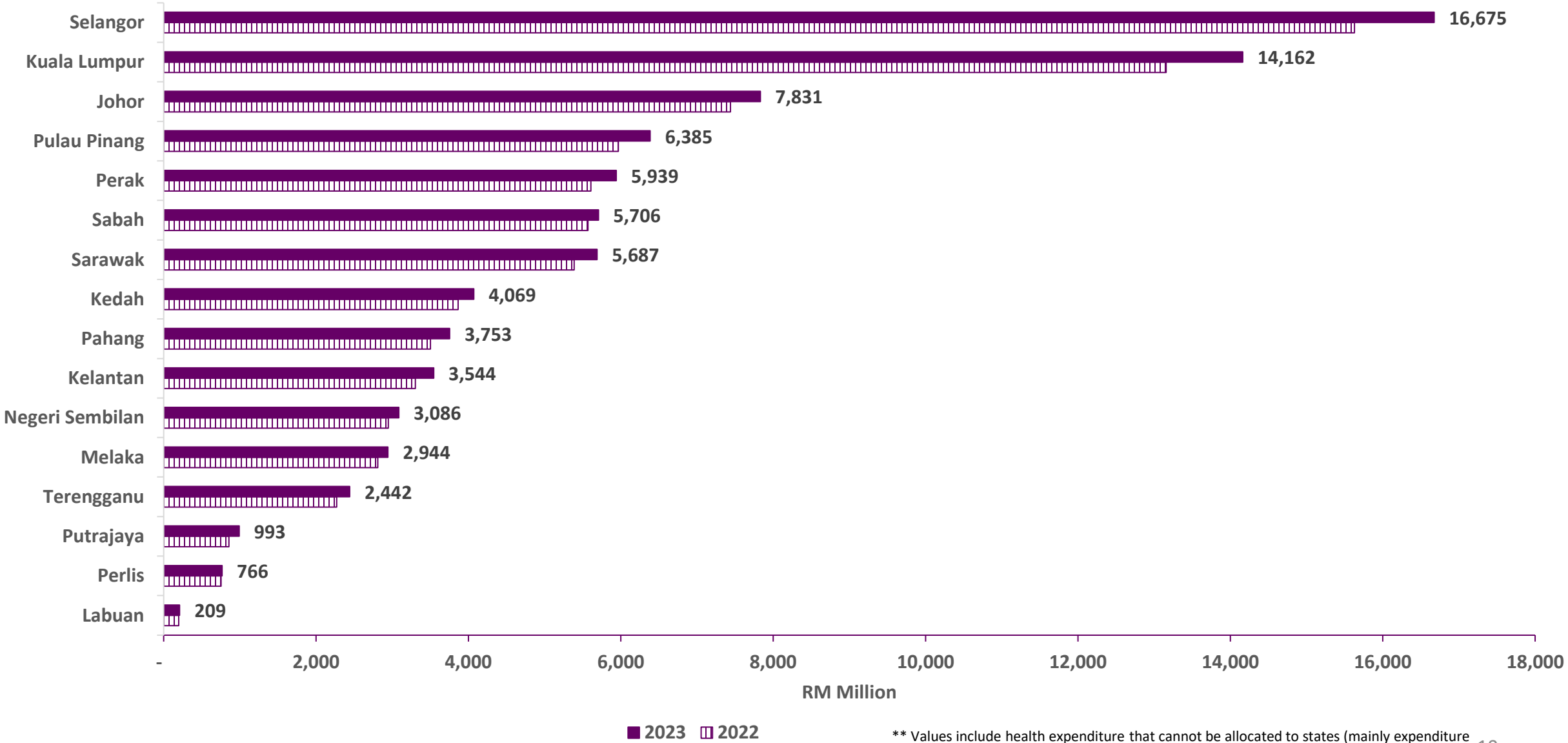
Total Expenditure on Health (TEH) & Current Health Expenditure (CHE) as percentage of GDP 2011-2023



