



MINISTRY OF HEALTH
MALAYSIA

MALAYSIA NATIONAL HEALTH ACCOUNTS

Health Expenditure Report 1997-2014





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**Health Expenditure Report
1997-2014**

MALAYSIA NATIONAL HEALTH ACCOUNTS UNIT
PLANNING DIVISION
MINISTRY OF HEALTH, MALAYSIA 2016

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Message by the Director-General of Health, Malaysia

Malaysia National Health Accounts (MNHA) data provides vital information on the use of financial resources in ensuring affordable, equitable and accessible health care system. This is the fifth round of time series health expenditure data for the country that is produced based on internationally acceptable national health accounts principles and system health accounts reference documents.

The current report includes all expenditures related to health in Malaysia from 1997 to 2014. The results show, the share of economy devoted to healthcare spending (total expenditure on health/TEH) was RM8.2 billion or 2.91 per cent of GDP in 1997 and RM49.7 billion or 4.49 per cent of GDP in 2014. Health spending in public sector remains higher than the private sector throughout the years. The biggest share of TEH in both public and private sectors is accounted for hospital inpatient services, followed by outpatient visits.


Household out-of-pocket expenditure is the second highest source of funding after the Ministry of Health, Malaysia and accounts for the largest source of funding within the private sector. OOP expenditure ranged from 75 percent to 82 per cent of total private sector health expenditure during the 1997 to 2014 period.

The National Health Accounts (NHA) prepared by MNHA Unit gives an interesting insight into the pattern of health expenditures in the country and provides meaningful information to be used during planning and policy decisions in the provision of sustainable, equitable and affordable health care services and goods according to the nation's health needs.

I am optimistic, that MNHA will continuously strive to keep in line with international standards and provide valuable data to assist Ministry of Health to strike a balance with the health needs, providing universal access to quality treatments and health spending by the government.

I take this opportunity to thank the multiple public and private agencies for providing data needed for the production of health accounts. I extend my appreciation to all those who have contributed to the preparation of this report.

Thank you.



Datuk Dr. Noor Hisham bin Abdullah
Director-General of Health,
Malaysia



Message by the Secretary General Ministry Of Health, Malaysia

The Malaysia National Health Accounts (MNHA) unit produces annual time series reports on national health expenditures and presents its findings to MNHA Steering Committee whose membership includes representatives from the public and private sectors. This year, MNHA unit has delivered another commendable performance - a testament of their commitment year after year to continuously produce time series on national health expenditures. Information gathered from this report can provide meaningful inputs for policy decisions. Whilst, bearing in mind the report's limitations and assumptions, the data can be used in decision making process in tandem with other health sector delivery and financial reform activities.

World Health Organization (WHO) has produced a revised version of the System of Health Accounts (SHA 2011) which has improved and strengthen the original classifications to support the production of more detailed results. It is encouraging to note that MNHA has initiated steps to migrate to the revised version. Numerous data sources are required for the National Health Accounts (NHA) and the challenging task of getting accurate information relies on the culmination of commitment, resourcefulness and the kind support from several agencies and individuals. I urge continuous support from all stakeholders to assist future MNHA work.

It is the Ministry's sincere hope that MNHA will continue with further improvements to this technical report series and make it an important source of information on the health sector development in the country. I congratulate everyone for all efforts contributed towards preparation of this report and thank all members of the steering committee for their participation.

Thank you.

A handwritten signature in black ink, appearing to read 'Chen Chaw Min'.

Dato' Seri Dr. Chen Chaw Min
Secretary General,
Ministry of Health, Malaysia



Preface

The Malaysia National Health Accounts – Health Expenditure Report 1997 – 2014 is the fifth round of this annual publication of time series data health expenditure produced based on internationally standardized National Health Accounts (NHA) methodology. To better understand the long-term trends in health expenditure in Malaysia, this report presents data for 18 years, describes some of the key trends and provides valuable information to explore the relationship between health expenditure and its drivers. Evidence of health expenditures and financing contributes towards strengthening of health care policies resulting in improved function of healthcare sector.

Health expenditure occurs at different levels of government, as well as by non-government entities. It is only through the contribution of many individuals and organizations that the production of this report is possible. Thus, I take this opportunity to sincerely thank all public and private agencies for their feedback and cooperation with the hope that it will continue in future.

This report on Malaysia's National Health Expenditure trends is a valuable source of comprehensive macro level data. It features comparative data at international levels and it is my sincere hope that the information shared in this report will be a useful guide for the various health transformation endeavours that the Ministry hope to undertake.

To the MNHA team, I say each and everyone's determination and hard work will pave the way for further developments. Keep up the good work!

Thank you.

A handwritten signature in black ink, appearing to read 'Jameela'.

Dr. Jameela Binti Zainuddin
Head of MNHA Unit
Planning Division
Ministry of Health, Malaysia



Acknowledgement

This Malaysia National Health Accounts – Health Expenditure Report 1997 – 2014 would not have been possible without the valued cooperation and effort from both the public and private sector stakeholders. The MNHA Unit would like to express its appreciation to all providers for the timely supply of data and assistance.

A special, heartfelt thanks goes to the Director of Planning Division, Dato' Dr. Nooraini binti Baba whose insightful comments and constant support enabled the production of useful quality data for policy makers, healthcare providers, academicians as well as researchers who seek to understand the evolving health scenario in Malaysia.

The Malaysia National Health Accounts (MNHA) Unit also wishes to thank the members of the MNHA Steering Committee, co-chaired by the Secretary General of Ministry of Health and the Director General of Health, whose guidance and endorsement give credence to the reliability and validity of the data produced.

Last but not least, the endeavouring persistence of all staff in MNHA Unit, and editorial members who have in one way or another contributed in producing this report is appreciated.

Thank You All.

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Abbreviations

AADK	<i>Agensi Anti Dadah Kebangsaan</i> (National Anti-Drug Agency)
AG	Accountant General
BNM	<i>Bank Negara Malaysia</i> (Central Bank of Malaysia)
CORPS	Corporations
DOSH	Department of Occupational Safety and Health
DOSM	Department of Statistics Malaysia
DSWM	Department of Social Welfare Malaysia
EPF	Employees Provident Fund
EPU	Economic Planning Unit
FOMCA	Federation of Malaysia Consumers Association
FOMEMA	Foreign Worker's Medical Examination Monitoring Agency
FT	Federal Territories
GDP	Gross Domestic Product
GGE	General Government Expenditure
GGHE	General Government Health Expenditure
GHED	Global Health Expenditure Database
HC	ICHA code for function of health services
HC.R	ICHA code for health-related services
HES	Household Expenditure Survey
HF	ICHA code for sources of funding for health services
HP	ICHA code for providers of health services
HQ	Headquarters
ICHA	International Classification for Health Accounts
IJN	<i>Institut Jantung Negara</i> (National Heart Institute)
ISN	<i>Institut Sukan Negara</i> (National Sports Institute)
JBA	<i>Jabatan Bekalan Air</i> (Water Supply Department)
JAKOA	<i>Jabatan Kemajuan Orang Asli</i> (Department of Orang Asli Development)

JKM	<i>Jabatan Kebajikan Masyarakat</i> (Social Welfare Department)
JPA	<i>Jabatan Perkhidmatan Awam</i> (Public Service Department)
JPAM	<i>Jabatan Pertahanan Awam</i> (Civil Defence Department)
KN	<i>Kerajaan Negeri</i> (State Government)
KPT	<i>Kementerian Pengajian Tinggi</i> (Ministry of Higher Education)
KWSP	<i>Kumpulan Wang Simpanan Pekerja</i> (Employees Provident Fund)
LA	Local Authorities
LPPKN	<i>Lembaga Penduduk dan Pembangunan Keluarga Negara</i> (National Population and Family Development Board)
LTH	<i>Lembaga Tabung Haji</i> (Pilgrims Fund Board)
MAIN	<i>Majlis Agama Islam Negeri</i> (Zakat Collection Centre)
MCO	Managed Care Organization
MF	MNHA Code for Functions of Health Service
MNHA	Malaysia National Health Accounts
MOD	Ministry of Defence
MOF	Ministry of Finance
MOH	Ministry of Health
MOE	Ministry of Education
MOSTI	Ministry of Science Technology and Innovation
MP	MNHA Code for Providers of Health Services
MR	MNHA Code for Health-Related Functions
MS	MNHA Code for Sources of Financing
NCU	National Currency Unit
NGO	Non-Government Organization
NHA	National Health Accounts
NIOSH	National Institute of Occupational Safety and Health
NPI	Non-profit Institutions
OECD	Organization for Economic Co-operation and Development

OFA	Other Federal Agencies
OOP	Out-of-Pocket
PBT	<i>Pihak Berkuasa Tempatan</i> (Local Authorities)
PEMANDU	Performance Management and Delivery Unit
PPP	Purchasing Power Parity
PSD	Public Service Department
PvtHE	Private Expenditure on Health
RM	<i>Ringgit Malaysia</i> (Malaysia Currency)
ROW	Rest of The World
SHA	System of Health Accounts
SOCISO	Social Security Organization
SSB	State Statutory Body
SSM	<i>Suruhanjaya Syarikat Malaysia</i> (Company Commission of Malaysia)
TCAM	Traditional, Complementary and Alternative Medicine
TCM	Traditional Complementary Medicines
TEH	Total Expenditure on Health
THE	Total Health Expenditure
UKAS	<i>Unit Kerjasama Awam Swasta</i> (Public Private Partnership Unit)
UN	United Nations
UNDP	United Nations Development Programme
USD	US Dollar
vs	Versus
WHO	World Health Organization

Report Information

This publication on the Malaysia National Health Accounts (MNHA) contains eighteen years national health expenditure data from 1997 to 2014 that was estimated using standardized and internationally acceptable National Health Accounts (NHA) methodology.

The reporting format follows closely the MNHA framework and is kept similar to previous reporting format. The “Malaysia National Health Accounts: Health Expenditure Report 1997-2014” has a total of ten chapters. Chapter 1 provides background to the report followed by Chapter 2 on the summary of the MNHA framework and Chapter 3 on the methodology that was used. Chapters 4 to 7 provide details of the health expenditure based on the MNHA framework. Chapter 8 shows state disaggregation of health expenditure, Chapter 9 provides of Out-of-Pocket health expenditure and chapter 10 contains some international comparisons.

Most of the data for 2014 are exhibited in diagrammatic and table formats followed by tables on the 1997-2014 time series data. All data are in nominal values and reported in *Ringgit Malaysia* (RM) unless stated otherwise. However, it should be noted that the best method for annual comparisons is based on data that has been adjusted for inflation, preferably using the Gross Domestic Product (GDP) deflator.

Chapter 4 contains the Total Health Expenditure (TEH) trends from the year 1997 to 2014, as a percentage of Gross Domestic Products (GDP), the per capita expenditures for the same period and the Total General Government Health expenditure (GGHE) as percentage of General Government Expenditure (GGE). Chapter 5 is lengthy and contains data on the major categories

of the sources of financing, namely the public sector and the private sector. It also contains expenditure of the various agencies under these two sectors. Both sectors data are then separately cross-tabulated with the dimensions of providers and functions. Every set of data is also accompanied by a similar time series data.

Chapter 6 and 7 provide data on the total health expenditures by providers and functions of health services. In addition, Chapter 6 also shows data on separate cross-tabulations between Ministry of Health (MOH) hospital expenditure with functions of health services. Chapter 7 provides data on separate cross-tabulations of curative care, expenditures for preventive and promotive public health programmes and expenditures for education and training by sources of financing. Chapter 8 shows state disaggregation of health expenditure.

Chapter 9 shows Out-of-Pocket (OOP) health expenditure, OOP share of total and private sector expenditure as per cent GDP, OOP as per cent GDP, OOP by providers and functions of health services. Chapter 10 contains some international comparisons of MNHA data with NHA data from neighbouring and regional countries as well as some developed country.

The appendix tables at the end of the report list the data sources from public and private sectors. There is also a summary table of the response rate from these data sources. Some data are also produced using SHA compatible MNHA classification and displayed as SHA Tables.

It is important to note that the data shown in this report is based on the methodology stated under Chapter 3. Tables and figures are used to display

the NHA data. Some of the figures on proportions have been adjusted to total up to 100 per cent.

Components on tables may not add to total of 100 per cent due to rounding up.

As is the case in all reported NHA data from any country, refinements in internationally accepted methodology and inputs from new additional data source may lead to annual changes in the figures.

Therefore, it is advisable to refer to the most recent MNHA data and publication for policy decisions and research purposes.

The value quoted in time series data are all nominal values unless stated specifically. Readers are advised to use the latest GDP deflator provided in Table 4.1, if required to adjust for inflation.

CHAPTER 1

Background

The Malaysia National Health Accounts (MNHA) data provides a wealth of useful macro-level health expenditure information for policy makers, researchers and other stakeholders. The importance of these data is elevated with the renewed need and interest in health financing reform for the country. Some knowledge on the background of this data will assist to better understand MNHA. Malaysia National Health Accounts (MNHA) started as a project by the Ministry of Health (MOH) with strong support from the Economic Planning Unit (EPU) of the Prime Minister's Department. This Malaysia National Health Accounts Project (2001-2005) was funded mainly by the United Nations Development Programme (UNDP) and resulted in the production of the *Malaysia National Health Accounts Project, Report on The MNHA Classification System (MNHA Framework)* and the first MNHA report, *Malaysia National Health Accounts Project, Health Expenditure Report (1997-2002)*. The outputs of this project were instrumental in the establishment of the Malaysia National Health Accounts (MNHA) Unit under the Planning & Development Division of MOH. Subsequently the MNHA Unit produced two other reports, *MNHA Health Expenditure Report (1997-2006)* and *MNHA Health Expenditure Report (2007 & 2008)*.

By 2009 the country had produced 3 different reports containing national health expenditure data spanning over a 12 year period (1997 to 2008). These data were produced in several cycles of MNHA estimations with some variations in data sources and methodology. However acceptable annual data comparison requires standardized methods of estimations for every year. This means ideally the method of analysis for 2008 should be applicable to 1997 analysis. This requirement resulted in the revision of previous MNHA estimations while proceeding to do the subsequent year analysis. After some challenging experiences and under close guidance from international consultant, the *MNHA Health Expenditure Report Revised Time*

Series (1997-2008) and Health Expenditure Report 2009 was produced. This contained comparable annual NHA data using internationally acceptable standardized method of analysis. Subsequently a second report under the application of the new standardized method was published as the *MNHA Health Expenditure Report (1997-2011)*. This report was later replaced by the *MNHA Health Expenditure Report 1997-2011 Revision* due to some error during the final analysis stage. The third time series report *MNHA Health Expenditure Report 1997-2012* was published. The latest report *MNHA Health Expenditure Report 1997-2013* is also available on the Ministry of Health website.

It is important to remind users of any NHA report that due to the methodology in which NHA data are produced, the data in the current most report replaces all annual data as stated in previous publications. In 2015, MNHA has progressed to produce the fifth comparable annual time series data spanning over a 18-year period by using similar methodology and reporting format with further refinements.

The chapters in this publication covers some general expenditure overviews followed by expenditure reports using the standard NHA framework, which is, expenditures by sources of funding, expenditures by providers of health services & products, and expenditures by functions of health services and products. The state expenditure disaggregation was also carried out and reported in this publication. Tables and figures are used to display the NHA data. Some of the figures on proportions have been adjusted to total up to 100 per cent. **Components on tables may not add to total of 100 per cent due to rounding up.** For those who require references to trends over time periods, whenever possible, the revised 1997 to 2014 time series data is inserted between the detailed 2014 cross-sectional data. 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 are basically standard sets of tables containing comprehensive, consistent, comparable, compatible and timely national health expenditure over a specified period. The System of Health Accounts (SHA) (OECD, 2000 Version 1.0) has been adopted by the World Health Organization (WHO) as a basis for international data collection and comparison. It proposes an integrated system of comprehensive and international comparable accounts and provides a uniform framework basic accounting rules and a set of tables for reporting health expenditures data. It also provides a more complete picture of the performance of the nation's health system and the needs of government, private sector analysts and policy makers for health planning purposes.

The SHA (OECD 2000 Version 1.0) also proposes an International Classification for Health Accounts (ICHA) in three dimensions namely, health care sources of funding including public and private, health care service providers and health care functions. The MNHA framework was based on the SHA (OECD 2000 Version 1.0) classification with some modifications to meet local policy needs.

2.1. TOTAL EXPENDITURE ON HEALTH (TEH)

The OECD SHA defines the concept of total expenditure on health (TEH) as a standardized definition of which areas of health spending are to be measured and reported in national totals. In the MNHA framework, TEH comprises the expenditures from both the public and private sectors.

2.2. THE MNHA CLASSIFICATION

The SHA (OECD, 2000 Version 1.0) classifies all health system spending

using a tri-axial-system, known as the International Classification for Health Accounts (ICHA), which categorizes health expenditure by:

- source of financing
- provider of health services
- function of health services

The MNHA framework is based on the SHA (OECD, 2000 Version 1.0) classification with some minor modifications to suit local needs (Appendix Tables A3, A3.1a, A3.1b, and A3.1c). Similar to the SHA classification, the MNHA classifies all expenditures into three main entities:

- source of financing (MS)
- provider of health services (MP)
- function of health services (MF)

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

Provider of health services is defined as entities that produce and provide health care goods and services. It is categorized as hospitals, nursing and residential care facility providers, ambulatory care providers, retail sale and medical goods providers, public health program providers and general health administration.

Function of health services include core functions of health care (e.g. curative care, rehabilitative care, long term nursing care, ancillary services, out-patient medical goods, public health services, health administration and health insurance) and health related functions (e.g. education, training of health personnel, research and development).

2.3 THE SHA CLASSIFICATION

Although the MNHA classification is based on the SHA classification, there are some changes in the two sets. Chapter 10 on International Comparisons briefly explains the salient differences. However the rest of the data in the various chapters are based strictly on the MNHA framework.

CHAPTER 3

Methodology of Data Collection and Analysis

3.1 GENERAL METHODOLOGY

A general understanding of the methodology in NHA estimation certainly provides better appreciation of the data. The previous report produced a set of MNHA data from 1997- 2013 and this report contains data from 1997-2014. However the data in this report over the same time period of 1997-2014 may show some variations compared to the previous report. This is mainly due to variations in responses from multiple data sources at each cycle of estimation. These variations are an acceptable phenomenon under NHA because estimations have to be carried out using standard NHA methodology for agencies that do not provide the requested data and therefore would otherwise have resulted in underestimation of health expenditure. Sometimes agencies are requested to provide their total spending for health-related activities and at other times their data are used to derive at the disaggregation of health expenditure by dimensions of provider or function of health services and products. A complete list of the sources of data and their response rates are documented at every cycle of analysis (Appendix Table A1.1, A1.2 and A2). Although it is difficult to obtain near 100 per cent response from all data sources, any improvements in data responses will minimize estimations for non-responders and better reflect true data.