Per Capita Expenditure on Health, 2011-2023

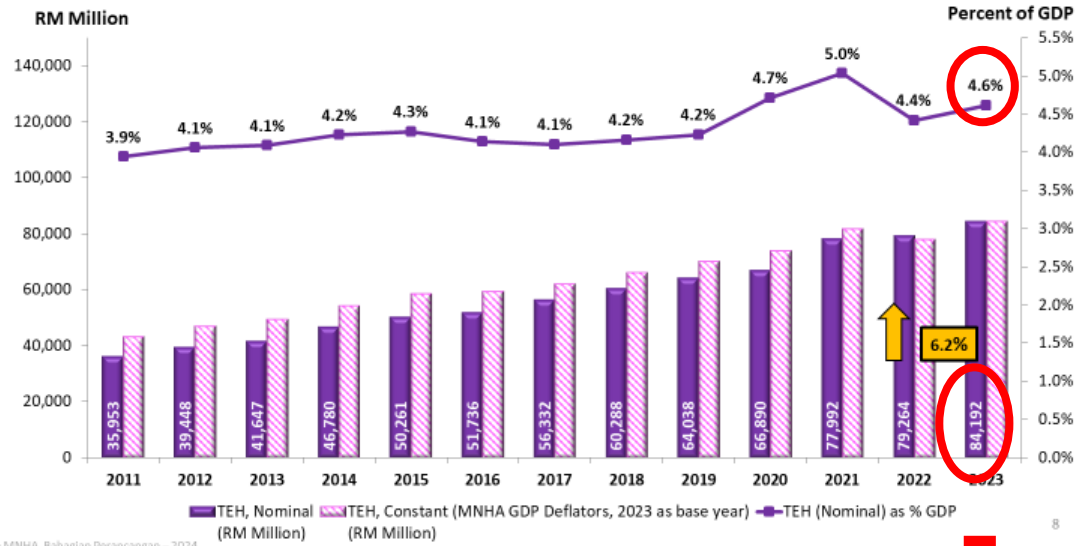


Expenditure on Health by States, 2022-2023



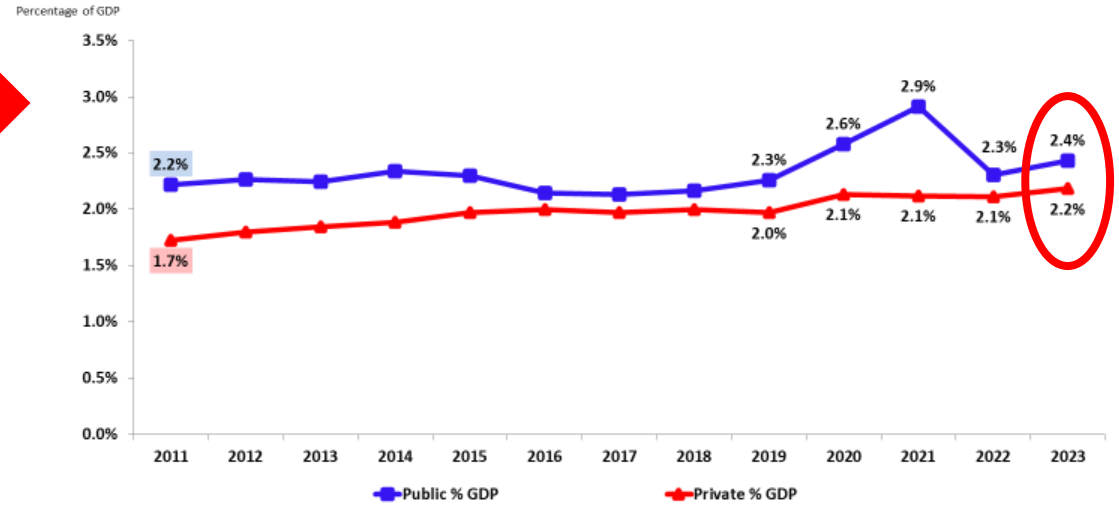
** Values include health expenditure that cannot be allocated to states (mainly expenditure by Private Insurance, MOH, MOSTI etc), which has been reproportioned to each state.

Total Expenditure on Health (TEH) & TEH as percentage of Gross Domestic Product (GDP), 2011-2023



Seksyen MNHA, Bahagian Perancangan – 2024

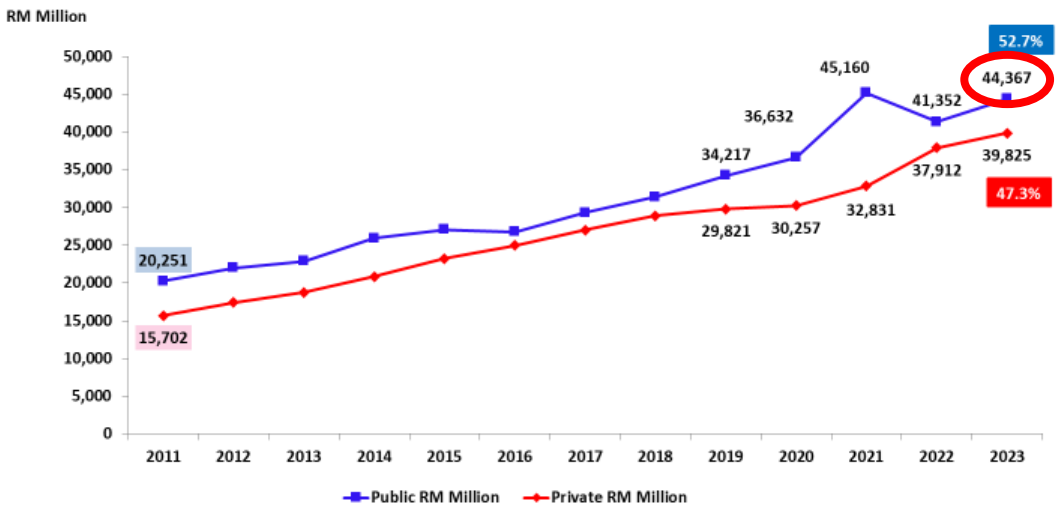
TEH by Public & Private Sources of Financing as Percentage of GDP, 2011-2023



Note: Percentages shown are rounded to one decimal place

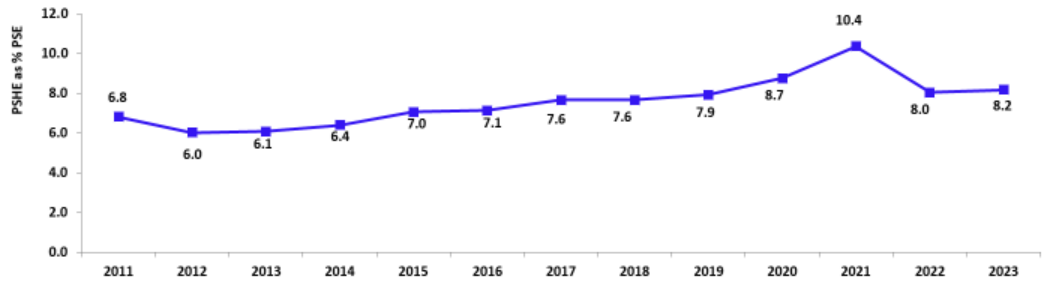
Seksyen MNHA, Bahagian Perancangan – 2024

TEH by Sources of Financing, Public & Private Sources, 2011-2023



Seksyen MNHA, Bahagian Perancangan – 2024

Public Sector Health Expenditure (PSHE) as % of Public Sector Expenditure (PSE), 2011-2023

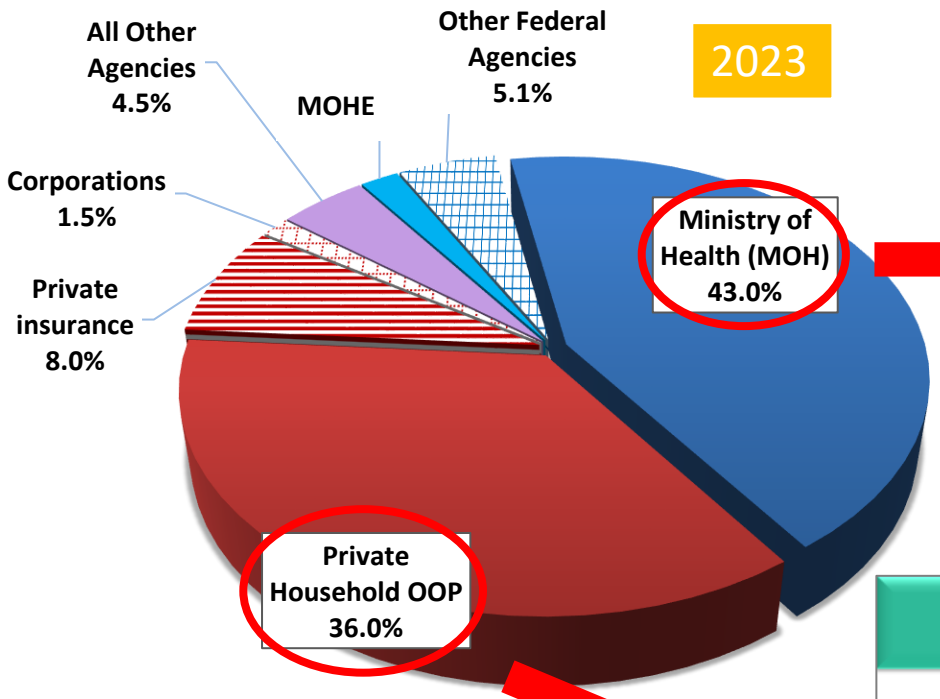


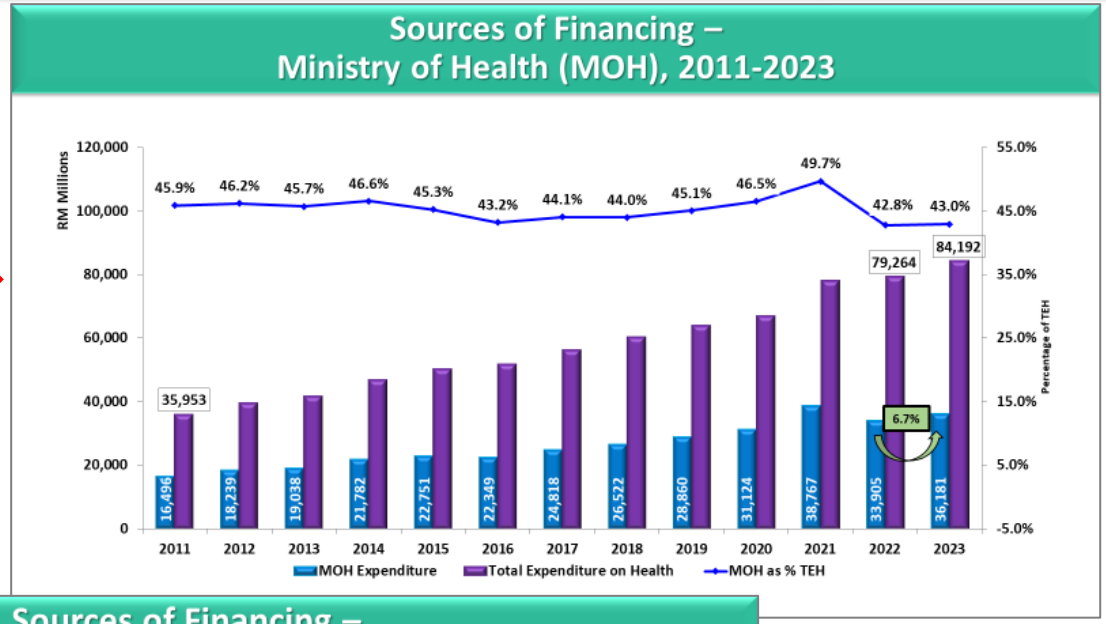
	2019	2020	2021	2022	2023
Public Sector Health Expenditure (PSHE), (RM Million)	34,217	36,632	45,160	41,352	44,367
Public Sector Expenditure (PSE), (RM Million)	432,697	418,949	435,877	514,915	543,607