3.2 SUMMARY OF 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

constitute health expenditure, institutional entities and types of disaggregation were drawn up based on inputs from several documents, committee meetings, and consultative advice from sources within and outside the MOH. The expertise gained through the previous international consultancy was extremely helpful in setting guidelines to ensure that estimation methods are acceptable and reliable under national health accounting methodology.

Both primary and secondary data were used in this analysis (Appendix Table A1.1 and A1.2). Several agencies both from the public and private sectors provide primary data in several formats. These data were obtained through multiple MNHA surveys and other surveys, data extraction during previous state visits, data extraction from other datasets and even through discussions. The secondary health expenditure data were retrieved through various data sources, reports, bulletins and other documents. All these data are analysed separately by each group of agency. The primary data were entered into various agency master dummy spreadsheets containing unprocessed data from 1997 onwards to the current year. The verification of primary data is important as this affects the several stages of analysis and the quality of final outputs. The main objective of NHA analysis is to conduct data classification and fill in any data gap. The sets of data from each source or agency were processed differently depending on the availability and completeness of data. Data classification for each agency was carried out based on the tri-axial MNHA entities of sources, providers and functions. The MNHA framework enables health expenditure disaggregates to the lowest

possible level under the three entities of sources, providers and functions. Any data gaps in each of these disaggregated data from each agency were then subjected to imputation methods used by NHA experts to fill the data gaps. Even these imputation methods vary from agency to agency. As in the past, the final analysis data of each agency were dual coded according to the MNHA classification adapted from the SHA (OECD, 2000 Version 1.0) classification as well as the SHA classification (Appendix Tables A3.1a, A3.1b, and A3.1c). State codes were also assigned to every set of analysis. Data from each agency are then collated before producing the final NHA data. Some of the important data with potential policy implications are then extracted and cross-tabulated to produce various tables and figures that are easily understood by policy makers and other stakeholders. All of these stages of analyses are highly technical and involves several methods that differ under each agency.

Besides a good understanding of NHA framework, personnel involved in NHA production also require sound knowledge on the use of specific software. The processes of data entry and analysis were carried out using Microsoft Excel Program and statistical software Stata (Version 12). The initial MNHA data preparation, analysis, and coding were done in Microsoft Excel spreadsheets and the final output data files of each agency were uploaded into a final database in Stata. After writing several Stata programs various tables and figures are produced.

During this round of analysis improvements in quality of NHA data is enhanced by reporting all expenditures incurred for lab & radiological investigations as one total for curative care whenever it was

delivered as part of a curative care service package. Thus these values are slightly higher than in previous reports. This is strictly in-keeping to definitions of functions codes under MNHA framework for curative care and standalone ambulatory care centers.

The recently developed verification processes of final data outputs for various data sources were also implemented. This involves validation of total estimates for each data source or agency prior to merging for the production of final database. This database was then subjected to a couple more verification measures prior NHA data extraction to populate various tables and figures.

This report only highlights some selected findings, which may be of use for health policy development and health planning for the country. Further detailed data extractions with cross-tabulations can produce much more data as requested by policy makers and stakeholders.

3.3 BRIEF ON VARIOUS AGENCY DATA PROCESSING

The methods used for data processing varied 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 (1997-2014) were obtained from the Accountant-General (AG) Office, Ministry of Finance (MOF). The AG raw database for the MOH is the primary source of data whereby expenditure data is entered as line item. All health expenditure is disaggregated into the tri-axial coding system under the dimensions of sources of funding, providers and functions of health

services and products based on the MNHA framework omitting double counting. Some assumptions are made using budgetary allocations for respective years.

(ii) Ministry of Education (MOE)

The function of the university hospitals under the MOE includes provision of health care services, health related training and research. Health expenditures of these institutions were mainly for curative care services. Other than these institutions, data (1997-2014) on the cost of training health professionals were obtained from various training colleges, Public Services Department (PSD) and other agencies.

(iii) Other Federal Agencies (including Statutory Bodies)

The agencies under “Other Federal Agencies” currently consists of seventeen public agencies inclusive of National Anti-Drug Agency, Prison Department, Civil Defence Department, Pension Department of Public Services Department, National Heart Institute of Malaysia, Social Welfare Department of Malaysia, Department of Orang Asli Affairs, 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 Science Technology and Innovation (MOSTI) and Pilgrims Fund Board

The total health expenditure of other Federal Agencies (including Statutory Bodies) was captured from these sources through special MNHA surveys questionnaires which also assist to estimate the proportions of this expenditure for disaggregation to providers and functions of health care services. The Other Federal Agencies expenditure was mainly for curative care, retail sales and medical goods and research.

(iv) Local Authorities

Local Authorities consist of health expenditure from 154 agencies of locals / municipal governments all over Malaysia. Most local authorities provide preventive care services such as disease control and food quality control. However, in addition to these, city councils such as Kuala Lumpur City Hall (*Dewan Bandaraya Kuala Lumpur*), Penang City Hall, Kuching City Hall and Ipoh City Council also provide curative care service.

(v) (General) State Government

This consists of health expenditure by all thirteen state governments. Three geographical areas of the country come under the Federal Territories include Kuala Lumpur, Putrajaya and Labuan. Most of the state expenditure was mainly for curative care, ancillary services and environmental health such as for water treatment.

(vi) Ministry of Defence (MOD)

The Ministry of Defence provides health services through its Army Hospitals and Armed Forces Medical and Dental Centre (*Rumah Sakit Angkatan Tentera dan Pusat Pergigian Angkatan Tentera*). The total health expenditure of this ministry (1997-2014) was captured from these sources, together with a MNHA survey to estimate the proportions of this expenditure for disaggregation to providers and functions of health care services. The MOD expenditure was mainly for curative care services.

(vii) Social Security Funds

There are two major organizations providing social security funds; the Employees Provident Fund (EPF) and the Social Security Organization (SOCSO), both of which are mandated by the government. In both, samplings of the medical bill claims were done to obtain health expenditures disaggregation by states to providers and functions and health care services.

(viii) Other State Agencies (including statutory bodies)

The other state agencies consist of health expenditure are statutory bodies and Zakat Collection Centre (MAIN). The data (1997-2014) on the number of employees and the health expenditure for state statutory bodies were collected from various sources. In addition, the MNHA Survey of state agencies including the statutory bodies provided data on per capita spending as well as expenditure disaggregation to provider and function of health care services.

3.3.2 Private Sector

(i) Household Out-of-Pocket (OOP) Health Expenditure

The private household OOP health expenditure estimation is complex and challenging. MNHA framework uses the integrative approach of consumption, provision and financing perspectives with necessary adjustments to avoid double counting of expenditures. Expenditure data is summated from both production and consumption side sources, with deductions of the reimbursable and others already included under other sources of funding. The approach includes the capture of the gross revenues from various sources such as the user charges of MOH hospital, university hospitals, National Heart Institute, revenues of private hospital, private medical clinic, private dental clinic, sales of pharmaceutical and other medical supplies, ancillary services, sales of traditional medicine and revenues of traditional treatment providers.

The summation of all these revenues is considered as the gross spending (OOP health expenditure and non-OOP health expenditure). In order to obtain the net OOP spending, all the refundable payments by insurance, private corporation, SOCSO, EPF, statutory bodies or other parties

exclusive of direct OOP payment are subtracted. The balance is reported as the estimated private OOP expenditure.

(ii) Private Corporations/Private Companies

More than 90% of the total labour force works in the private sector and gain medical benefits through the private employer medical benefit scheme. The average per capita health expenditure was calculated based on the survey conducted by Department of Statistic Malaysia (DOSM) on various types of industries. The proportions of providers and functions were estimated based on analysis and via MNHA questionnaires sent to the selected private companies. This expenditure excludes group insurance purchases by large companies for their employees as this is captured under total insurance expenditure.

(iii) Private Health Insurance

The health expenditure of private health insurance is calculated based on the Medical Health Insurance data from the Central Bank of Malaysia. The data includes individual and grouped insurances. The proportion for providers and functions of health services is obtained via the MNHA survey of sampled insurance companies.

(iv) Non-Governmental Organizations (NGOs)

Besides social activities, the non-governmental organizations (NGOs) are also involved in health related activities. Health expenditure incurred by the NGOs is obtained through the MNHA survey of these organizations which enables the expenditure disaggregation to providers and functions of health care services. The process of obtaining a full list of NGOs and good response rate has always been a challenge to this source of funding.

(v) Managed Care Organization (MCO)

Under the provisions of the existing law, only insurance companies are allowed to

undertake 'health risk'. In Malaysia most of the organizations considered as MCOs are third party payers. The data obtained from these third party payers were data mainly related to health administration of health insurance.

3.4 REFINEMENT OF METHODOLOGY

One of the challenges faced in producing NHA is the extraction of raw health expenditure data from various accounting systems of agencies that contribute towards total health expenditure and then reporting it in a format that conforms to international reporting system. This drives the MNHA technical team to constantly review and refine methodologies to further improve NHA estimations and reporting.

This time the refinement mainly focused on two NHA issues:

- i. Standardization in reporting expenditure structure for healthcare services provided by hospitals under Ministry of Health hospitals (public MOH), Ministry of Education, Ministry of Defence, National Heart Institute (public non-MOH) hospitals and private hospitals;
- ii. Further addressing double counting of expenditures.

3.4.1 Standardization of hospital expenditure reporting

Hospital care as defined in NHA, embodies all services provided by hospitals to patients. This means costs incurred for ancillary services such as pharmacy charges (drugs and non-durable products), surgical costs, laboratory tests, radiological investigations and rehabilitation services are included as part of curative care expenditure.

Previous reports, under the functional classification, categorized expenditure provided by public MOH hospitals as inpatient, outpatient and day-care; whereas services provided at public non-MOH hospitals (Ministry of Education, Ministry of Defence, National Heart Institute) and private hospitals in addition to inpatient, outpatient and day-care were also disaggregated to show ancillary services expenditure separately whenever available.

Under the refined analysis all public and private hospitals services were disaggregated only into three categories as inpatient, outpatient and day-care. This reported curative care expenditures for public and private hospitals includes all ancillary charges. Thus, the refined estimates are slightly higher than previous values. This revision provides a more standardized estimation and reporting of curative care spending by hospitals.

3.4.2 Addressing double counting

MNHA data sources have grown over the years. Explanation on various data sources and how the health expenditure data is derived from these sources is briefly explained in the earlier sections of this chapter. Over the years there have been increases and changes in the healthcare benefits provided by public and private employers. In addition to providing private health insurance benefits, several employers also allow their employees to claim some of their medical expenses. These claims can be for services of curative care at public MOH and public non-MOH hospitals or clinics. There is literature to support that when estimating expenditure along a two-dimension matrix where one dimension is sources of funds and the other dimension is types of providers, the prevalence of such claims increased

likelihood of double counting of health expenditure.

In the Malaysian context estimated health expenditure for all public hospitals are obtained from the respective data sources who are also providers of health care services (Ministry of Health – budget line data, MNHA yearly survey data from Ministry of Education, Ministry of Defence and National Heart Institute). Data captured through the surveys and secondary budget data provide total expenses for services rendered at public MOH and non-MOH hospitals and clinics. This includes expenditure incurred for services provided to public and private employees. All patient revenues collected at these public facilities are channeled to a consolidated fund managed by the treasury. Some of these revenues are payments by employees which can be

reimbursed by their employers. Surveys done on these employers also report spending at various public hospitals which in the previous analysis was also taken into account and this would have inflated the actual spending at public hospitals.

The refined methodology is a downward revision to health care providers' expenditures due to removal of various agencies reimbursements when it involved claims for treatment received at public MOH and non-MOH hospitals and clinic.

Addressing this double counting was a major focus during this refinement and accounted for some changes in the total expenditures. The changes accounted for about one to two per cent of total health expenditure in ringgit value or 0.05% reduction of total health as percentage of GDP.

CHAPTER 4

Total Health Expenditure

The total health expenditure (TEH) for Malaysia during 1997-2014 ranged from RM8,190 million in 1997 to RM49,731 million in 2014 (Figure 4.1 and Table 4.1). The health spending as a share of Gross Domestic Product (GDP) for the same period ranged from 2.91 per cent to 4.49 per cent of GDP. Overall, the per capita spending on health ranged from RM642 (USD227) in 1997 to RM1,625 (USD496) in 2014 (Figure 4.2, Figure 4.3 and Table 4.2).

The Total General Government Health Expenditure (GGHE) as percentage of General Government Expenditure (GGE), increased from RM4,318 million in 1997 to RM25,814 million in 2014 or an increase from 4.79 per cent to 6.47 per cent over the time period (Figure 4.4 and Table 4.3).

FIGURE 4.1: Trend for Total Health Expenditure, 1997-2014 (RM Million & Per cent GDP)

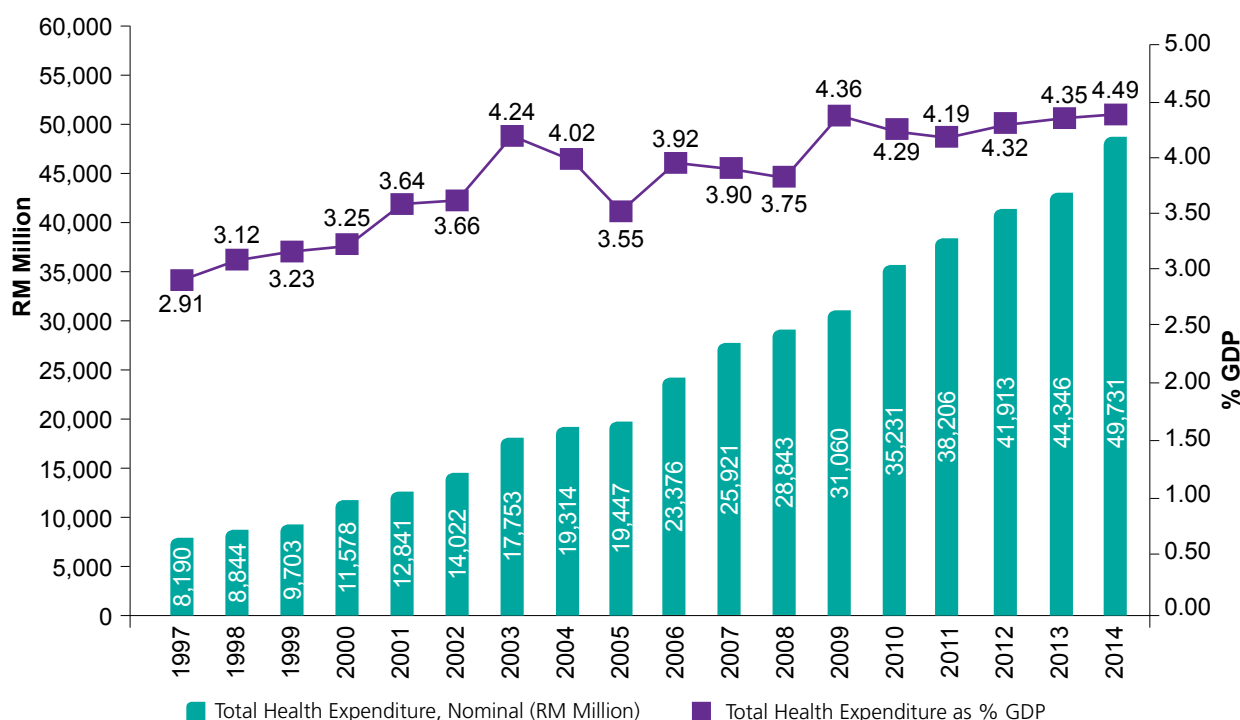
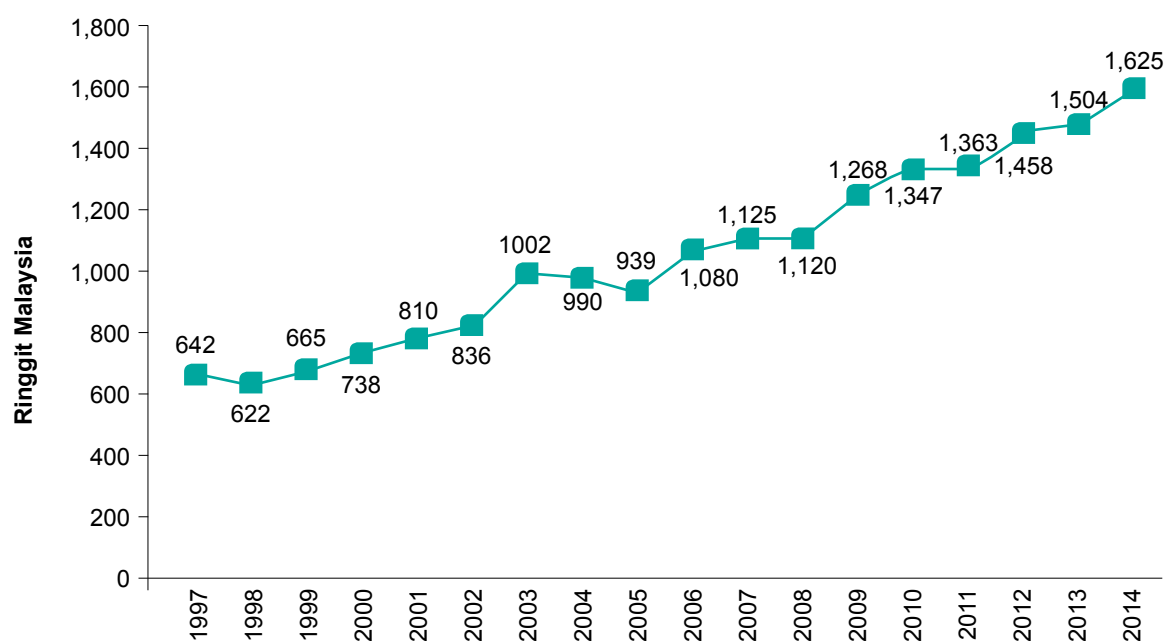