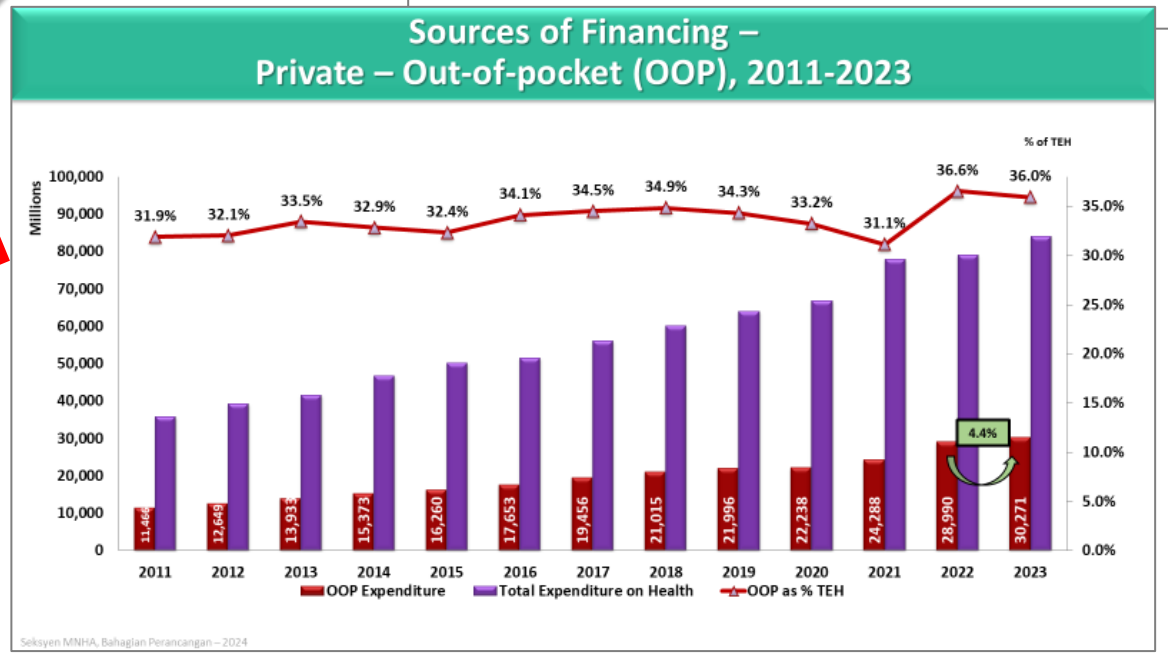
https://belanjawan.mof.gov.my/ms/fiskal

Seksyen MNHA, Bahagian Perancangan – 2024

TEH by Sources of Financing, Public & Private Sources, 2011-2023

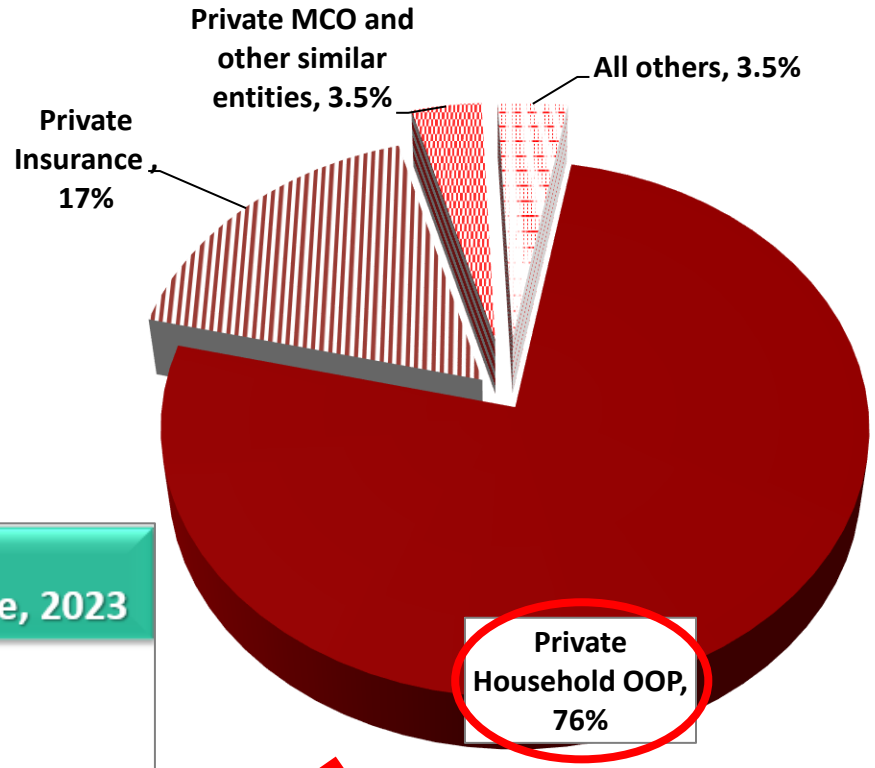




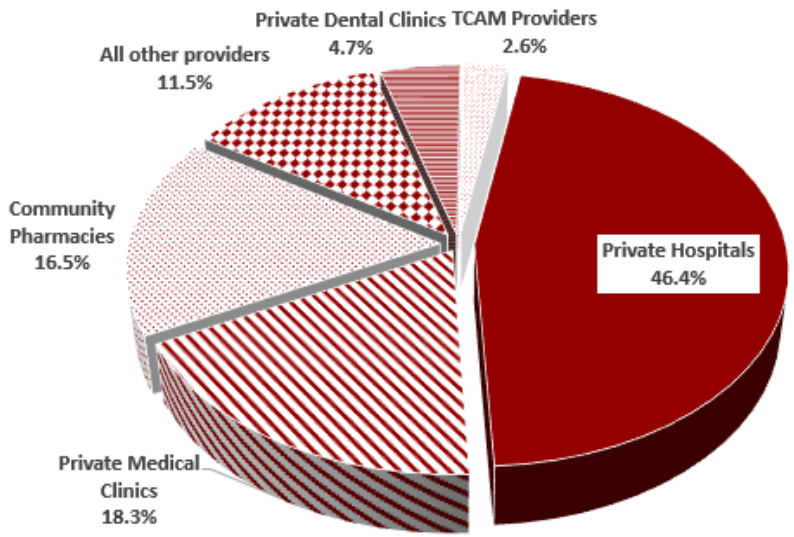


Sources of Financing – Private Source, 2023

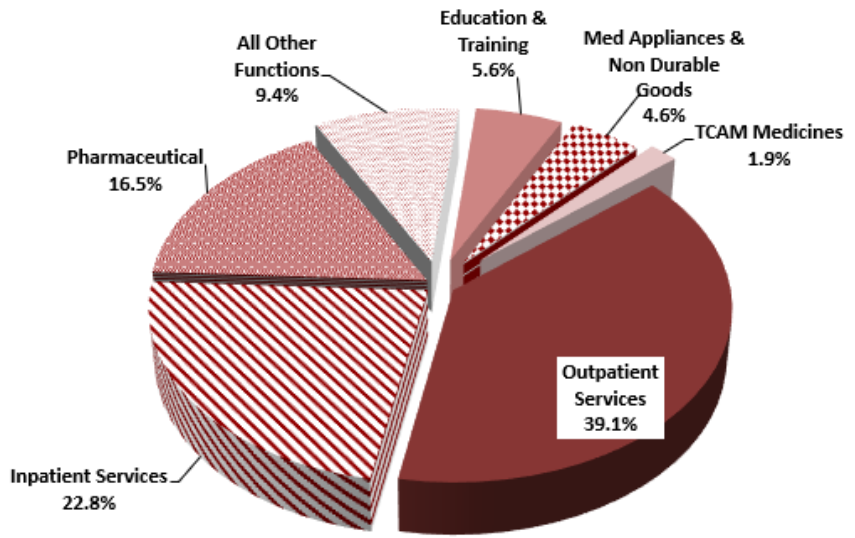
2023



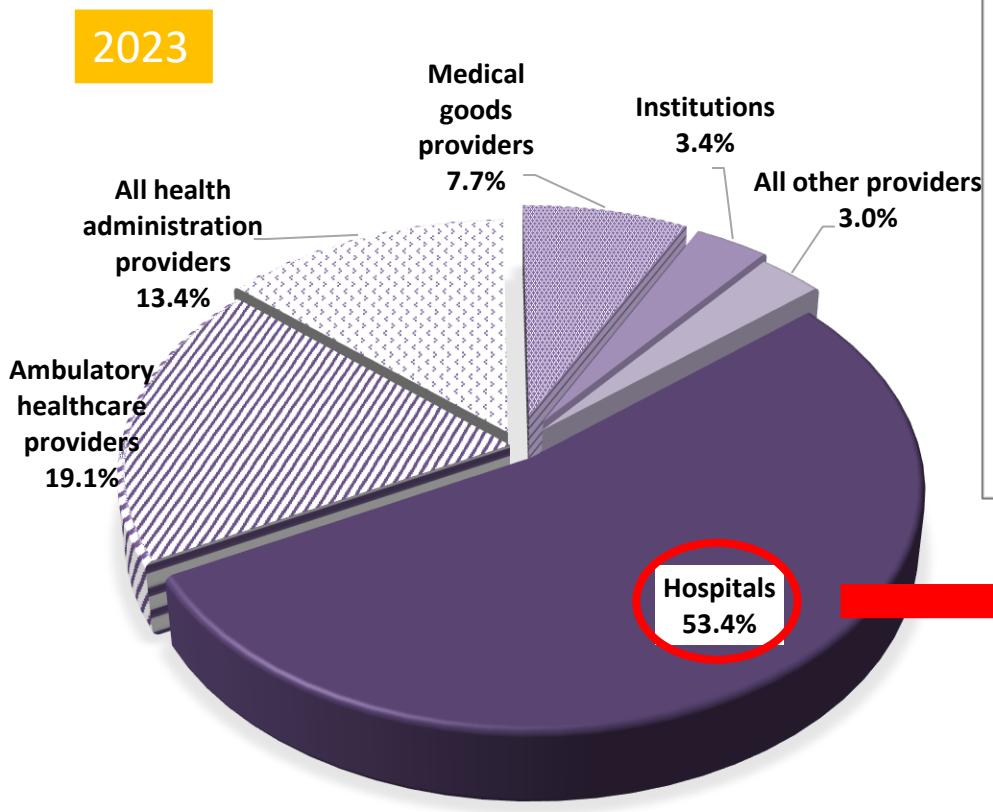
Sources of Financing – Private – OOP – Providers of Healthcare, 2023

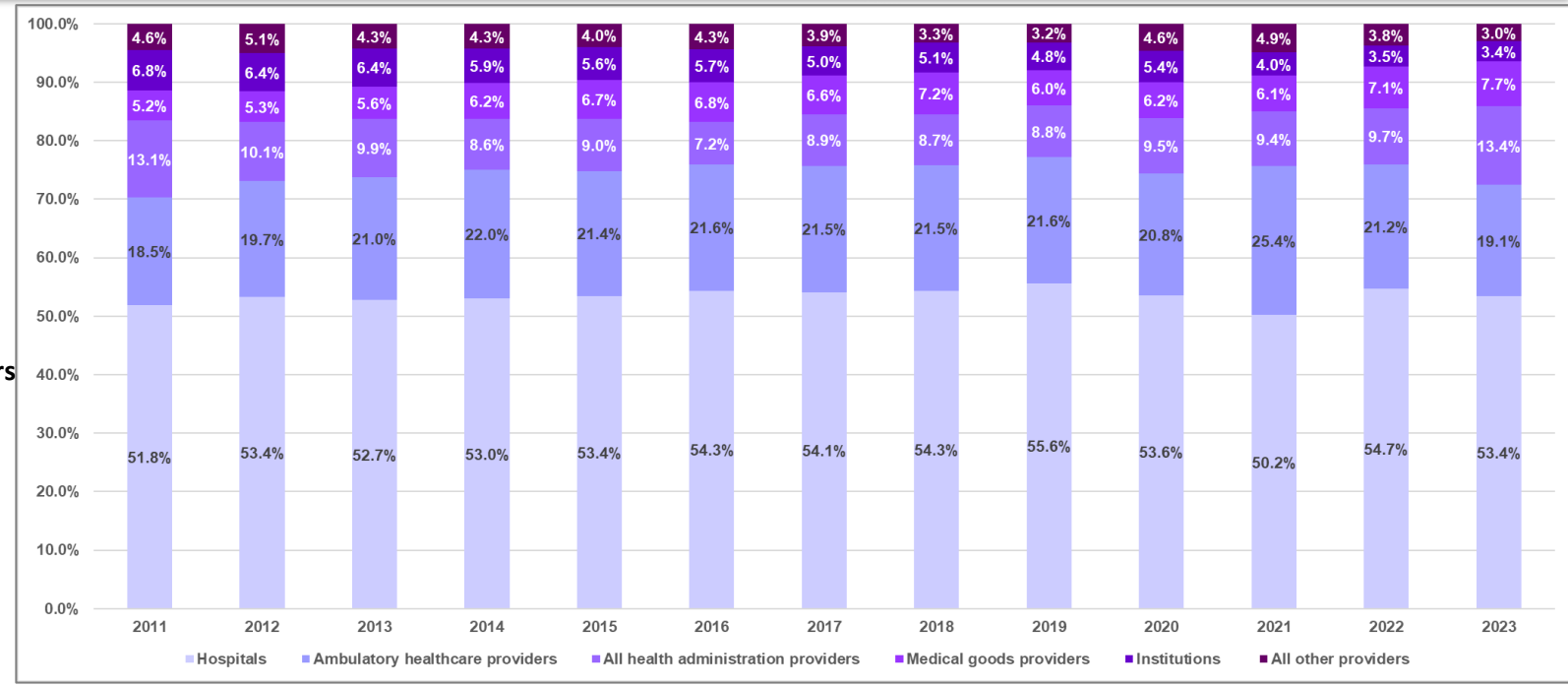


Sources of Financing – Private – OOP – Functions of Healthcare, 2023

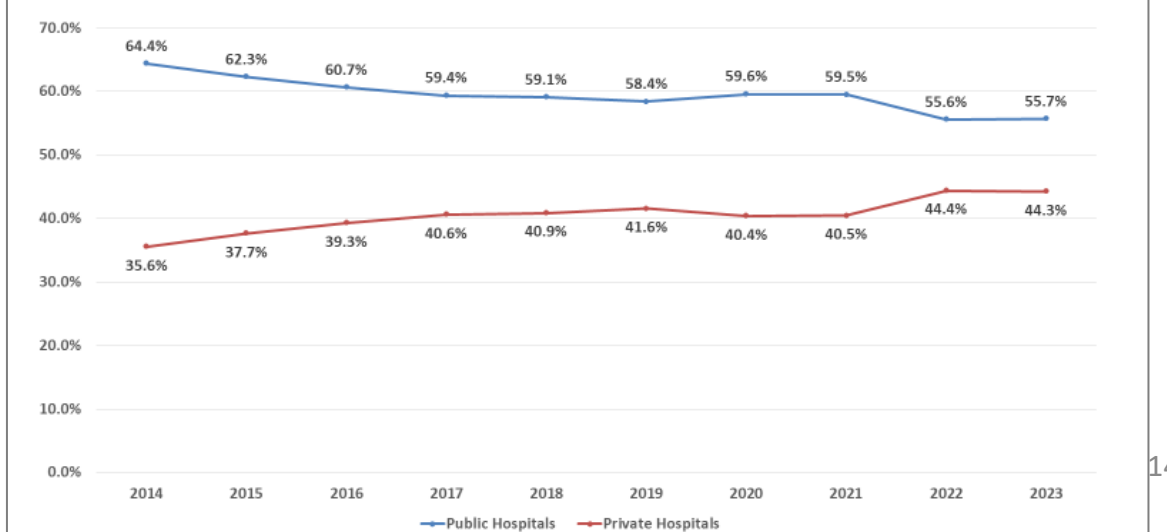


TEH by Providers of Healthcare, 2011-2023

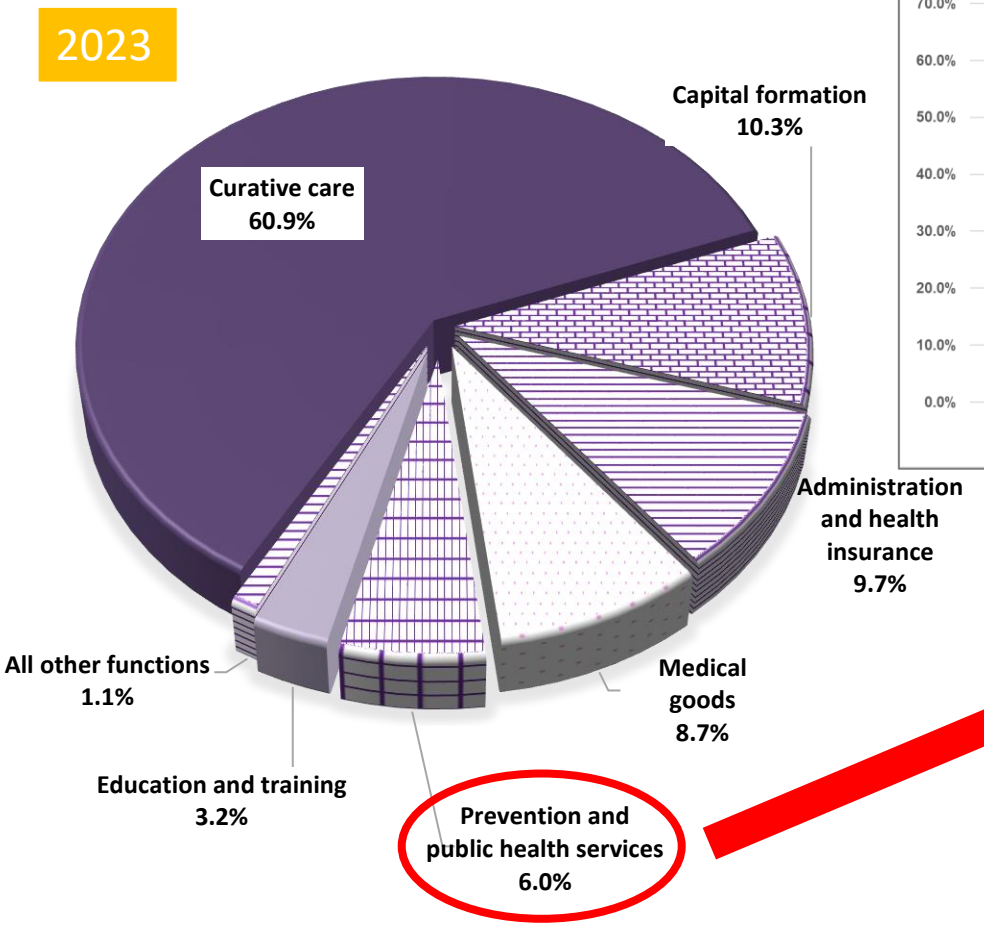


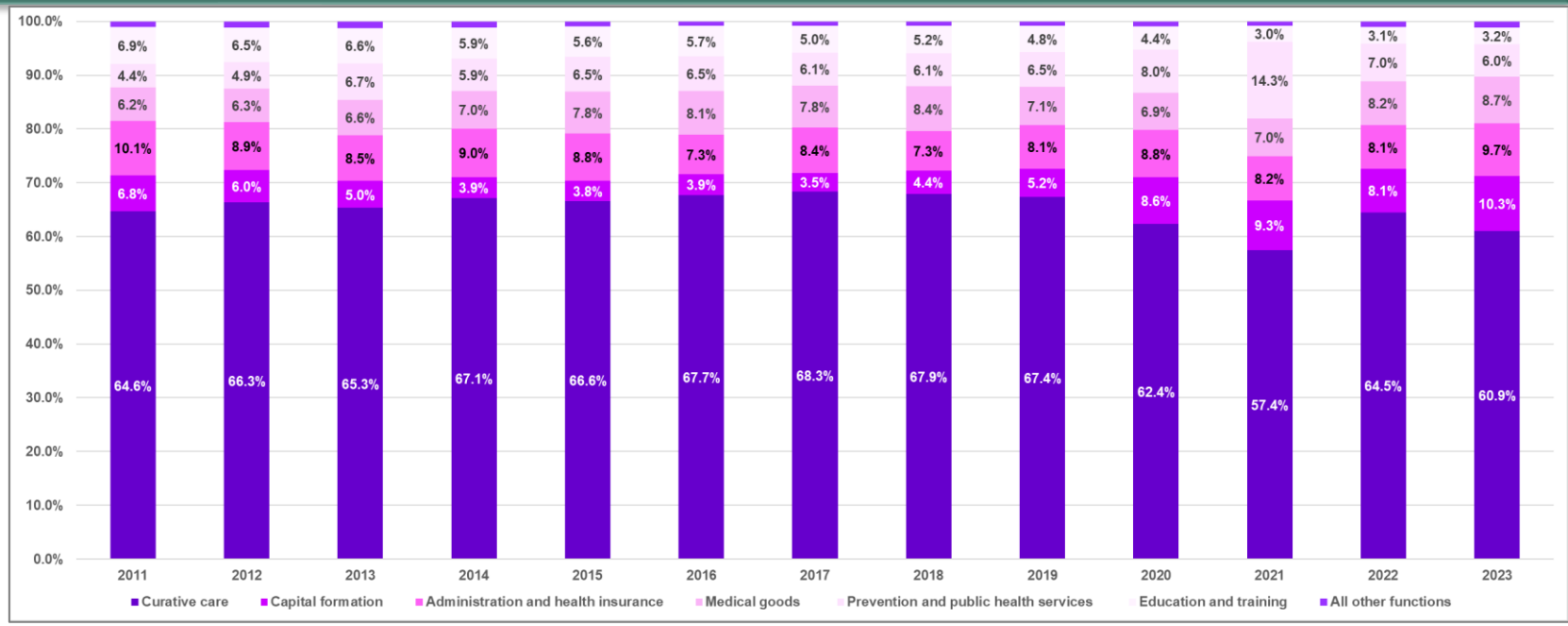