TABLE 4.1: Total Health Expenditure, 1997-2014 (RM Million & Per cent GDP)

Spending Year	Total Health Expenditure, Nominal (RM Million)	Total Health Expenditure, Constant using DOS GDP Deflator (RM Million)*	Total Health Expenditure as % GDP	Total GDP, Nominal (RM Million)*	DOS GDP Deflator*
1997	8,190	13,966	2.91	281,795	64
1998	8,844	13,888	3.12	283,243	70
1999	9,703	15,237	3.23	300,764	70
2000	11,578	17,335	3.25	356,401	73
2001	12,841	19,547	3.64	352,579	72
2002	14,022	20,683	3.66	383,213	74
2003	17,753	25,365	4.24	418,769	77
2004	19,037	25,656	4.02	474,048	81
2005	19,314	24,864	3.55	543,578	85
2006	23,376	28,969	3.92	596,784	88
2007	25,921	30,596	3.90	665,340	93
2008	28,843	30,847	3.75	769,949	102
2009	31,060	35,364	4.36	712,857	96
2010	35,231	38,508	4.29	821,434	100
2011	38,206	39,619	4.19	911,733	105
2012	41,913	43,014	4.32	971,252	107
2013	44,346	45,427	4.35	1,018,821	107
2014	49,731	49,731	4.49	1,106,580	109

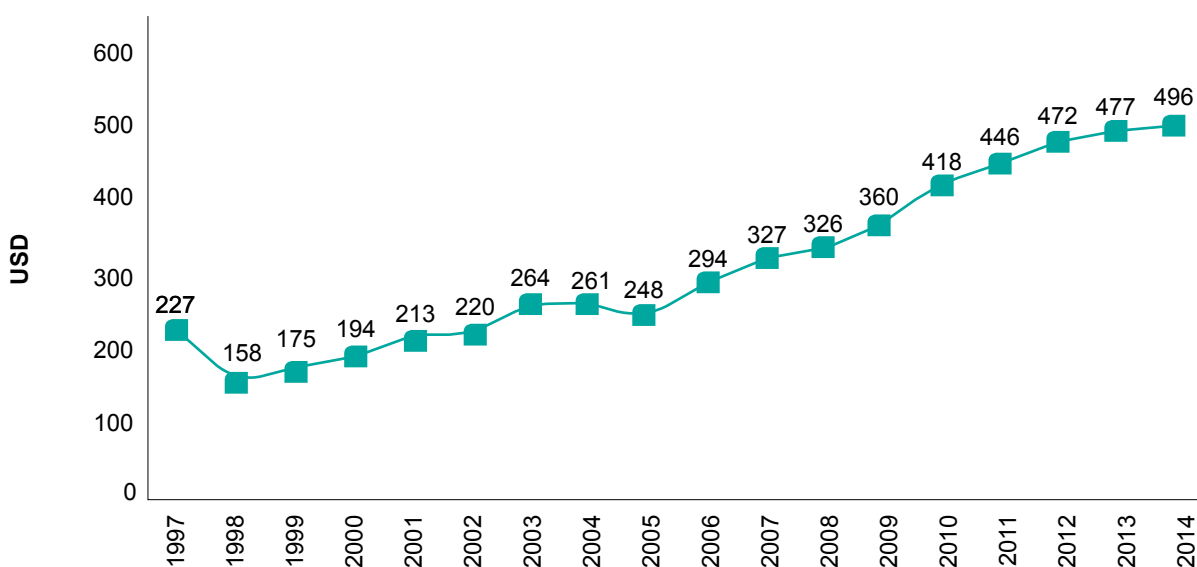
Source: * Department of Statistics Malaysia, GDP Deflator base year 2010 published in Nov 2015

FIGURE 4.2: Per Capita Spending on Health, 1997-2014 (constant, RM)*



Note: * using DOS GDP Deflator base year 2010 published in Nov 2015

FIGURE 4.3: Per Capita Spending on Health, 1997-2014 (constant, USD)*



Note: * using DOS GDP Deflator base year 2010 published in Nov 2015

TABLE 4.2: Per Capita Spending on Health, 1997-2014 (RM & USD)								
Spending/ Population Year	Total Health Expenditure, Nominal (RM Million)	Total Health Expenditure, Constant using DOS GDP Deflator (RM Million)*	Per Capita Spending, Nominal (RM)	Per Capita Spending, Constant (RM)	Per Capita Spending, Nominal (USD)**	Per Capita Spending, Constant (USD)**	Total Population*	USD Exchange rate**
1997	8,190	13,966	376	642	133	227	21,769,200	2.82
1998	8,844	13,888	396	622	101	158	22,333,500	3.92
1999	9,703	15,237	424	665	111	175	22,909,400	3.80
2000	11,578	17,335	493	738	130	194	23,494,900	3.80
2001	12,841	19,547	532	810	140	213	24,123,400	3.80
2002	14,022	20,683	567	836	149	220	24,727,100	3.80
2003	17,753	25,365	701	1,002	185	264	25,320,100	3.80
2004	19,037	25,656	735	990	193	261	25,905,100	3.80
2005	19,314	24,864	729	939	193	248	26,477,100	3.79
2006	23,376	28,969	871	1,080	238	294	26,831,400	3.67
2007	25,921	30,596	953	1,125	277	327	27,186,000	3.44
2008	28,843	30,847	1,047	1,120	314	336	27,540,300	3.33
2009	31,060	35,364	1,113	1,268	316	360	27,895,100	3.52
2010	35,231	38,508	1,232	1,347	383	418	28,588,800	3.22
2011	38,206	39,619	1,315	1,363	430	446	29,062,100	3.06
2012	41,913	43,014	1,420	1,458	460	472	29,509,900	3.09
2013	44,346	45,427	1,468	1,504	466	477	30,213,800	3.15
2014	49,731	49,731	1,625	1,625	496	496	30,597,900	3.27

Source *Department of Statistics Malaysia, GDP Deflator base year 2010 published in Nov 2015

Note ** Average yearly Exchange Rate (BNM website in June 2015)

FIGURE 4.4: Trend for General Government Health Expenditure (GGHE) as Per cent General Government Expenditure (GGE), 1997-2014

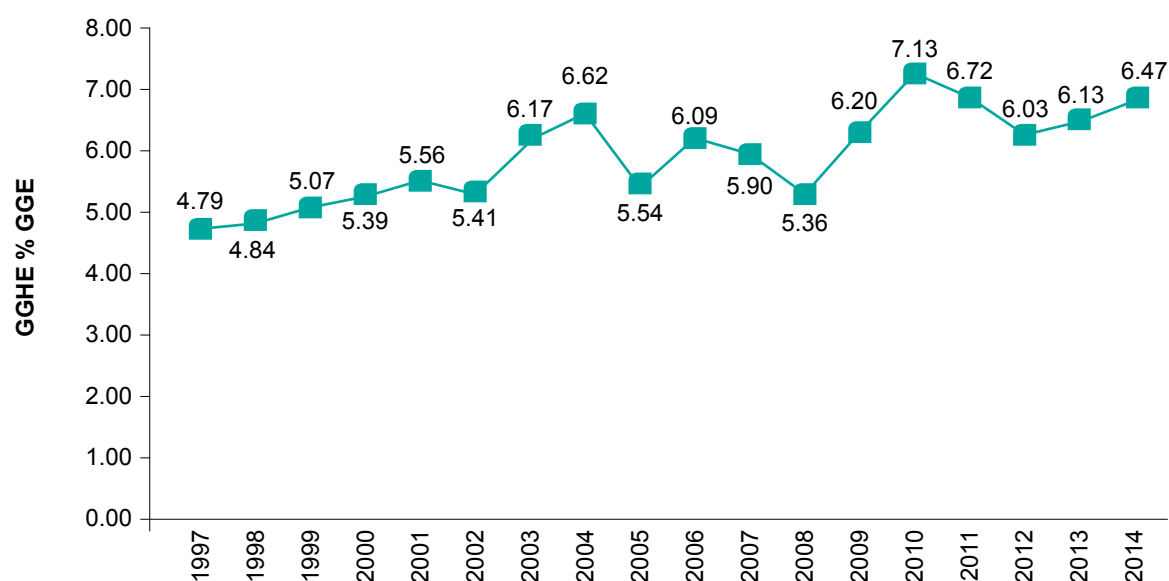


TABLE 4.3: Trend for General Government Health Expenditure (GGHE), 1997-2014 (RM Million, Per cent GGE)

Year	Total General Government Health Expenditure (RM Million), nominal	Total General Government Health Expenditure (RM Million), constant	General Government Expenditure (RM Million)*	GGHE as % GGE	DOS GDP Deflator**
1997	4,318	7,362	90,131	4.79	64
1998	4,696	7,375	97,040	4.84	70
1999	5,183	8,139	102,320	5.07	70
2000	6,195	9,275	114,884	5.39	73
2001	7,269	11,066	130,690	5.56	72
2002	7,812	11,523	144,278	5.41	74
2003	10,301	14,718	166,949	6.17	77
2004	10,446	14,078	157,742	6.62	81
2005	9,571	12,321	172,681	5.54	85
2006	12,444	15,421	204,255	6.09	88
2007	13,645	16,106	231,359	5.90	93
2008	15,500	16,577	289,395	5.36	102
2009	17,521	19,949	282,794	6.20	96
2010	19,252	21,043	270,171	7.13	100
2011	19,971	20,710	297,382	6.72	105
2012	22,036	22,615	365,610	6.03	107
2013	22,694	23,247	369,955	6.13	107
2014	25,814	25,814	399,207	6.47	109

Source: * Economy Report 2014/2015 at http://www.treasury.gov.my/pdf/economy/er/1415/jp6_9.pdf

Note ** GDP Deflator base year 2010 published in Nov 2015

CHAPTER 5

Total Health Expenditure by Sources of Financing

The various sources of financing for health care services and products include multiple agencies in the public as well as the private sector. In the public sector these sources of financing include federal government, state government, local authorities and social security funds. In the private sector these sources of financing include private insurance enterprises, managed care organizations, private household OOP, non-profit institutions, and private corporations (Appendix Table A3.1a). The share of both these two sectors to the total health spending can be identified for each year.

Comparison of health spending between public and private sector was made. In 2014, the public and private health spending was RM25,814 million and RM23,917 million respectively (Figure 5.1 and Table 5.1). This translates to a public:private share of 52:48 and a similar pattern is noted throughout the time series from 1997 to 2014. During this period, both the public and private sector spending shows an upward trend but the public share of health spending remained higher than the private share except in the year 2005.

FIGURE 5.1: Total Health Expenditure by Sources of Financing (Public vs. Private), 1997-2014

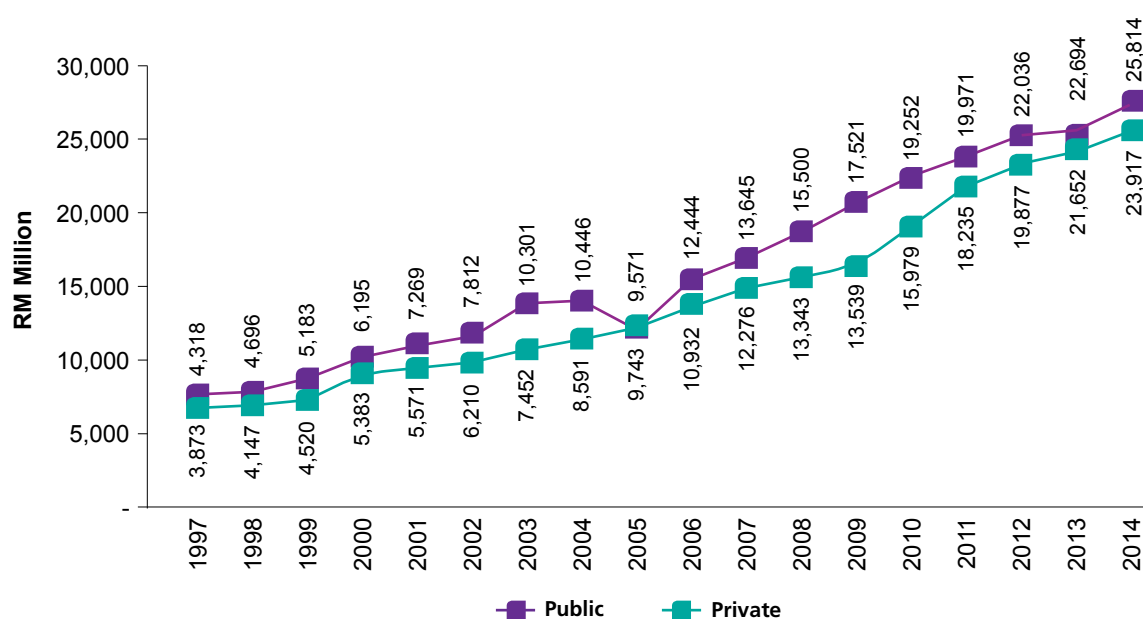


TABLE 5.1: Total Expenditure on Health by Sources of Financing by Public & Private Sectors, 1997-2014

Year	Public		Private		Total RM Million
	RM Million	%	RM Million	%	
1997	4,318	52.72	3,873	47.28	8,190
1998	4,696	53.10	4,147	46.90	8,844
1999	5,183	53.41	4,520	46.59	9,703
2000	6,195	53.51	5,383	46.49	11,578
2001	7,269	56.61	5,571	43.39	12,841
2002	7,812	55.71	6,210	44.29	14,022
2003	10,301	58.02	7,452	41.98	17,753
2004	10,446	54.87	8,591	45.13	19,037
2005	9,571	49.55	9,743	50.45	19,314
2006	12,444	53.23	10,932	46.77	23,376
2007	13,645	52.64	12,276	47.36	25,921
2008	15,500	53.74	13,343	46.26	28,843
2009	17,521	56.41	13,539	43.59	31,060
2010	19,252	54.65	15,979	45.35	35,231
2011	19,971	52.27	18,235	47.73	38,206
2012	22,036	52.58	19,877	47.42	41,913
2013	22,694	51.18	21,652	48.82	44,346
2014	25,814	51.91	23,917	48.09	49,731

Sources of Financing

In 2014, among the various sources of financing, the Ministry of Health (MOH) had the highest expenditure amounting to RM21,787 million or 44 per cent share of total health expenditure (Figure 5.2 and Table 5.2a). This was followed by private household Out-of-Pocket (OOP) spending of RM19,544 million or 39 per cent share of total health expenditure. After MOH and OOP Health expenditure, the next highest spending was by private insurance at RM3,203 million or 6 per cent and other federal agencies including federal statutory bodies spent at RM1,850 million or 4 per cent. The Ministry of Education (MOE) spent RM1,255 million or 3 per cent whereas corporations (excluding their corporate health insurance) spent RM950 million contributing to about 2 per cent each of the total share of all national health expenditure. All the remaining sources of financing spent RM1,142 million or 2 per cent of the total health expenditure.

The 1997 to 2014 time series expenditure of all sources of financing shows MOH as the highest financier followed by OOP (Table 5.2b and Table 5.2c). The time series data trend shows that prior to 2003, after MOH and OOP, the third highest source of financing was by corporations (excluding their corporate health insurance). This trend changed from 2003 onwards with private insurance expenditure occupying the third. In 2003 and 2005 to 2007, corporations (excluding their corporate health insurance) occupying the fourth but in 2004 and 2008 to 2014, other federal agencies (including statutory bodies) occupied the fourth highest share of total health expenditure except 1997-2004, private insurance enterprises (other than social insurance) occupying the fourth.

FIGURE 5.2: Total Health Expenditure by Sources of Financing, 2014

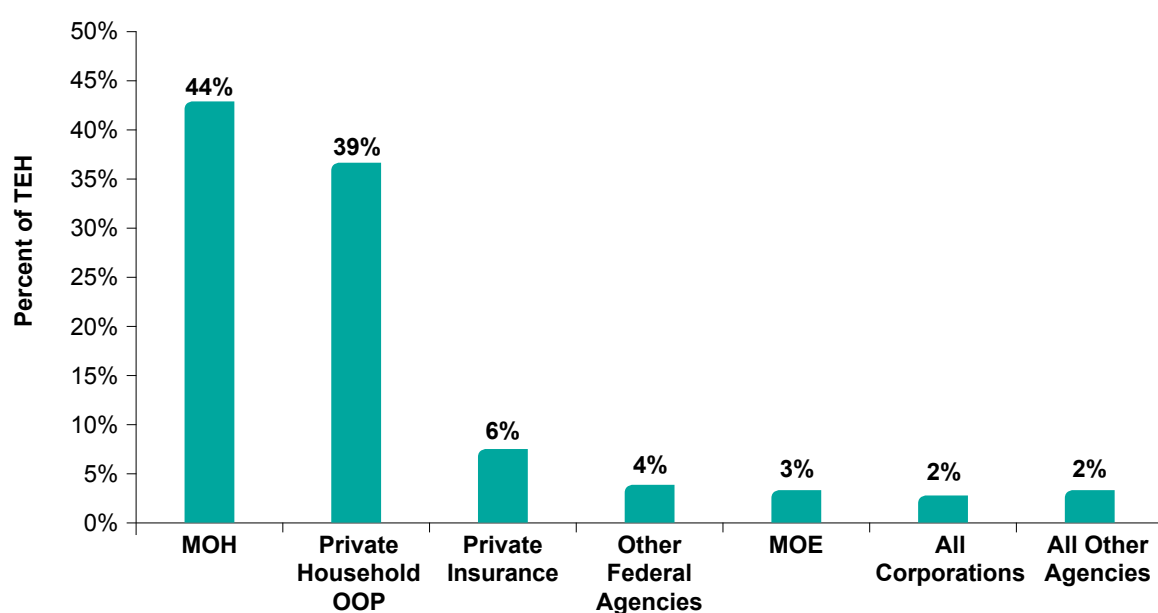


TABLE 5.2a: Total Health Expenditure by Sources of Financing, 2014

MNHA code	Sources of Financing	RM Million	Per cent
MS1.1.1.1	Ministry of Health (MOH)	21,787	43.81
MS2.4	Private household out-of-pocket expenditures (OOP)	19,544	39.30
MS2.2	Private insurance enterprises (other than social insurance)	3,203	6.44
MS1.1.1.9	Other federal agencies (including statutory bodies)	1,850	3.72
MS1.1.1.2	Ministry of Education (MOE)	1,255	2.52
MS2.6	All Corporations (other than health insurance)	950	1.91
MS1.2.2	Social Security Organization (SOCISO)	264	0.53
MS1.1.2.2	Other state agencies (including statutory bodies)	195	0.39
MS1.1.1.3	Ministry of Defence (MOD)	174	0.35
MS1.1.3	Local Authorities	164	0.33
MS2.3	Private MCOs and other similar entities	151	0.30
MS1.1.2.1	(General) State Government	79	0.16
MS2.5	Non-profit organisations serving households (NGO)	67	0.13
MS1.2.1	Employee Provident Funds (EPF)	46	0.09
MS9	Rest of the world	2	0.00
Total		49,731	100.00

TABLE 5.2b: Total Health Expenditure by Sources of Financing, 1997-2014 (RM Million)																			
MNHA code	Source of Financing	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MS1.1.1.1	Ministry of Health (MOH)	3,618	3,945	4,359	5,267	6,142	6,546	8,874	8,758	7,890	10,650	11,042	12,819	14,438	15,954	16,506	18,248	19,042	21,787
MS1.1.1.2	Ministry of Higher Education (MOE)	322	324	366	407	500	554	593	638	657	708	850	981	1,021	1,222	1,152	1,212	1,156	1,255
MS1.1.1.3	Ministry of Defence (MOD)	33	25	29	34	44	60	46	54	59	63	99	156	161	123	147	158	176	174
MS1.1.1.9	Other federal agencies (including statutory bodies)	213	254	271	311	394	446	535	684	639	694	914	1,126	1,361	1,488	1,622	1,827	1,608	1,850
MS1.1.2.1	(General) State Government	36	41	41	42	41	46	68	90	67	77	90	96	86	93	94	108	119	79
MS1.1.2.2	Other state agencies (including statutory bodies)	25	27	28	32	33	36	42	47	57	60	63	72	77	96	113	119	145	195
MS1.1.3	Local Authorities	15	16	17	18	19	22	27	35	45	42	419	113	238	108	142	150	188	164
MS1.2.1	Employee Provident Funds (EPF)	7	15	20	24	32	36	43	56	61	46	51	49	38	34	39	38	42	46
MS1.2.2	Social Security Organization (SOCSCO)	50	50	53	60	63	67	74	83	96	105	117	88	102	136	157	176	219	264
MS2.2	Private insurance enterprises (other than social insurance)	295	365	421	516	599	718	964	1,062	1,084	1,246	1,413	1,709	1,991	2,277	2,626	2,774	2,916	3,203
MS2.3	Private MCOs and other similar entities	12	14	15	18	20	24	33	30	32	38	42	53	70	88	96	103	115	151
MS2.4	Private household Out-of-Pocket expenditures (OOP)	2,930	3,101	3,374	4,136	4,152	4,635	5,637	6,685	7,689	8,722	9,685	10,550	10,414	12,403	14,286	15,660	17,577	19,544
MS2.5	Non-profit institutions serving households (NGO)	64	70	71	87	93	104	118	131	148	160	186	214	233	269	312	362	78	67
MS2.6	All Corporations (other than health insurance)	572	597	638	622	708	728	700	683	790	767	949	817	828	940	912	976	965	950
MS9	Rest of the world	-	-	-	5	-	-	-	-	-	-	1	1	2	1	2	2	2	2
Total		8,190	8,844	9,703	11,578	12,841	14,022	17,753	19,037	19,314	23,376	25,921	28,843	31,060	35,231	38,206	41,913	44,346	49,731

TABLE 5.2c: Total Health Expenditure by Sources of Financing, 1997-2014 (Per cent, %)																			
MNHA code	Source of Financing	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MS1.1.1.1	Ministry of Health (MOH)	44.17	44.60	44.92	45.49	47.83	46.68	49.99	46.01	40.85	45.56	42.60	44.45	46.48	45.28	43.20	43.54	42.94	43.81
MS1.1.1.2	Ministry of Education (MOE)	3.93	3.66	3.77	3.52	3.90	3.95	3.34	3.35	3.40	3.03	3.28	3.40	3.29	3.47	3.02	2.89	2.61	2.52
MS1.1.1.3	Ministry of Defence (MOD)	0.40	0.28	0.29	0.30	0.35	0.43	0.26	0.28	0.31	0.27	0.38	0.54	0.52	0.35	0.38	0.38	0.40	0.35
MS1.1.1.9	Other federal agencies (including statutory bodies)	2.60	2.88	2.79	2.68	3.07	3.18	3.01	3.60	3.31	2.97	3.53	3.91	4.38	4.22	4.24	4.36	3.63	3.72
MS1.1.2.1	(General) State Government	0.44	0.46	0.43	0.36	0.32	0.33	0.39	0.48	0.35	0.33	0.35	0.33	0.28	0.26	0.25	0.26	0.27	0.16
MS1.1.2.2	Other state agencies (including statutory bodies)	0.31	0.30	0.29	0.27	0.26	0.25	0.24	0.25	0.29	0.26	0.24	0.25	0.25	0.27	0.30	0.28	0.33	0.39
MS1.1.3	Local Authorities	0.19	0.18	0.17	0.15	0.15	0.16	0.15	0.19	0.23	0.18	1.62	0.39	0.77	0.31	0.37	0.36	0.42	0.33
MS1.2.1	Employee Provident Funds (EPF)	0.08	0.17	0.20	0.20	0.25	0.26	0.24	0.29	0.32	0.20	0.20	0.17	0.12	0.10	0.10	0.09	0.09	0.09
MS1.2.2	Social Security Organization (SOC SO)	0.60	0.56	0.55	0.52	0.49	0.48	0.41	0.44	0.49	0.45	0.45	0.31	0.33	0.39	0.41	0.42	0.49	0.53
MS2.2	Private insurance enterprises (other than social insurance)	3.60	4.13	4.34	4.45	4.66	5.12	5.43	5.58	5.61	5.33	5.45	5.92	6.41	6.46	6.87	6.62	6.57	6.44
MS2.3	Private MCOs and other similar entities	0.15	0.16	0.16	0.15	0.15	0.17	0.18	0.16	0.17	0.16	0.16	0.18	0.23	0.25	0.25	0.24	0.26	0.30
MS2.4	Private household Out-of- Pocket expenditures (OOP)	35.77	35.07	34.77	35.72	32.33	33.05	31.75	35.12	39.81	37.31	37.36	36.58	33.53	35.20	37.39	37.36	39.64	39.30
MS2.5	Non-profit institutions serving households (NGO)	0.78	0.79	0.74	0.75	0.72	0.74	0.67	0.69	0.77	0.69	0.72	0.74	0.75	0.76	0.82	0.86	0.18	0.13
MS2.6	All Corporations (other than health insurance)	6.98	6.76	6.58	5.37	5.52	5.19	3.94	3.59	4.09	3.28	3.66	2.83	2.67	2.67	2.39	2.33	2.18	1.91
MS9	Rest of the world	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.01	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	100.00	100.00	100.00	100.00	100.00	100.00

Public Sector Sources of Financing

In 2014, analysis of the public sector sources of financing shows that the MOH spent RM21,787 million (84 per cent), making it the largest financier in this sector. This is followed by other federal agencies (including statutory bodies) RM1,850 million (7 per cent), MOE RM1,255 million (5 per cent), SOCSO RM264 million (1 per cent), other state agencies (including statutory bodies) RM195 million (1 per cent), and other public sector agencies with each agency spending less than RM180million but in total amounting to RM462 million (2 per cent) (Figure 5.3 and Table 5.3a).

The public sector time series expenditure data, shows a similar trend throughout the 1997-2014 period with MOH spending progressively increasing from RM3,618 million in 1997 to RM21,787 million in 2014 (Table 5.3b). This amounts to between 82 to 86 per cent share of

public spending (Table 5.3c). MOH expenditure was followed by MOE in 1997-2003 and 2005-2006. In the remaining years, MOH expenditure was followed by other federal agencies including the federal statutory bodies occupying a share of 5 to 8 per cent, followed by MOE occupying a share of 5 to 7 per cent of public sector spending. The remaining public sector agencies inclusive of SOCSO, other state agencies including state statutory bodies, MOD, LA, state government, and EPF each spent less than RM270 million per year. These sources of financing contributed to a share of less than 5 per cent of the total public sector expenditure per agency per year. The time series expenditure by local authorities prior to 2007 has several limitations which have been challenging to rectify. This has resulted in gross under estimation of LA expenditure prior to 2007.

FIGURE 5.3: Total Health Expenditure by Public Sector Sources of Financing, 2014

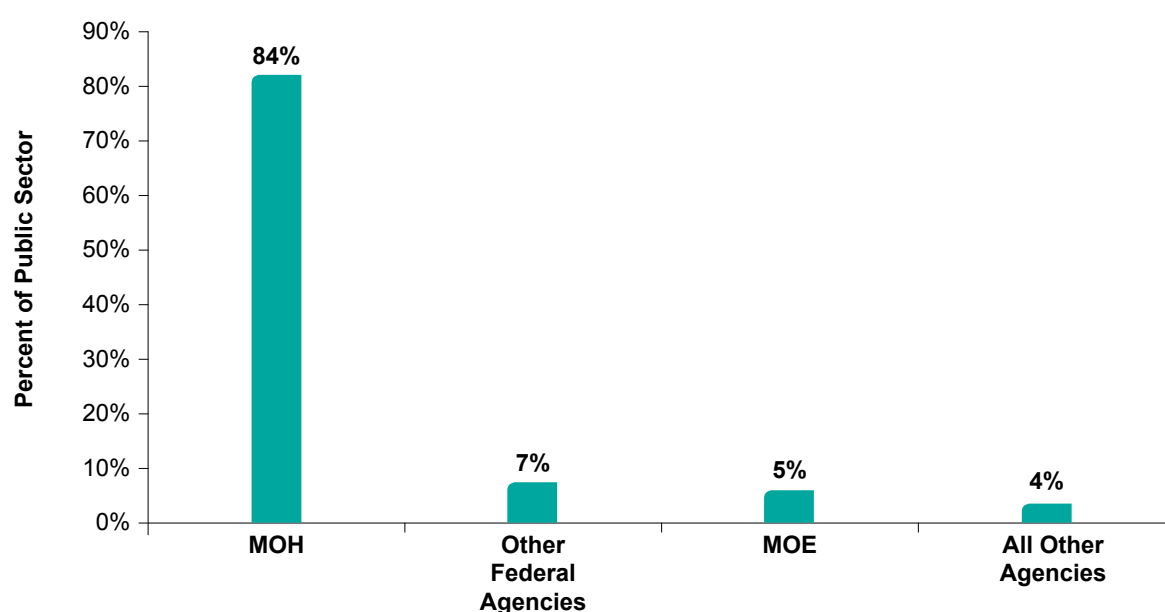


TABLE 5.3a: Total Health Expenditure by Public Sector Sources of Financing, 2014

MNHA code	Sources of Financing	RM Million	Per cent
MS1.1.1.1	Ministry of Health (MOH)	21,787	84.40
MS1.1.1.9	Other federal agencies (including statutory bodies)	1,850	7.17
MS1.1.1.2	Ministry of Education (MOE)	1,255	4.86
MS1.2.2	Social Security Organization (SOC SO)	264	1.02
MS1.1.2.2	Other state agencies (including statutory bodies)	195	0.76
MS1.1.1.3	Ministry of Defence (MOD)	174	0.67
MS1.1.3	Local authorities	164	0.63
MS1.1.2.1	(General) State Government	79	0.31
MS1.2.1	Employee Provident Funds (EPF)	46	0.18
Total		25,814	100.00

TABLE 5.3b: Total Health Expenditure by Public Sector Sources of Financing, 1997-2014 (RM Million)																			
MNHA code	Sources of financing	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MS1.1.1.1	Ministry of Health (MOH)	3,618	3,945	4,359	5,267	6,142	6,546	8,874	8,758	7,890	10,650	11,042	12,819	14,438	15,954	16,506	18,248	19,042	21,787
MS1.1.1.2	Ministry of Education (MOE)	322	324	366	407	500	554	593	638	657	708	850	981	1,021	1,222	1,152	1,212	1,156	1,255
MS1.1.1.3	Ministry of Defence (MOD)	33	25	29	34	44	60	46	54	59	63	99	156	161	123	147	158	176	174
MS1.1.1.9	Other federal agencies (including statutory bodies)	213	254	271	311	394	446	535	684	639	694	914	1,126	1,361	1,488	1,622	1,827	1,608	1,850
MS1.1.2.1	(General) State Government	36	41	41	42	41	46	68	90	67	77	90	96	86	93	94	108	119	79
MS1.1.2.2	Other state agencies (including statutory bodies)	25	27	28	32	33	36	42	47	57	60	63	72	77	96	113	119	145	195
MS1.1.3	Local Authorities	15	16	17	18	19	22	27	35	45	42	419	113	238	108	142	150	188	164
MS1.2.1	Employee Provident Funds (EPF)	7	15	20	24	32	36	43	56	61	46	51	49	38	34	39	38	42	46
MS1.2.2	Social Security Organization (SOCISO)	50	50	53	60	63	67	74	83	96	105	117	88	102	136	157	176	219	264
Total		4,318	4,696	5,183	6,195	7,269	7,812	10,301	10,446	9,571	12,444	13,645	15,500	17,521	19,252	19,971	22,036	22,694	25,814

TABLE 5.3c: Total Health Expenditure by Public Sector Sources of Financing, 1997-2014 (Per cent, %)																			
MNHA code	Sources of financing	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MS1.1.1.1	Ministry of Health (MOH)	83.78	83.99	84.10	85.03	84.50	83.79	86.15	83.84	82.44	85.58	80.92	82.71	82.40	82.87	82.65	82.81	83.91	84.40
MS1.1.1.2	Ministry of Education (MOE)	7.45	6.90	7.05	6.58	6.88	7.09	5.75	6.10	6.87	5.69	6.23	6.33	5.83	6.35	5.77	5.50	5.10	4.86
MS1.1.1.3	Ministry of Defence (MOD)	0.76	0.53	0.55	0.55	0.61	0.77	0.45	0.52	0.62	0.51	0.73	1.00	0.92	0.64	0.74	0.72	0.77	0.67
MS1.1.1.9	Other federal agencies (including statutory bodies)	4.93	5.42	5.23	5.01	5.42	5.71	5.19	6.55	6.68	5.57	6.70	7.27	7.77	7.73	8.12	8.29	7.08	7.17
MS1.1.2.1	(General) State Government	0.83	0.87	0.80	0.68	0.57	0.59	0.66	0.87	0.70	0.62	0.66	0.62	0.49	0.48	0.47	0.49	0.52	0.31
MS1.1.2.2	Other state agencies (including statutory bodies)	0.59	0.57	0.53	0.51	0.45	0.46	0.41	0.45	0.59	0.48	0.46	0.46	0.44	0.50	0.57	0.54	0.64	0.76
MS1.1.3	Local Authorities	0.36	0.34	0.32	0.29	0.27	0.28	0.26	0.34	0.47	0.34	3.07	0.73	1.36	0.56	0.71	0.68	0.83	0.63
MS1.2.1	Employee Provident Funds (EPF)	0.16	0.32	0.38	0.38	0.44	0.46	0.41	0.53	0.64	0.37	0.38	0.31	0.21	0.18	0.19	0.17	0.18	0.18
MS1.2.2	Social Security Organization (SOCSO)	1.15	1.06	1.02	0.97	0.86	0.86	0.71	0.80	1.00	0.84	0.86	0.57	0.58	0.70	0.79	0.80	0.96	1.02
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	100.00	100.00	100.00	100.00	100.00	100.00

Public Sector Sources by Providers

Cross-tabulations

Cross-tabulations of public sector sources of funding and providers of health care services and products respond to the question as to where this public source of fund is spent or who provides the services and products with the money.

In 2014, hospitals consumed RM15,578 million or 60 per cent, followed by providers of ambulatory care at RM4,105 million or 16 per cent, general health administration and insurance at RM2,638 million or 10 per cent, provision and administration of public health programmes at RM1,637 million or 6 per cent and the remaining providers at RM1,856 million or 8 per cent (Figure 5.4 and Table 5.4a). Almost the full amount of the expenditure for

provision and administration of public health programmes are contributed by MOH spending.

The 1997 to 2014 time series shows a similar pattern in the share of various providers that consumed public sector source of funding. All the providers showed a steady rise in expenditure over the time period (Table 5.4b and Table 5.4c). However, over the last fifteen years (2000-2014) expenditure by three categories of providers, which were among the higher spending groups, exhibited steeper increase in spending compared to other providers. These include hospitals, providers of ambulatory health care and general health administration and insurance.