Providers of Healthcare – Hospitals over 10 years, 2014-2023

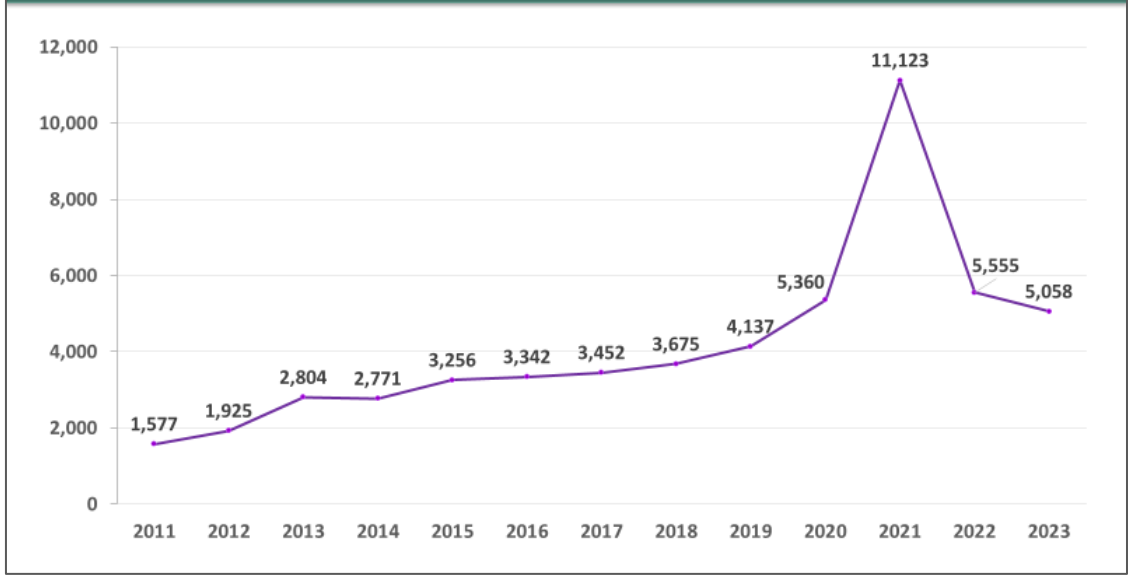


TEH by Functions of Healthcare, 2011-2023



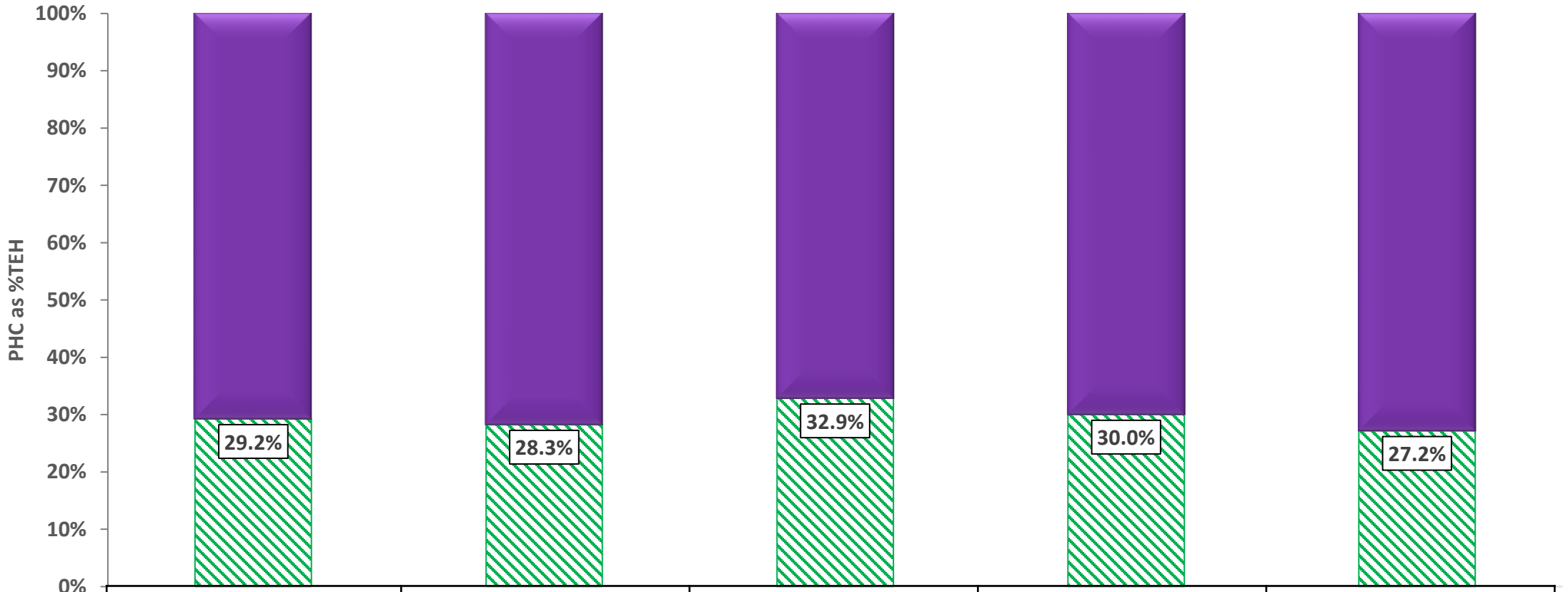


Prevention and Public Health, 2011-2023



Primary Healthcare (PHC) Expenditure, 2019-2023

NEW 2022

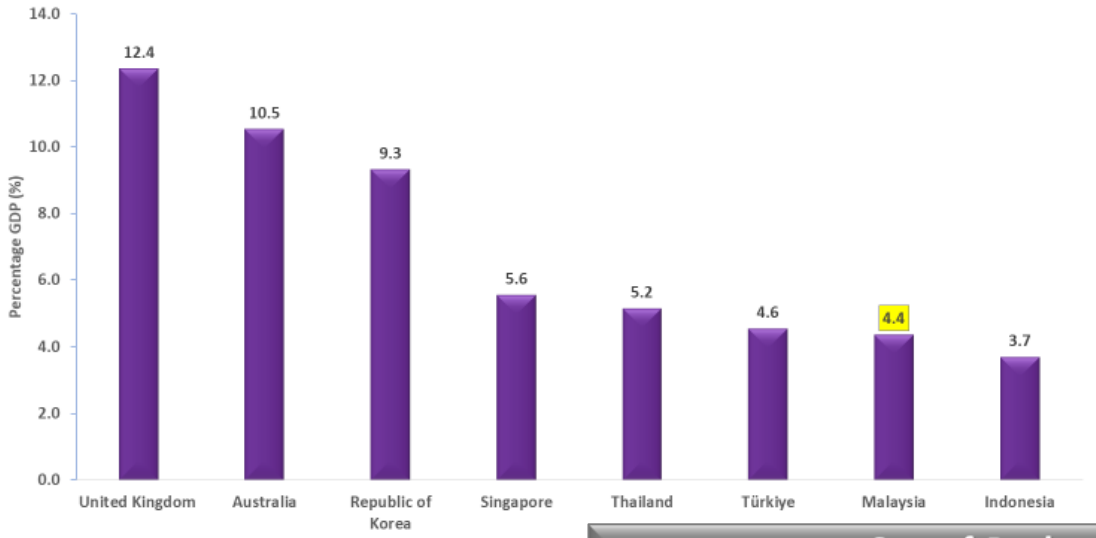


	2019	2020	2021	2022	2023
Primary Health Care (PHC) Expenditure, RM Million	18,729	18,903	25,627	23,788	22,894
Total Expenditure on Health (TEH), RM Million	64,038	66,890	77,992	79,264	84,192

International Comparison 2021

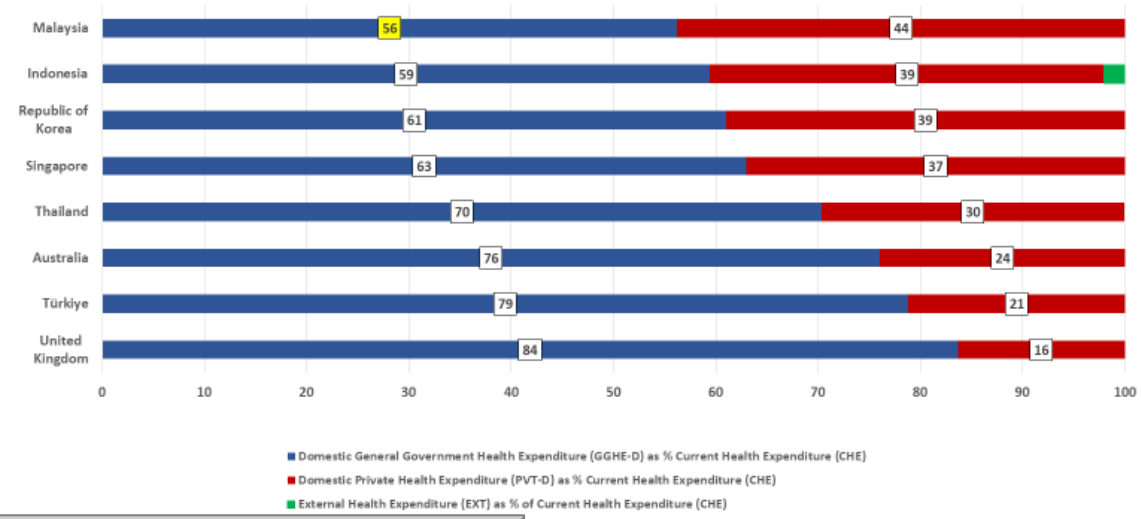
Current Health Expenditure (CHE) as % of GDP, 2021