FIGURE 5.4: Public Sector Expenditure by Providers of Health Services, 2014

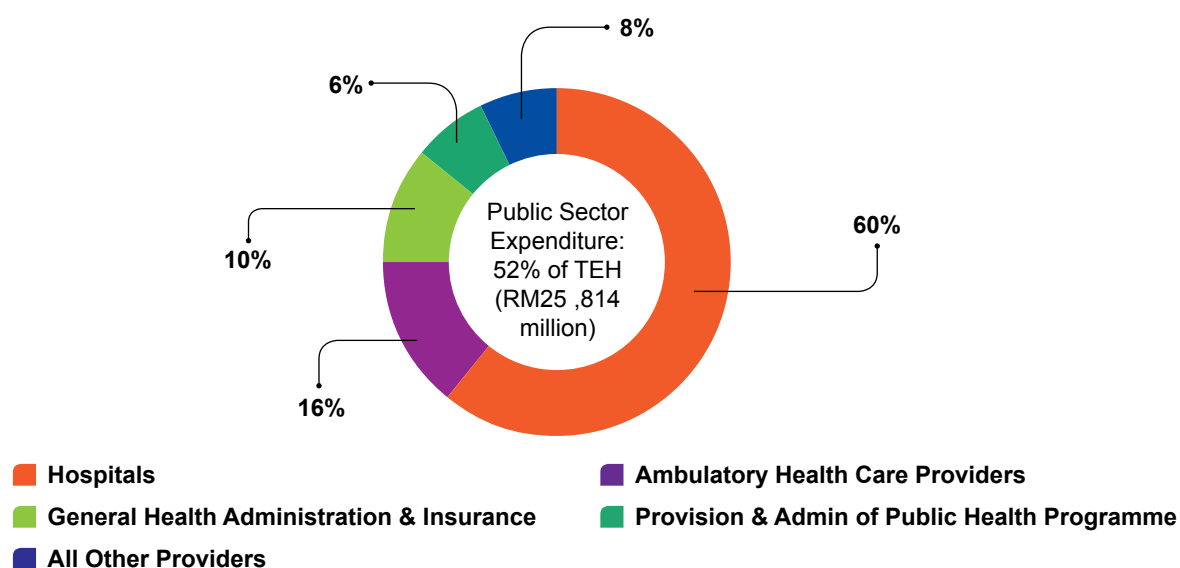


TABLE 5.4a: Public Sector Expenditure by Providers of Health Services, 2014

MNHA code	Providers of Health Services	RM Million	Per cent
MP1	Hospitals	15,578	60.35
MP3	Providers of ambulatory health care	4,105	15.90
MP6	General health administration and insurance	2,638	10.22
MP5	Provision and administration of public health programmes	1,637	6.34
MP8	Institutions providing health related services	1,399	5.42
MP4	Retail sale and other providers of medical goods	387	1.50
MP7	Other industries (rest of the Malaysian economy)	68	0.26
MP9	Rest of the world	1	0.01
MP2	Nursing and residential care facilities	1	< 1
Total		25,814	100.00

TABLE 5.4b: Public Sector Expenditure by Providers of Health Services, 1997-2014 (RM Million)																			
MNHA code	Providers of Health Services	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MP1	Hospitals	2,635	2,762	3,006	3,347	3,851	4,040	4,771	5,223	5,458	7,148	7,699	8,996	9,251	10,255	11,242	13,194	13,584	15,578
MP2	Nursing and residential care facilities	1	1	1	1	1	1	1	1	1	1	1	1	1	1	2	2	1	1
MP3	Providers of ambulatory health care	409	441	510	604	722	814	1,074	1,200	1,303	1,773	1,882	2,158	2,142	2,465	2,725	3,236	3,478	4,105
MP4	Retail sale and other providers of medical goods	38	38	42	43	52	63	66	73	78	90	116	141	177	172	179	201	289	387
MP5	Provision and administration of public health programmes	411	392	427	465	556	658	647	679	651	828	1,237	1,025	1,292	1,091	1,237	1,603	1,331	1,637
MP6	General health administration and insurance	666	882	976	1,477	1,717	1,801	3,204	2,698	1,545	1,934	1,914	2,295	3,434	3,974	3,189	2,312	2,701	2,638
MP7	Other industries (rest of the Malaysian economy)	9	9	10	12	12	13	14	16	18	20	22	15	17	21	25	30	63	68
MP8	Institutions providing health related services	148	170	210	246	357	421	523	554	515	650	773	864	1,204	1,271	1,371	1,456	1,244	1,399
MP9	Rest of the world	1	1	1	1	1	1	1	1	2	2	1	4	3	1	1	1	2	1
Total		4,318	4,696	5,183	6,195	7,269	7,812	10,301	10,446	9,571	12,444	13,645	15,500	17,521	19,252	19,971	22,036	22,694	25,814

TABLE 5.4c: Public Sector Expenditure by Providers of Health Services, 1997-2014 (Per cent, %)																			
MNHA code	Providers of Health Services	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MP1	Hospitals	61.02	58.82	58.00	54.03	52.98	51.71	46.31	50.00	57.02	57.44	56.42	58.04	52.80	53.27	56.29	59.88	59.86	60.35
MP2	Nursing and residential care facilities	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.00
MP3	Providers of ambulatory health care	9.47	9.39	9.84	9.75	9.93	10.42	10.43	11.49	13.61	14.24	13.79	13.93	12.22	12.80	13.64	14.68	15.33	15.90
MP4	Retail sale and other providers of medical goods	0.87	0.80	0.80	0.69	0.72	0.81	0.64	0.70	0.81	0.72	0.85	0.91	1.01	0.90	0.90	0.91	1.28	1.50
MP5	Provision and administration of public health programmes	9.53	8.35	8.24	7.51	7.65	8.42	6.28	6.50	6.81	6.65	9.06	6.61	7.38	5.67	6.19	7.28	5.86	6.34
MP6	General health administration and insurance	15.43	18.79	18.83	23.84	23.62	23.05	31.11	25.83	16.14	15.54	14.03	14.81	19.60	20.64	15.97	10.49	11.90	10.22
MP7	Other industries (rest of the Malaysian economy)	0.22	0.20	0.19	0.19	0.16	0.16	0.14	0.15	0.19	0.16	0.16	0.10	0.09	0.11	0.12	0.14	0.28	0.26
MP8	Institutions providing health related services	3.43	3.61	4.06	3.96	4.92	5.39	5.08	5.31	5.38	5.22	5.66	5.57	6.87	6.60	6.87	6.61	5.48	5.42
MP9	Rest of the world	0.02	0.02	0.02	0.01	0.01	0.02	0.01	0.01	0.02	0.01	0.01	0.03	0.02	0.00	0.01	0.01	0.01	0.01
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	100.00	100.00	100.00	100.00	100.00	100.00

Public Sector Sources by Functions

Cross-tabulations

Cross-tabulations of public sector sources of funding and functions of health care services and products respond to the question as to what is purchased or the type of services and products consumed with this source of financing.

In 2014, the public sector source of funds was spent the most for curative care consuming RM16,928 million or 66 per cent, followed by health program administration and health insurance consuming RM2,973 million or 12 per cent and RM1,841 million or 7 per cent for prevention and public health services. In the same year, this sector spent for capital formation at RM1,484 million or 6 per cent and RM 1,393 or 5 per cent for education and training personnel. The expenditure for all other functions of health care services and products was less than RM1000 million each (Figure 5.5 and Table 5.5a).

The 1997-2014 time series shows curative care, health administration and health insurance, and capital formation occupying the three highest share of the public sector expenditure by function. This trend shows the highest growth in the expenditure using public sector funding was in ancillary services to health care increasing from RM1 million in 1997 to RM231 million in 2014 or increased by 200-fold over the time period but which remained to occupy about 1 per cent share of the public sector spending over the last 5 years. The expenditure for education and training of health personnel increased by nearly 14-fold over the time period, but continued to consistently occupy less than 7 per cent share of the public sector spending (Table 5.5b and Table 5.5c).

FIGURE 5.5: Public Sector Expenditure by Functions of Health Services, 2014

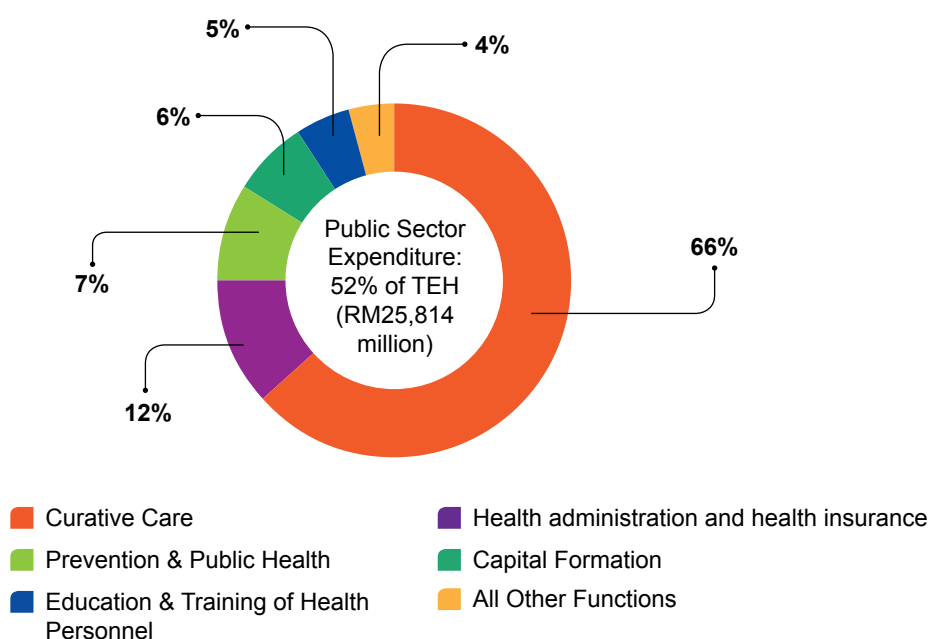


TABLE 5.5a: Public Sector Expenditure by Functions of Health Services, 2014

MNHA code	Functions of Health services	RM Million	Per cent
MF1	Services of curative care	16,928	65.58
MF7	Health program administration and health insurance	2,973	11.52
MF6	Prevention and public health services	1,841	7.13
MR1	Capital formation of health care provider institutions	1,484	5.75
MR2	Education and training of health personnel	1,393	5.40
MF5	Medical goods dispensed to out-patients	907	3.51
MF4	Ancillary services to health care	231	0.90
MR3	Research and development in health	55	0.21
MR9	All other health-related expenditures	1	<1
MF3	Services of long-term nursing care	1	<1
Total		25,814	100

TABLE 5.5b: Public Sector Expenditure by Functions of Health Services, 1997-2014 (RM Million)																			
MNHA code	Functions of Health services	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MF1	Services of curative care	2,865	2,962	3,220	3,642	4,133	4,464	5,265	5,809	6,032	8,111	8,678	10,095	10,471	10,944	12,813	14,939	14,812	16,928
MF2	Services of rehabilitative care	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MF3	Services of long-term nursing care	0	0	0	0	0	0	0	0	0	0	1	1	1	1	1	1	0	1
MF4	Ancillary services to health care	1	1	1	8	39	47	71	98	95	164	140	192	195	209	226	207	216	231
MF5	Medical goods dispensed to out-patients	33	31	34	39	45	52	52	63	69	76	101	126	146	151	156	170	255	907
MF6	Prevention and public health services	195	198	226	231	263	276	415	481	496	636	920	804	906	878	1,000	1,205	1,980	1,841
MF7	Health program administration and health insurance	556	533	560	657	741	913	1,176	1,166	1,141	1,536	1,588	1,789	1,927	1,904	2,165	1,940	2,239	2,973
MR1	Capital formation of health care provider institutions	509	794	925	1,369	1,687	1,635	2,807	2,321	1,261	1,356	1,530	1,722	2,744	3,847	2,176	2,034	1,813	1,484
MR2	Education and training of health personnel	97	124	168	211	286	347	441	447	455	531	635	718	1,083	1,275	1,388	1,483	1,312	1,393
MR3	Research and development in health	61	53	48	38	74	78	74	61	21	34	53	52	49	44	46	56	66	55
MR9	All other health-related	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Total		4,318	4,696	5,183	6,195	7,269	7,812	10,301	10,446	9,571	12,444	13,645	15,500	17,521	19,252	19,971	22,036	22,694	25,814

TABLE 5.5c: Public Sector Expenditure by Functions of Health Services, 1997-2014 (Per cent, %)																			
MNHA code	Functions of Health services	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MF1	Services of curative care	66.36	63.07	62.13	58.79	56.85	57.14	51.12	55.61	63.03	65.18	63.60	65.13	59.76	56.84	64.16	67.80	65.27	65.58
MF2	Services of rehabilitative care	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MF3	Services of long-term nursing care	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
MF4	Ancillary services to health care	0.03	0.02	0.02	0.13	0.54	0.60	0.69	0.93	0.99	1.32	1.03	1.24	1.11	1.08	1.13	0.94	0.95	0.90
MF5	Medical goods dispensed to out-patients	0.77	0.67	0.66	0.63	0.63	0.67	0.51	0.60	0.72	0.61	0.74	0.81	0.83	0.78	0.78	0.77	1.13	3.51
MF6	Prevention and public health services	4.51	4.21	4.37	3.72	3.62	3.53	4.03	4.61	5.18	5.11	6.74	5.19	5.17	4.56	5.01	5.47	8.72	7.13
MF7	Health program administration and health insurance	12.87	11.35	10.80	10.61	10.20	11.69	11.41	11.16	11.93	12.34	11.64	11.54	11.00	9.89	10.84	8.80	9.87	11.52
MR1	Capital formation of health care provider institutions	11.79	16.90	17.85	22.11	23.21	20.94	27.25	22.21	13.18	10.90	11.21	11.11	15.66	19.98	10.89	9.23	7.99	5.75
MR2	Education and training of health personnel	2.25	2.65	3.25	3.40	3.93	4.44	4.28	4.28	4.75	4.27	4.66	4.63	6.18	6.62	6.95	6.73	5.78	5.40
MR3	Research and development in health	1.41	1.13	0.92	0.61	1.02	0.99	0.71	0.58	0.22	0.27	0.39	0.33	0.28	0.23	0.23	0.26	0.29	0.21
MR9	All other health-related	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	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	100.00	100.00	100.00	100.00	100.00	100.00

Private Sector Sources of Financing

In 2014, analysis of the expenditure data shows that the highest source of financing in the private sector was household OOP spending amounting to RM19,544 million or 82 per cent of this sector expenditure (Figure 5.6 and Table 5.6a). The OOP spending excludes the purchases of individual health insurance. After OOP spending the next highest spending was by all private insurance agencies from personal, family or company insurance policies at RM3,203 million or 13 per cent of private sector spending. In the same year, corporations contributed to RM950 million or 4 per cent of private sector expenditure. This expenditure by corporations is exclusive of group or company purchases of employee insurance which is reported under insurance agency expenditure. The other agencies under private sector which includes managed care organizations (MCO), non-profit organizations (NGO) serving households and rest of the

world (ROW) or international agencies, in total contributed to RM220 million or 1 per cent of the expenditure in this sector.

The private sector expenditure data for 1997-2014 time series shows that OOP Health expenditure throughout the time period remained the largest proportion 75 to 82 per cent share of private spending and gradually increased from RM2,930 million in 1997 to RM19,544 million in 2014 (Table 5.6b and Table 5.6c). During this time period, private insurance enterprise expenditure also increased from 8 to 15 per cent share of private expenditure. However, corporation expenditure share of the private sector spending on health decreased from 15 to 4 per cent share of this sector. In terms of RM value, the expenditure by corporations increased just under double-fold where as private insurance increased by eleven-fold over the eighteen years period (1997-2014).

FIGURE 5.6: Total Health Expenditure by Private Sector Sources of Financing, 2014

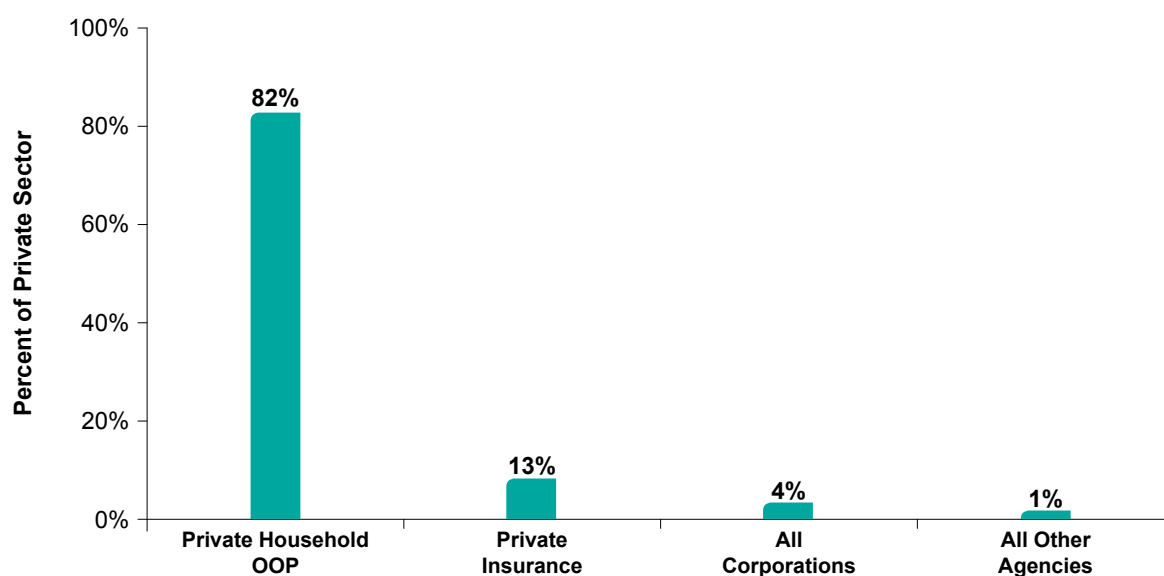


TABLE 5.6a: Total Health Expenditure by Private Sector Sources of Financing, 2014

MNHA code	Sources of Financing	RM Million	Per cent
MS2.4	Private household out-of-pocket expenditures	19,544	81.72
MS2.2	Private insurance enterprises (other than social insurance)	3,203	13.39
MS2.6	All Corporations (other than health insurance)	950	3.97
MS2.3	Private MCOs and other similar entities	151	0.63
MS2.5	Non-profit organisations serving households (NGO)	67	0.28
MS9	Rest of the world	2	0.01
Total		23,917	100.00

TABLE 5.6b: Total Health Expenditure by Private Sector Sources of Financing, 1997-2014 (RM Million)																			
MNHA code	Sources of financing	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MS2.2	Private insurance enterprises (other than social insurance)	295	364.98	421	516	599	718	964	1,062	1,084	1,246	1,413	1,709	1,991	2,277	2,626	2,774	2,916	3,203
MS2.3	Private MCOs and other similar entities	12	14	15	18	20	24	33	30	32	38	42	53	70	88	96	103	115	151
MS2.4	Private household Out-of-Pocket expenditures	2,930	3,101	3,374	4,136	4,152	4,635	5,637	6,685	7,689	8,722	9,685	10,550	10,414	12,403	14,286	15,660	17,577	19,544
MS2.5	Non-profit institutions serving households (NGO)	64	70	71	87	93	104	118	131	148	160	186	214	233	269	312	362	78	67
MS2.6	All Corporations (other than health insurance)	572	597.38	638	622	708	728	700	683	790	767	949	817	828	940	912	976	965	950
MS9	Rest of the world (ROW)	0	0	0	5	0	0	0	0	0	0	1	1	2	1	2	2	2	2
Total		3,873	4,147	4,520	5,383	5,571	6,210	7,452	8,591	9,743	10,932	12,276	13,343	13,539	15,979	18,235	19,877	21,652	23,917

TABLE 5.6c: Total Health Expenditure by Private Sector Sources of Financing, 1997-2014 (Per cent, %)																			
MNHA code	Source of financing	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MS2.2	Private insurance enterprises (other than social insurance)	7.60	8.80	9.31	9.58	10.75	11.57	12.94	12.37	11.13	11.40	11.51	12.80	14.70	14.25	14.40	13.96	13.47	13.39
MS2.3	Private MCOs and other similar entities	0.31	0.33	0.34	0.33	0.35	0.39	0.44	0.35	0.33	0.35	0.34	0.40	0.52	0.55	0.53	0.52	0.53	0.63
MS2.4	Private household Out-of-Pocket expenditures	75.66	74.78	74.64	76.84	74.52	74.63	75.65	77.81	78.92	79.78	78.89	79.06	76.92	77.62	78.35	78.79	81.18	81.72
MS2.5	Non-profit institutions serving households (NGO)	1.66	1.68	1.58	1.62	1.66	1.68	1.59	1.52	1.52	1.46	1.52	1.60	1.72	1.68	1.71	1.82	0.36	0.28
MS2.6	All Corporations (other than health insurance)	14.77	14.40	14.12	11.55	12.71	11.72	9.39	7.95	8.11	7.01	7.73	6.12	6.12	5.89	5.00	4.91	4.46	3.97
MS9	Rest of the world	0.00	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.01
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	100.00	100.00	100.00	100.00	100.00	100.00

Private Sector Sources by Providers

Cross-tabulations

Just as in the public sector, the cross-tabulations of private sector sources of funding with providers of health care services and products, respond to the question as to where the private source of fund is spent or who provides services and products with this money.

In 2014, hospitals consumed RM10,031 million or 42 per cent, followed by providers of ambulatory health care at RM6,533 million or 27 per cent. The providers of retail sales and other providers of medical goods consumed RM4,833 million or 20 per cent whereas the institutions providing health-related services consumed RM1,235 million or 5 per cent (Figure 5.7 and Table 5.7a). The remaining private source of funding amounting to a total of RM1,285 million or 6 per cent were spent at providers of general health administration and insurance, by providers and administrators of public health programmes, non-resident or

ROW providers, and by providers of nursing and residential care facilities.

The 1997 to 2014 time series data shows that throughout this period, about 71 per cent of the private source of financing has been at hospitals and providers of ambulatory care (Table 5.7b and Table 5.7c). Hospital expenditures increased from RM1,301 million in 1997 to RM10,031 million in 2014 whereas expenditures at ambulatory care providers increased from RM1,564 million in 1997 to RM6,533 million in 2014. The data also shows that health spending at institutions providing health-related services, which mainly comprises of the teaching and training institutions, has remained below 6 per cent of the spending. However in terms of RM value this expenditure has increased by 30-fold from RM41 million in 1997 to RM1,235 million in 2014.

FIGURE 5.7: Private Sector Expenditure by Providers of Health Services, 2014

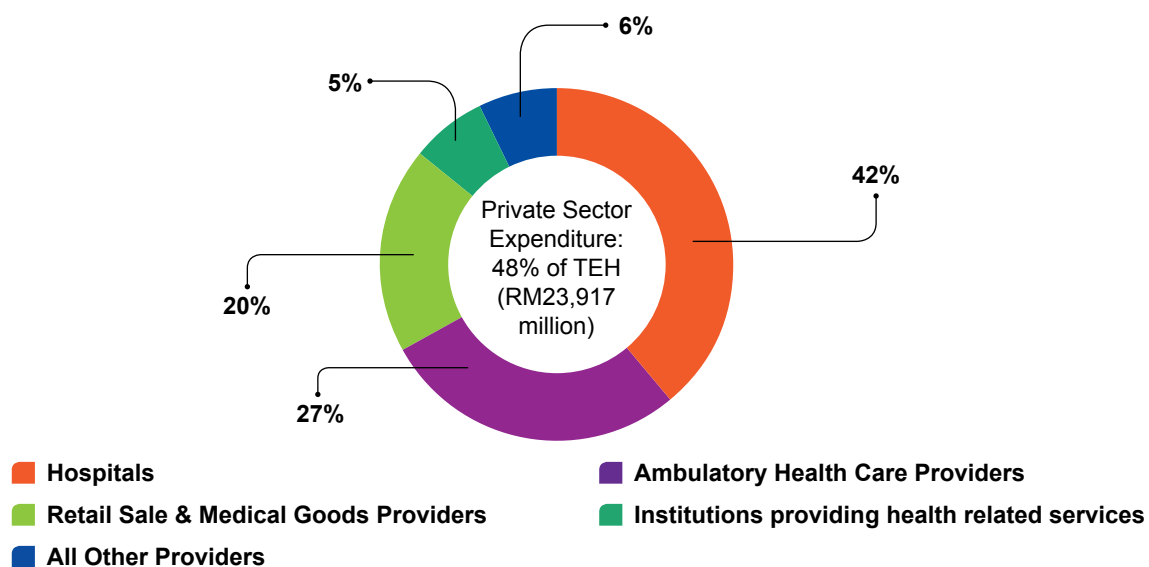


TABLE 5.7a: Private Sector Expenditure by Providers of Health Services, 2014

MNHA code	Providers of Health Services	RM Million	Per cent
MP1	Hospitals	10,031	41.94
MP3	Providers of ambulatory health care	6,533	27.32
MP4	Retail sale and other providers of medical goods	4,833	20.21
MP8	Institutions providing health related services	1,235	5.16
MP6	General health administration and insurance	964	4.03
MP5	Provision and administration of public health programmes	313	1.31
MP9	Rest of the world (ROW)	7	0.03
MP2	Nursing and residential care facilities	1	<1
Total		23,917	100

TABLE 5.7b: Private Sector Expenditure by Providers of Health Services, 1997-2014 (RM Million)																			
MNHA code	Providers of Health Services	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MP1	Hospitals	1,301	1,452	1,624	1,829	2,037	2,286	2,799	3,168	3,514	3,986	4,482	5,142	5,851	6,198	6,998	7,784	8,857	10,031
MP2	Nursing and residential care facilities	1	1	2	2	2	5	9	9	10	10	14	4	5	12	14	18	1	1
MP3	Providers of ambulatory health care	1,564	1,578	1,677	2,037	2,014	2,221	2,529	2,974	3,581	4,027	4,473	4,509	3,514	4,607	5,259	5,612	6,008	6,533
MP4	Retail sale and other providers of medical goods	569	613	671	877	852	976	1,162	1,451	1,631	1,831	2,079	2,328	2,360	3,017	3,488	3,803	4,122	4,833
MP5	Provision and administration of public health programmes	68	69	81	82	88	90	102	108	113	117	160	174	177	211	281	310	321	313
MP6	General health administration and insurance	323	370	393	465	476	511	686	704	708	752	800	897	978	1,143	1,305	1,396	1,122	964
MP8	Institutions providing health related services	41	58	64	81	89	103	144	151	159	176	251	280	650	717	788	865	1,217	1,235
MP9	Rest of the world (ROW)	6	6	9	11	13	18	21	25	27	34	19	8	4	75	102	88	5	7
Total		3,873	4,147	4,520	5,383	5,571	6,210	7,452	8,591	9,743	10,932	12,276	13,343	13,539	15,979	18,235	19,877	21,652	23,917

TABLE 5.7c: Private Sector Expenditure by Providers of Health Services, 1997-2014 (Per cent, %)																			
MNHA code	Providers of Health Services	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MP1	Hospitals	33.59	35.01	35.92	33.98	36.57	36.81	37.56	36.88	36.06	36.46	36.51	38.54	43.21	38.79	38.38	39.16	40.90	41.94
MP2	Nursing and residential care facilities	0.03	0.03	0.03	0.04	0.04	0.08	0.12	0.11	0.10	0.09	0.11	0.03	0.03	0.07	0.08	0.09	0.00	0.00
MP3	Providers of ambulatory health care	40.39	38.06	37.10	37.84	36.14	35.77	33.94	34.62	36.76	36.83	36.44	33.79	25.96	28.83	28.84	28.24	27.75	27.32
MP4	Retail sale and other providers of medical goods	14.69	14.77	14.85	16.28	15.30	15.72	15.60	16.89	16.74	16.75	16.93	17.45	17.43	18.88	19.13	19.13	19.04	20.21
MP5	Provision and administration of public health programmes	1.76	1.67	1.79	1.51	1.58	1.45	1.36	1.26	1.16	1.07	1.30	1.30	1.31	1.32	1.54	1.56	1.48	1.31
MP6	General health administration and insurance	8.34	8.92	8.68	8.64	8.55	8.23	9.21	8.20	7.27	6.87	6.51	6.72	7.23	7.15	7.16	7.02	5.18	4.03
MP8	Institutions providing health related services	1.05	1.39	1.42	1.50	1.60	1.65	1.93	1.76	1.63	1.61	2.04	2.10	4.80	4.49	4.32	4.35	5.62	5.16
MP9	Rest of the world (ROW)	0.15	0.14	0.20	0.20	0.23	0.29	0.28	0.29	0.28	0.31	0.15	0.06	0.03	0.47	0.56	0.44	0.02	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	100.00	100.00	100.00	100.00	100.00	100.00

Private Sector Sources by Functions Cross-tabulations

Cross-tabulations of private sector sources of funding and functions of health care services and products respond to the question as to what is purchased or the type of services and products consumed with this source of financing.

In 2014, the private sector source of funds spent the most for curative care consuming RM13,853 million or 58 per cent, followed by medical goods dispensed to out-patient at RM6,917 million or 29 per cent. In the same year, RM1,244 million or 5 per cent of this sector expenditure was spent for education and training of health personnel (Figure 5.8 and Table 5.8a).

The time series data shows a similar pattern with expenditures for curative care and medical goods dispensed to out-patient totalling 82 to 87 per cent of the sector spending (Table 5.8b and Table 5.8c). As noted in the earlier section, although education and training expenditure over this time period has remained below 6 per cent share of this spending, it has increased by 32-fold from RM39 million in 1997 to RM1,244 million in 2014.

FIGURE 5.8: Private Sector Expenditure by Functions of Health Services, 2014

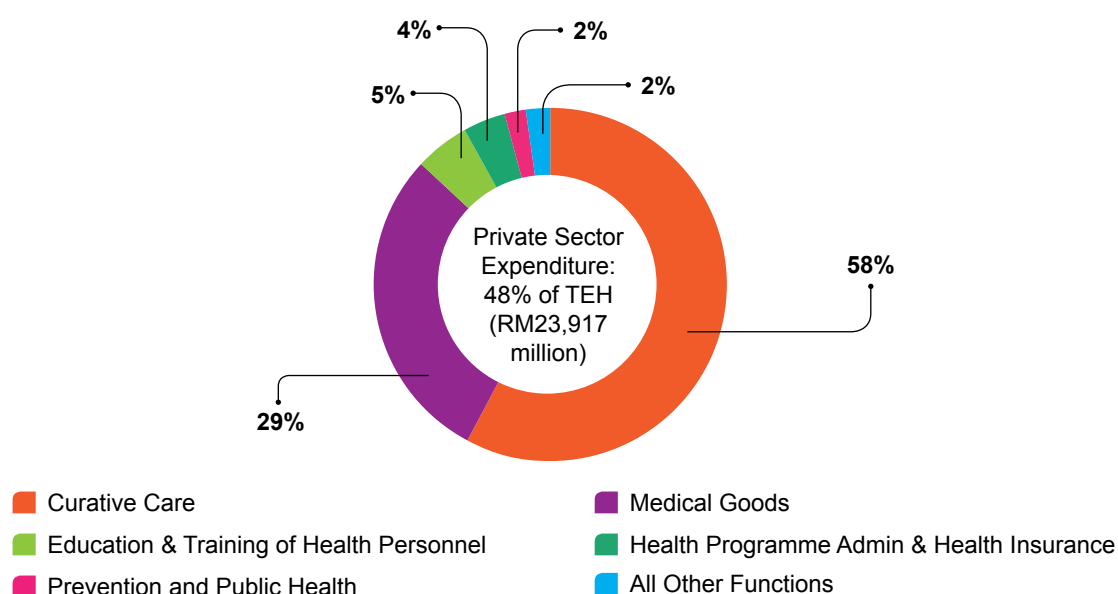


TABLE 5.8a: Private Sector Expenditure by Functions of Health Services, 2014

MNHA code	Functions of Health services	RM Million	Per cent
MF1	Services of curative care	13,853	57.92
MF5	Medical goods dispensed to out-patients	6,917	28.92
MR2	Education and training of health personnel	1,244	5.20
MF7	Health program administration and health insurance	964	4.03
MF6	Prevention and public health services	412	1.72
MF4	Ancillary services to health care	296	1.24
MR3	Research and development in health	212	0.89
MR1	Capital formation of health care provider institutions	18	0.08
MF3	Services of long-term nursing care	1	<1
MR9	All other health-related expenditures	<1	<1
Total		23,917	100

TABLE 5.8b: Private Sector Expenditure by Functions of Health Services, 1997-2014 (RM Million)																			
MNHA code	Functions of Health services	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MF1	Services of curative care	2,278	2,432	2,670	3,138	3,297	3,690	4,462	5,184	5,935	6,751	7,502	8,071	7,934	8,927	10,267	11,219	12,332	13,853
MF2	Services of rehabilitative care	0	0	0	0	0	0	0	0	0	1	0	0	1	1	1	0	0	0
MF3	Services of long-term nursing care	1	1	2	2	2	5	9	9	10	10	14	4	5	12	14	18	1	1
MF4	Ancillary services to health care	129	134	141	155	175	190	192	203	278	259	305	285	222	274	261	293	297	296
MF5	Medical goods dispensed to out-patients	943	988	1,070	1,363	1,334	1,507	1,750	2,126	2,415	2,745	3,097	3,507	3,451	4,564	5,205	5,633	6,041	6,917
MF6	Prevention and public health services	154	158	175	172	192	197	201	204	228	228	292	282	272	317	368	414	429	412
MF7	Health program administration and health insurance	327	374	397	469	478	514	690	708	711	755	804	901	983	1,151	1,315	1,407	1,125	964
MR1	Capital formation of health care provider institutions	2	2	3	3	3	4	4	5	6	7	7	8	11	10	10	12	15	18
MR2	Education and training of health personnel	39	56	62	75	91	103	142	149	158	176	253	283	659	722	791	864	1,222	1,244
MR3	Research and development in health	1	1	1	6	1	1	1	1	1	2	2	2	2	2	2	17	189	212
MR9	All other health-related expenditures	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		3,873	4,147	4,520	5,383	5,571	6,210	7,452	8,591	9,743	10,932	12,276	13,343	13,539	15,979	18,235	19,877	21,652	23,917

TABLE 5.8c: Private Sector Expenditure by Functions of Health Services, 1997-2014 (Per cent, %)																			
MNHA code	Functions of Health services	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MF1	Services of curative care	58.81	58.65	59.06	58.30	59.17	59.42	59.88	60.35	60.91	61.75	61.11	60.49	58.60	55.87	56.31	56.44	56.96	57.92
MF2	Services of rehabilitative care	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00
MF3	Services of long-term nursing care	0.03	0.03	0.03	0.04	0.04	0.08	0.12	0.11	0.10	0.09	0.11	0.03	0.03	0.07	0.08	0.09	0.00	0.00
MF4	Ancillary services to health care	3.34	3.23	3.13	2.87	3.14	3.06	2.57	2.37	2.85	2.37	2.49	2.13	1.64	1.71	1.43	1.48	1.37	1.24
MF5	Medical goods dispensed to out-patients	24.34	23.83	23.68	25.32	23.94	24.27	23.49	24.74	24.79	25.11	25.23	26.28	25.49	28.56	28.55	28.34	27.90	28.92
MF6	Prevention and public health services	3.97	3.82	3.87	3.20	3.44	3.17	2.70	2.38	2.34	2.08	2.38	2.11	2.01	1.98	2.02	2.09	1.98	1.72
MF7	Health program administration and health insurance	8.44	9.02	8.78	8.71	8.57	8.27	9.26	8.25	7.30	6.91	6.55	6.75	7.26	7.20	7.21	7.08	5.20	4.03
MR1	Capital formation of health care provider institutions	0.05	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.08	0.06	0.06	0.06	0.07	0.08
MR2	Education and training of health personnel	1.00	1.35	1.38	1.39	1.63	1.65	1.90	1.73	1.62	1.61	2.06	2.12	4.87	4.52	4.34	4.35	5.64	5.20
MR3	Research and development in health	0.02	0.02	0.02	0.10	0.02	0.02	0.01	0.01	0.01	0.01	0.01	0.02	0.02	0.01	0.01	0.08	0.87	0.89
MR9	All other health-related expenditures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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	100.00	100.00	100.00	100.00	100.00	100.00

CHAPTER 6

Total Health Expenditure by Providers of Health Services

The providers of health care services and products include hospitals, nursing and residential care facility providers, ambulatory health care providers, retail sale and medical goods providers and public health program providers (Appendix Table A3.1b).

In 2014 analysis of providers of health services shows that the hospitals consumed RM25,609 million or 52 per cent of total health expenditure (Figure 6.1 and Table 6.1a). This was followed by providers of ambulatory health care at RM10,638 million or 21 per cent and retail sale and other providers of medical goods at RM5,220 million or 10 per cent and general health administration and insurance providers at RM3,602 million or 7 per

cent. All other remaining providers of health care services and products consumed RM4,663 million or 10 per cent of the total health expenditure.

The 1997 to 2014 time series data also shows a similar pattern with the same top four providers as in 2013 contributing to an average of 91 per cent share of total health expenditure throughout this period (Table 6.1b and Table 6.1c). The expenditures of the same top three providers increased in absolute *ringgit* value by 5-9 fold over the same time period whereas spending at providers of Institutions providing health related services healthcare services showed a 14-fold increase.