Selected Country Comparison*



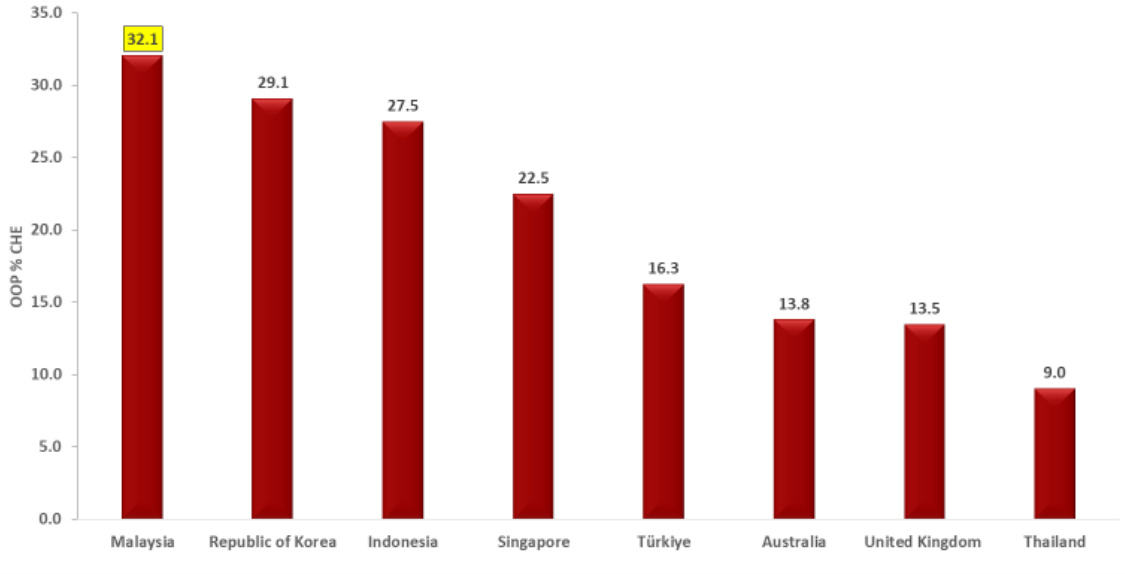
Public-Private Share in Health Expenditure, 2021 (%)

Selected Country Comparison*



Out-of-Pocket (OOP) as % of CHE, 2021

Selected Country Comparison*



Source: International data from Global Health Expenditure Database, WHO NHA Oct 2024

Discussions

MNHA as **data producer**

To effectively sharing and communicating **health expenditure data** to relevant stakeholders to ensure it is widely known and utilized

To spend **more** & to spend **better** for health

Malaysia needs to align with HIC healthcare spending trends[1]

Health system that is resilient to future changes[2]

Social protection from catastrophic health expenditure

MOH recommendations for **gradual increase** of public spending of 5% of GDP[3]

<20% Out-of-Pocket (OOP) from Total Expenditure Health[4]

1. The Lancet Global Health Commission on financing primary health care: putting people at the centre (2022). *The Lancet Global Health*, *10*(1), e715-72.
2. Debie, A., Nigusie, A., Gedle, D. et al. (2024). Building a resilient health system for universal health coverage and health security: a systematic review. *Global Health Research Policy* 9(2).
3. Health White Paper for Malaysia, Ministry of Health (2023)
4. World Health Organization. The World Health Report. Health Systems Financing: The Path to Universal Coverage. Geneva: WHO; 2010.
5. Fleron, Addie, et al. The gathering storm: The transformative impact of inflation on the healthcare sector. McKinsey, 19 September 2022.

Recommendations Based On International Best Practices

To reduce out-of-pocket (OOP) health expenditure[1]

- Pooling mechanism

To reduce healthcare inflation[2]

- Strengthen strategic purchasing
- Improve provider payment mechanism - outcome-based payment
- Increase bargaining power

To increase public financing[3]

- Increase public investment into healthcare
- Earmarked tax for healthcare e.g. sin taxes

To increase investment on Primary Health Care (PHC) by public financing[4]

- Enhance and strengthen PHC services - to improve population health and better control of NCDs

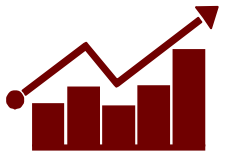
Note: These recommendations are in line with the MOH's Health White Paper

1. Jalali, F. S., Bikineh, P., & Delavari, S. (2021). Strategies for reducing out-of-pocket payments in the health system: A scoping review. *Cost Effectiveness and Resource Allocation*, 19(47).
2. OECD. (2016). *Better ways to pay for health care*. OECD Health Policy Studies. OECD Publishing, Paris.
3. World Health Organization. The World Health Report. Health Systems Financing: The Path to Universal Coverage. Geneva: WHO; 2010.
4. The Lancet Global Health Commission on financing primary health care: putting people at the centre (2022). *The Lancet Global Health*, *10*(1), e715-72.

SUMMARY OF 2023

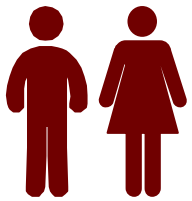
TEH
Total Expenditure on Health

RM 84,192 m



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

4.6 %



TEH Per-Capita
Total Expenditure on Health per capita

RM2,521

OOP % of TEH
Out of pocket percentage per Total Expenditure on Health

36.0%

Who paid for it?
SOURCE

- Public **52.7%** RM44,367million
  - MOH 43.0%
  - Other Government Agencies
- Private **47.3%** RM39,825million
  - OOP 36.0%
  - Other Private Agencies

Where was it spent?
PROVIDER

- Hospital **53.4%** RM44,970million
  - MOH+ Non-MOH 55.7%
  - Private 44.3%
- Ambulatory Provider
- Other Providers

What was it spent on?
FUNCTION

- Curative Care **60.9%** RM51,315million
  - Inpatient 50.3%
  - Outpatient 42.1%
  - Day care 7.6%
- Other Functions

Thank you

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