FIGURE 6.1: Total Health Expenditure by Providers of Health Services, 2014

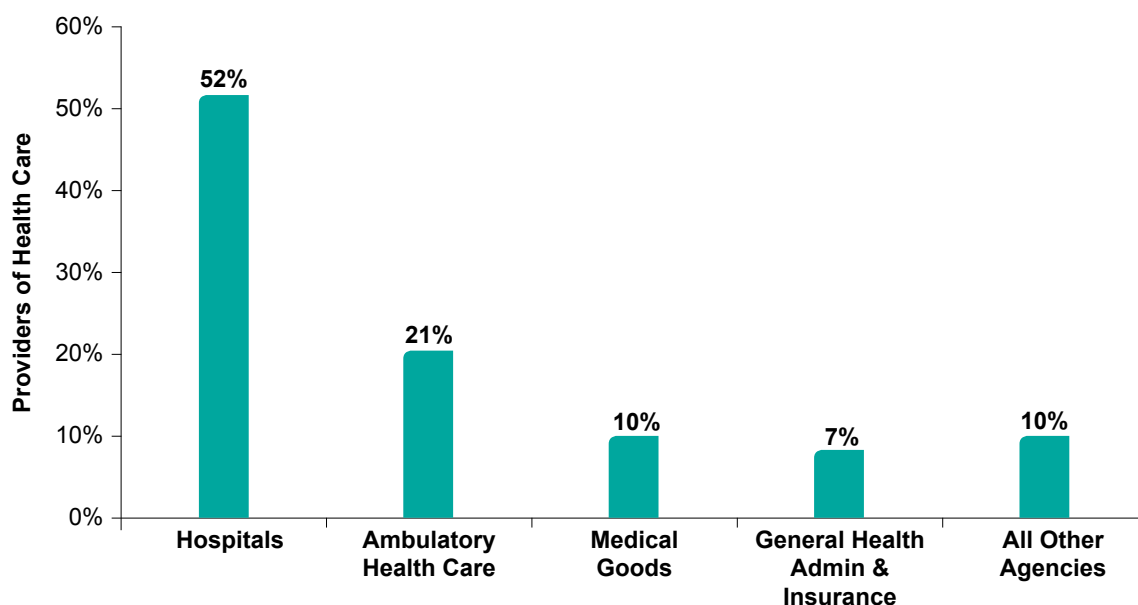


TABLE 6.1a: Total Expenditure by Providers of Health Services, 2014

MNHA code	Providers of Health Services	RM Million	Per cent
MP1	Hospitals	25,609	51.50
MP3	Providers of ambulatory health care	10,638	21.39
MP4	Retail sale and other providers of medical goods	5,220	10.50
MP6	General health administration and insurance	3,602	7.24
MP8	Institutions providing health related services	2,634	5.30
MP5	Provision and administration of public health programmes	1,950	3.92
MP7	Other industries (rest of the Malaysian economy)	68	0.14
MP9	Rest of the world	9	0.02
MP2	Nursing and residential care facilities	2	<1
Total		49,731	100

TABLE 6.1b: Total Expenditure by Providers of Health Services, 1997-2014 (RM Million)																			
MNHA code	Providers of Health Services	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MP1	Hospitals	3,936	4,214	4,629	5,176	5,889	6,326	7,570	8,392	8,971	11,134	12,180	14,139	15,102	16,453	18,240	20,979	22,441	25,609
MP2	Nursing and residential care facilities	2	2	2	3	3	5	10	10	11	11	15	6	6	13	16	20	2	2
MP3	Providers of ambulatory health care	1,973	2,019	2,187	2,641	2,735	3,035	3,603	4,174	4,884	5,799	6,355	6,668	5,656	7,072	7,984	8,848	9,487	10,638
MP4	Retail sale and other providers of medical goods	607	650	713	920	905	1,040	1,228	1,524	1,709	1,921	2,195	2,469	2,537	3,189	3,667	4,004	4,411	5,220
MP5	Provision and administration of public health programmes	480	462	508	546	644	748	749	787	765	944	1,397	1,199	1,469	1,302	1,517	1,913	1,652	1,950
MP6	General health administration and insurance	989	1,253	1,369	1,942	2,193	2,312	3,890	3,403	2,253	2,685	2,714	3,192	4,412	5,117	4,494	3,707	3,823	3,602
MP7	Other industries (rest of the Malaysian economy)	9	9	10	12	12	13	14	16	18	20	22	15	17	21	25	30	63	68
MP8	Institutions providing health related services	189	227	275	327	447	524	667	705	674	826	1,023	1,144	1,854	1,988	2,159	2,322	2,461	2,634
MP9	Rest of the world	6	7	10	12	14	19	22	27	29	35	20	12	7	76	103	90	6	9
Total		8,190	8,844	9,703	11,578	12,841	14,022	17,753	19,037	19,314	23,376	25,921	28,843	31,060	35,231	38,206	41,913	44,346	49,731

TABLE 6.1c: Total Expenditure by Providers of Health Services, 1997-2014 (Per cent, %)																			
MNHA code	Providers of Health Services	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MP1	Hospitals	48.05	47.65	47.71	44.71	45.86	45.11	42.64	44.08	46.45	47.63	46.99	49.02	48.62	46.70	47.74	50.05	50.60	51.50
MP2	Nursing and residential care facilities	0.02	0.02	0.02	0.02	0.02	0.04	0.05	0.05	0.06	0.05	0.06	0.02	0.02	0.04	0.04	0.05	0.00	0.00
MP3	Providers of ambulatory health care	24.09	22.83	22.54	22.81	21.30	21.65	20.30	21.93	25.29	24.81	24.52	23.12	18.21	20.07	20.90	21.11	21.39	21.39
MP4	Retail sale and other providers of medical goods	7.41	7.35	7.35	7.94	7.04	7.41	6.92	8.01	8.85	8.22	8.47	8.56	8.17	9.05	9.60	9.55	9.95	10.50
MP5	Provision and administration of public health programmes	5.86	5.22	5.24	4.72	5.01	5.34	4.22	4.13	3.96	4.04	5.39	4.16	4.73	3.70	3.97	4.56	3.72	3.92
MP6	General health administration and insurance	12.08	14.16	14.11	16.77	17.08	16.49	21.91	17.87	11.66	11.49	10.47	11.07	14.20	14.52	11.76	8.85	8.62	7.24
MP7	Other industries (rest of the Malaysian economy)	0.12	0.11	0.10	0.10	0.09	0.09	0.08	0.08	0.09	0.09	0.09	0.05	0.05	0.06	0.06	0.07	0.14	0.14
MP8	Institutions providing health related services	2.31	2.57	2.83	2.82	3.48	3.74	3.76	3.71	3.49	3.53	3.95	3.97	5.97	5.64	5.65	5.54	5.55	5.30
MP9	Rest of the world	0.08	0.08	0.10	0.10	0.11	0.14	0.12	0.14	0.15	0.15	0.08	0.04	0.02	0.21	0.27	0.21	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	100.00	100.00	100.00	100.00	100.00	100.00

Hospital Expenditure by Sources of Financing

Cross-tabulations

Further cross-tabulations of the two largest providers, hospitals and providers of ambulatory care services are reported. The cross-tabulations of hospital expenditure and sources of financing responds to the question as to who or which agencies finances for health care services provided at all hospitals in the country.

In 2014, of the RM25,609 million spent at all hospitals, the highest spending was incurred by MOH at RM13,595 million or 53 per cent followed by private household OOP at RM7,500 million or 29 per cent, private insurance enterprises (other than social insurance) at RM2,364 million or 9 per cent, Ministry of Education (MOE) at RM1,255

million or 5 per cent and other federal agencies (including statutory bodies) at RM491 million or 2 per cent (Figure 6.2 and Table 6.2a). The remaining hospital expenditure at RM403 million or 2 per cent came from multiple other sources of financing each spending below RM150 million.

The 1997 to 2014 time series expenditure by the top two sources of financing at hospitals, that is MOH and private household OOP amounted to an average of 81 per cent (Table 6.2b and Table 6.2c). In same time series, an average of 19 per cent spent by the remaining sources of financing of total expenditure to all hospitals.

FIGURE 6.2: Hospital Expenditure by Sources of Financing, 2014

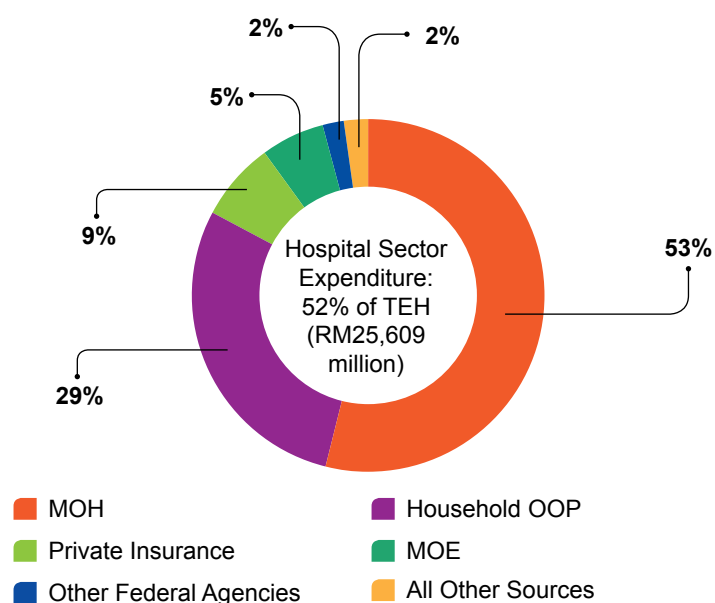


TABLE 6.2a: Hospital Expenditure by Sources of Financing, 2014

MNHA code	Sources of financing	RM Million	Per cent
MS1.1.1.1	Ministry of Health (MOH)	13,595	53.09
MS2.4	Private household Out-of-Pocket expenditures (OOP)	7,500	29.29
MS2.2	Private insurance enterprises (other than social insurance)	2,364	9.23
MS1.1.1.2	Ministry of Education (MOE)	1,255	4.90
MS1.1.1.9	Other federal agencies (including statutory bodies)	491	1.92
MS2.6	All Corporations (other than health insurance)	128	0.50
MS1.2.2	Social Security Organization (SOC SO)	86	0.34
MS1.1.1.3	Ministry of Defence (MOD)	70	0.27
MS2.5	Non-profit institutions serving households (NGO)	39	0.15
MS1.2.1	Employee Provident Funds (EPF)	38	0.15
MS1.1.1.3	Local authorities	18	0.07
MS1.1.2.1	(General) State Government	16	0.06
MS1.1.2.2	Other state agencies (including statutory bodies)	9	0.03
Total		25,609	100.00

TABLE 6.2b: Hospital Expenditure by Sources of Financing, 1997-2014 (RM Million)																			
MNHA code	Sources of financing	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MS1.1.1.1	Ministry of Health (MOH)	2,168	2,283	2,471	2,742	3,122	3,215	3,877	4,174	4,402	6,030	6,362	7,348	7,671	8,449	9,445	11,290	11,676	13,595
MS1.1.1.2	Ministry of Education (MOE)	322	324	366	407	500	554	593	638	657	708	850	981	1,021	1,222	1,152	1,212	1,156	1,255
MS1.1.1.3	Ministry of Defence (MOD)	11	5	7	8	15	24	14	17	17	18	39	72	78	48	61	65	77	70
MS1.1.1.9	Other federal agencies (including statutory bodies)	99	107	113	133	149	175	198	300	275	287	336	499	363	394	420	450	483	491
MS1.1.2.1	(General) State Government	5	5	6	6	7	7	8	8	9	10	13	12	12	13	15	18	19	16
MS1.1.2.2	Other state agencies (including statutory bodies)	2	3	3	3	3	4	4	3	4	4	6	6	7	9	9	12	9	9
MS1.1.3	Local authorities	0	0	0	0	0	1	1	1	2	3	4	5	12	15	16	13	12	18
MS1.2.1	Employee Provident Funds (EPF)	6	13	16	19	26	30	35	46	50	38	42	40	31	28	32	31	35	38
MS1.2.2	Social Security Organization (SOC SO)	23	23	24	27	28	30	42	37	41	52	46	33	56	78	92	103	119	86
MS2.2	Private insurance enterprises (other than social insurance)	59	85	118	153	229	309	380	457	491	610	800	996	1,227	1,324	1,480	1,575	1,875	2,364
MS2.4	Private household Out-of-Pocket expenditures (OOP)	1,115	1,213	1,333	1,505	1,594	1,749	2,277	2,579	2,858	3,217	3,495	4,000	4,472	4,715	5,381	6,050	6,798	7,500
MS2.5	Non-profit institutions serving households (NGO)	0	0	0	0	0	6	4	5	5	6	6	15	36	23	24	26	44	39
MS2.6	All Corporations (other than health insurance)	126	154	173	172	214	221	138	128	160	154	180	131	116	136	113	133	139	128
Total		3,936	4,214	4,629	5,176	5,889	6,326	7,570	8,392	8,971	11,134	12,180	14,139	15,102	16,453	18,240	20,979	22,441	25,609

TABLE 6.2c : Hospital Expenditure by Sources of Financing, 1997-2014 (Percent, %)																			
MNHA code	Sources of financing	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MS1.1.1.1	Ministry of Health (MOH)	55.07	54.17	53.38	52.97	53.01	50.83	51.21	49.74	49.07	54.16	52.24	51.97	50.79	51.35	51.78	53.82	52.03	53.09
MS1.1.1.2	Ministry of Education (MOE)	8.17	7.69	7.90	7.87	8.50	8.75	7.83	7.60	7.33	6.35	6.98	6.94	6.76	7.43	6.32	5.78	5.15	4.90
MS1.1.1.3	Ministry of Defence (MOD)	0.27	0.12	0.15	0.16	0.26	0.39	0.18	0.20	0.19	0.16	0.32	0.51	0.52	0.29	0.33	0.31	0.34	0.27
MS1.1.1.9	Other federal agencies (including statutory bodies)	2.53	2.55	2.45	2.58	2.53	2.76	2.62	3.57	3.06	2.58	2.76	3.53	2.40	2.39	2.30	2.14	2.15	1.92
MS1.1.2.1	(General) State Government	0.13	0.13	0.12	0.12	0.12	0.12	0.10	0.09	0.10	0.09	0.11	0.09	0.08	0.08	0.08	0.08	0.08	0.06
MS1.1.2.2	Other state agencies (including statutory bodies)	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.04	0.04	0.04	0.05	0.04	0.05	0.05	0.05	0.06	0.04	0.03
MS1.1.3	Local Authorities (LA)	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.02	0.02	0.03	0.03	0.08	0.09	0.09	0.06	0.05	0.07
MS1.2.1	Employee Provident Funds (EPF)	0.14	0.30	0.35	0.38	0.45	0.47	0.46	0.55	0.56	0.34	0.35	0.28	0.21	0.17	0.17	0.15	0.15	0.15
MS1.2.2	Social Security Organization (SOC SO)	0.57	0.54	0.52	0.53	0.48	0.48	0.56	0.44	0.46	0.46	0.37	0.23	0.37	0.47	0.51	0.49	0.53	0.34
MS2.2	Private insurance enterprises (other than social insurance)	1.51	2.02	2.54	2.95	3.90	4.89	5.02	5.44	5.47	5.48	6.57	7.04	8.13	8.05	8.12	7.51	8.36	9.23
MS2.4	Private household Out-of-Pocket expenditures (OOP)	28.33	28.78	28.80	29.06	27.07	27.65	30.08	30.74	31.86	28.89	28.70	28.29	29.61	28.66	29.50	28.84	30.29	29.29
MS2.5	Non-profit institutions serving households (NGO)	0.00	0.00	0.00	0.00	0.00	0.10	0.05	0.06	0.06	0.05	0.05	0.11	0.24	0.14	0.13	0.12	0.20	0.15
MS2.6	All Corporations (other than health insurance)	3.21	3.65	3.73	3.32	3.63	3.49	1.82	1.52	1.78	1.38	1.48	0.93	0.77	0.83	0.62	0.64	0.62	0.50
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	100.00	100.00	100.00	100.00	100.00	100.00

MOH Hospital Expenditure by Curative Care Functions

Cross-tabulations

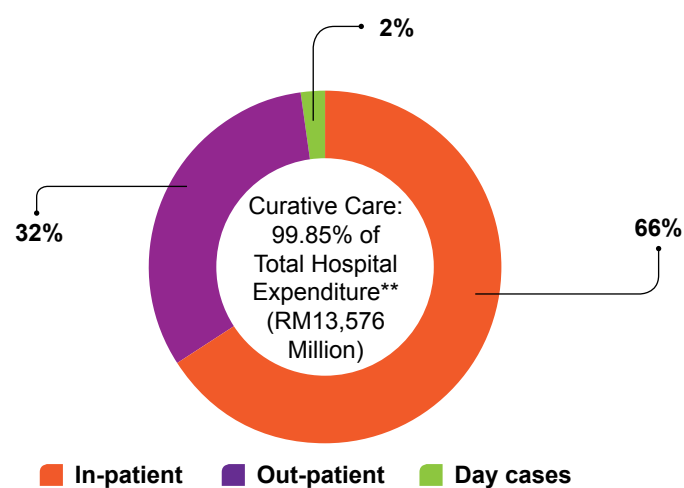
MOH is the largest single financier among all the sources of financing for hospital services. Most of this expenditure is spent for curative care whereby curative care services provided by hospitals include in-patient, out-patient, day-care services with minimal home care services. Under the MNHA framework, these types of services would be inclusive of allopathic as well as some traditional and complementary care services.

In 2014, RM13,576 million or 99.85 per cent of the RM13,595 million spent at MOH hospitals under operational expenditures were for curative care services (Figure 6.3 and Table 6.3a). In the same year RM8,996 million or 66 per cent of the hospital curative care expenditure was for in-patient curative care services followed by

RM4,322 million or 32 per cent for out-patient curative care services and RM258 million or 2 per cent for day care services.

The 1997 to 2014 time series data shows that in absolute *ringgit* value the three functional services, in-patient, outpatient and day care expenditure has increased by 6-fold. All three functional services remain at the same pattern as a share of the total curative care expenditure (Table 6.3b and Table 6.3c). However, the functional disaggregation of curative care services is based on SHA 2000 requirements that were captured through the MOH Hospital Cost Accounting Project conducted in 2002 and has been in use for MNHA estimations since then.

FIGURE 6.3: MOH Hospital Expenditure by Curative Care Functions of Health Services, 2014**



Note: ** Excludes MOH development expenditure at hospitals

TABLE 6.3a: MOH Hospital Expenditure by Curative Care Functions of Health Services, 2014**

MNHA code	Functions of Health services	RM Million	Per cent
MF1.1	In-patient curative care	8,996	66.26
MF1.3*	Out-patient curative care	4,322	31.83
MF1.2	Day cases of curative care	258	1.90
Total		13,576	100.00

Note: *Data includes home care services

** Excludes MOH development expenditure at hospitals

TABLE 6.3b: MOH Hospital Expenditure by Curative Care Functions of Health Services, 1997-2014 (RM Million)**																			
MNHA code	Functions of Health services	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MF1.1	In-patient curative care	1,465	1,527	1,636	1,830	2,044	2,155	2,564	2,750	2,845	3,984	4,187	4,926	5,166	5,377	6,406	7,510	7,658	8,996
MF1.2	Day cases of curative care	46	48	51	56	63	66	78	84	87	120	125	146	154	161	189	222	214	258
MF1.3*	Out-patient curative care	705	733	787	880	980	1,034	1,230	1,317	1,364	1,904	2,006	2,355	2,461	2,560	3,048	3,569	3,717	4,322
Total		2,215	2,308	2,474	2,766	3,086	3,255	3,872	4,151	4,295	6,008	6,318	7,427	7,781	8,097	9,643	11,302	11,590	13,576

Note: *Data includes home care

** Excludes MOH development expenditure at hospitals

TABLE 6.3c: MOH Hospital Expenditure by Curative Care Functions of Health Services, 1997-2014 (Per cent, %)**																			
MNHA code	Functions of Health services	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MF1.1	In-patient curative care	66.14	66.18	66.14	66.15	66.22	66.21	66.21	66.25	66.23	66.31	66.27	66.32	66.40	66.40	66.43	66.45	66.08	66.26
MF1.2	Day cases of curative care	2.05	2.06	2.05	2.03	2.04	2.02	2.02	2.03	2.02	1.99	1.98	1.97	1.97	1.98	1.96	1.96	1.85	1.90
MF1.3*	Out-patient curative care	31.80	31.75	31.82	31.82	31.74	31.77	31.77	31.72	31.75	31.70	31.76	31.71	31.63	31.61	31.61	31.58	32.07	31.83
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	100.00	100.00	100.00	100.00	100.00	100.00

Note: *Data includes home care

** Excludes MOH development expenditure at hospitals

Ambulatory Care Providers by Sources of Financing

Cross-tabulations

After hospitals the next largest provider of health care services are the providers of ambulatory care services. The MNHA framework adopts the SHA framework definition of providers of ambulatory care and often this terminology differs in meaning when used in other context. It has a wide range of providers and includes providers of medical clinics, dental clinics, family planning centres, substance abuse centres, dialysis centres, medical and diagnostic centres, ambulance providers and many other outpatient providers who do provide inpatient services. The MNHA framework, unlike the SHA framework, includes providers of traditional and complementary medicines under this category.

In 2014, ambulatory care providers consumed RM10,638 million or 21 per cent of total health expenditure. Of this amount, RM6,533 million or 61 per cent was funded by private sector source of financing and the remaining RM4,105 million

or 39 per cent by public sector financing (Figure 6.4 and Table 6.4a).

The 1997 to 2014 time series data shows that the expenditure in absolute *Ringgit Malaysia* (RM) value for ambulatory care services has increased by 4-fold in private sector and 10-fold in public sector (Table 6.4b and Table 6.4c). Furthermore in addition to the private sector spending being higher than public sector spending over the full time period, the rate of increase in private sector spending in absolute *Ringgit Malaysia* (RM) value since 2003 shows steeper rise compared to public sector spending. One of the possible contributory factors for this finding is that in addition to increased demand for services delivered by standalone private ambulatory care providers, many of these services in the public sector are delivered as part of public hospital services often at subsidized cost.

FIGURE 6.4: Expenditure at Ambulatory Care Providers (non-hospital setting) by Sources of Financing, 2014

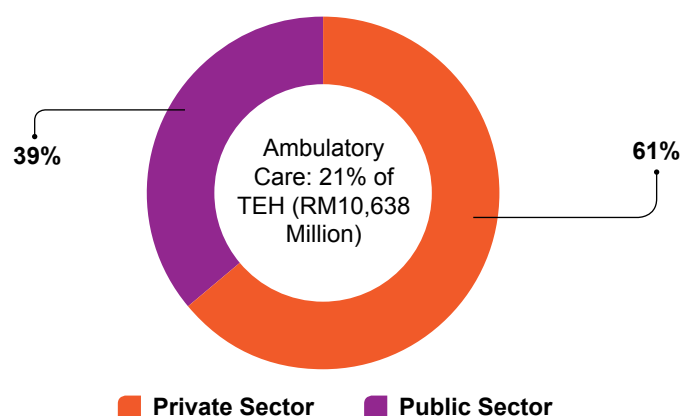


TABLE 6.4a: Expenditure at Ambulatory Care Providers by Sources of Financing, 2014

MNHA code	Sources of Financing	RM Million	Per cent
MS2	Private sector	6,533	61.41
MS1	Public Sector	4,105	38.59
Total		10,638	100

TABLE 6.4b: Expenditure at Ambulatory Care Providers by Sources of Financing, 1997-2014 (RM Million)																			
MNHA code	Sources of Financing	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MS1	Public Sector	409	441	510	604	722	814	1,074	1,200	1,303	1,773	1,882	2,158	2,142	2,465	2,725	3,236	3,478	4,105
MS2	Private sector	1,564	1,578	1,677	2,037	2,014	2,221	2,529	2,974	3,581	4,027	4,473	4,509	3,514	4,607	5,259	5,612	6,008	6,533
	Total	1,973	2,019	2,187	2,641	2,735	3,035	3,603	4,174	4,884	5,799	6,355	6,668	5,656	7,072	7,984	8,848	9,487	10,638

TABLE 6.4c: Expenditure at Ambulatory Care Providers by Sources of Financing, 1997-2014 (Per cent, %)																			
MNHA code	Sources of Financing	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MS1	Public Sector	20.73	21.84	23.31	22.88	26.39	26.82	29.81	28.75	26.68	30.57	29.61	32.37	37.87	34.85	34.13	36.57	36.67	38.59
MS2	Private sector	79.27	78.16	76.69	77.12	73.61	73.18	70.19	71.25	73.32	69.43	70.39	67.63	62.13	65.15	65.87	63.43	63.33	61.41
	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	100.00	100.00	100.00	100.00	100.00	100.00

CHAPTER 7

Total Health Expenditure by Functions of Health Services

This dimension of health expenditure responds to the question on the type of services purchased with the financial resources.

In 2014 the expenditure for curative care services amounted to RM30,781 million or 62 per cent of total health expenditure (Figure 7.1 and Table 7.1a). This was followed by expenditure of RM7,824 million or 16 per cent for medical goods dispensed to out-patient, RM3,937 million or 8 per cent for health program administration and health insurance, RM2,637 million or 5 per cent for education and training of health

personnel. The remaining RM4,552 million or 9 per cent of expenditure was spent on all remaining functions including prevention and public health services, capital formation of health care provider institutions and ancillary services.

The 1997 to 2014 time series data (Table 7.1b and Table 7.1c) shows an average of 90 per cent expenditure spent for the top four functions of the total expenditure. However as a share of the total expenditure, curative care expenditure trend shows increasing pattern throughout time series from 1997-2014.

FIGURE 7.1: Total Expenditure on Health by Functions of Health Services, 2014

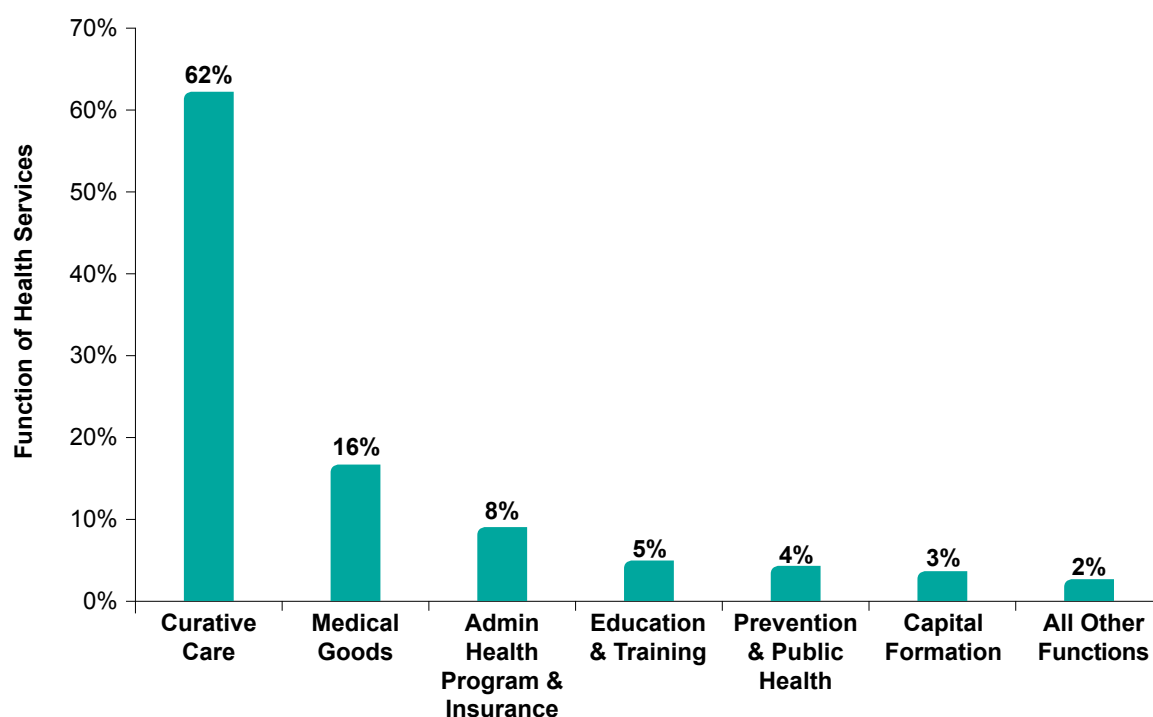


TABLE 7.1a: Total Expenditure on Health by Functions of Health Services, 2014

MNHA code	Functions of Health services	RM Million	Per cent
MF1	Services of curative care	30,781	61.90
MF5	Medical goods dispensed to out-patients	7,824	15.73
MF7	Health program administration and health insurance	3,937	7.92
MR2	Education and training of health personnel	2,637	5.30
MF6	Prevention and public health services	2,252	4.53
MR1	Capital formation of health care provider institutions	1,502	3.02
MF4	Ancillary services to health care	528	1.06
MR3	Research & Development in Health	267	0.54
MF3	Services of long-term nursing care	2	<1
MR9	All other health-related expenditures	1	<1
Total		49,731	100.00

TABLE 7.1b: Total Expenditure on Health by Functions of Health Services, 1997-2014 (RM Million)																			
MNHA code	Functions of Health services	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MF1	Services of curative care	5,143	5,394	5,890	6,780	7,429	8,154	9,728	10,994	11,967	14,862	16,179	18,166	18,405	19,871	23,080	26,158	27,145	30,781
MF2	Services of rehabilitative care	0	0	0	0	0	0	0	0	0	1	0	0	1	1	1	0	0	0
MF3	Services of long-term nursing care	1	2	2	2	2	5	9	10	11	11	14	5	5	12	15	19	1	2
MF4	Ancillary services to health care	130	135	143	163	214	237	263	301	373	423	446	477	417	482	486	500	513	528
MF5	Medical goods dispensed to out-patients	976	1,020	1,104	1,402	1,379	1,559	1,803	2,188	2,484	2,821	3,198	3,633	3,597	4,714	5,362	5,803	6,297	7,824
MF6	Prevention and public health services	348	356	401	403	455	473	616	685	724	864	1,212	1,086	1,177	1,195	1,369	1,619	2,409	2,252
MF7	Health program administration and health insurance	879	903	952	1,122	1,218	1,424	1,862	1,870	1,849	2,287	2,388	2,686	2,906	3,047	3,470	3,336	3,361	3,937
MR1	Capital formation of health care provider institutions	515	800	932	1,376	1,692	1,642	2,815	2,330	1,270	1,366	1,542	1,735	2,759	3,865	2,195	2,057	1,831	1,502
MR2	Education and training of health personnel	136	180	231	285	376	449	583	596	612	707	888	1,001	1,742	1,997	2,179	2,347	2,534	2,637
MR3	Research & Development in Health	62	54	48	43	75	79	75	62	22	36	55	54	51	45	48	73	255	267
MR9	All other health-related expenditures	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Total		8,190	8,844	9,703	11,578	12,841	14,022	17,753	19,037	19,314	23,376	25,921	28,843	31,060	35,231	38,206	41,913	44,346	49,731

TABLE 7.1c: Total expenditure on Health by Functions of Health Services, 1997-2014 (Per cent, %)																			
MNHA code	Functions of Health services	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MF1	Services of curative care	62.79	61.00	60.70	58.56	57.86	58.15	54.80	57.75	61.96	63.58	62.42	62.98	59.26	56.40	60.41	62.41	61.21	61.90
MF2	Services of rehabilitative care	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MF3	Services of long-term nursing care	0.01	0.02	0.02	0.02	0.02	0.04	0.05	0.05	0.05	0.05	0.05	0.02	0.02	0.04	0.04	0.05	0.00	0.00
MF4	Ancillary services to health care	1.59	1.53	1.47	1.40	1.66	1.69	1.48	1.58	1.93	1.81	1.72	1.65	1.34	1.37	1.27	1.19	1.16	1.06
MF5	Medical goods dispensed to out-patients	11.92	11.53	11.38	12.11	10.74	11.12	10.15	11.50	12.86	12.07	12.34	12.59	11.58	13.38	14.03	13.84	14.20	15.73
MF6	Prevention and public health services	4.25	4.03	4.13	3.48	3.55	3.37	3.47	3.60	3.75	3.69	4.68	3.77	3.79	3.39	3.58	3.86	5.43	4.53
MF7	Health program administration and health insurance	10.73	10.21	9.81	9.69	9.48	10.15	10.49	9.83	9.58	9.79	9.21	9.31	9.36	8.65	9.08	7.96	7.58	7.92
MR1	Capital formation of health care provider institutions	6.29	9.04	9.61	11.89	13.18	11.71	15.85	12.24	6.58	5.84	5.95	6.01	8.88	10.97	5.75	4.91	4.13	3.02
MR2	Education and training of health personnel	1.66	2.04	2.38	2.47	2.93	3.20	3.29	3.13	3.17	3.02	3.43	3.47	5.61	5.67	5.70	5.60	5.71	5.30
MR3	Research & Development in Health	0.76	0.61	0.50	0.37	0.59	0.56	0.42	0.33	0.12	0.15	0.21	0.19	0.17	0.13	0.13	0.17	0.58	0.54
MR9	All other health-related expenditures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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	100.00	100.00	100.00	100.00	100.00	100.00

Curative Care Expenditure by Sources of Financing Cross-tabulations

Curative care services include medical, paramedical and allied health services which could be either allopathic or traditional complementary or alternative medicine (TCAM) services and is inclusive of dental services. It could be rendered either in hospital or non-hospital settings. The non-hospital setting includes medical or dental clinics but excludes other standalone allied health or rehabilitative facilities, standalone pharmacies or radiological service facilities, and many other non-hospital facilities.

In 2014 a total of RM30,781 million or 62 per cent of total health expenditure was for curative care services (Figure 7.2). The source of financing

for curative care services was RM16,928 million or 55 per cent from the public sector and the remaining RM13,853 million or 45 per cent from the private sector. In the public sector 89 per cent and in the private sector 71 per cent of the curative care expenditure was spent at hospitals and the remaining in both sectors was spent at non-hospital curative care providers.

The 1997 to 2014 time series data shows a similar pattern in absolute *Ringgit Malaysia* (RM) value (Table 7.2) and as a share of public to private source of funding for curative care services, the public share is higher than the private sector source of financing over the time period.

FIGURE 7.2: Curative Care Expenditure by Sources of Financing, 2014

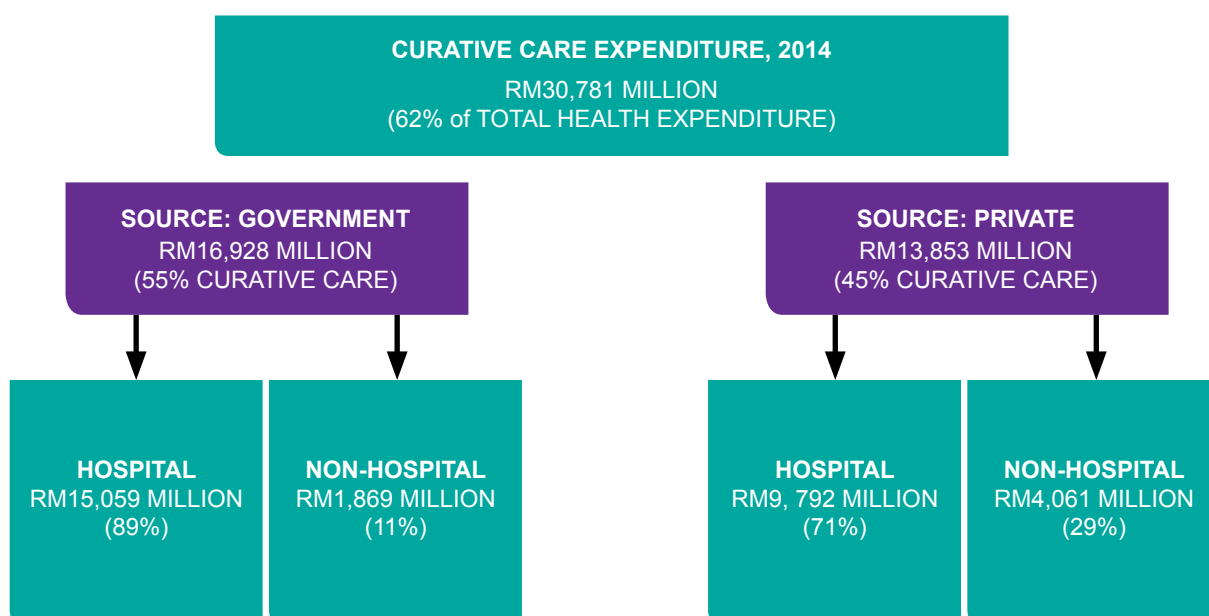


TABLE 7.2: Curative Care Expenditure by Sources of Financing, 1997-2014 (RM Million)																			
Source	Provider	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Sector	Hospital	2,532	2,620	2,826	3,183	3,596	3,837	4,525	4,967	5,132	6,892	7,397	8,607	8,878	9,179	10,764	12,501	12,897	15,059
	Non-Hospital	334	342	394	459	537	627	740	843	901	1,219	1,281	1,489	1,593	1,765	2,049	2,438	1,916	1,869
	Sub-Total	2,865	2,962	3,220	3,642	4,133	4,464	5,265	5,809	6,032	8,111	8,678	10,095	10,471	10,944	12,813	14,939	14,812	16,928
Private Sector	Hospital	1,296	1,447	1,618	1,823	2,030	2,278	2,792	3,160	3,504	3,975	4,466	5,125	5,825	6,174	6,974	7,747	8,644	9,792
	Non-Hospital	981	986	1,052	1,315	1,267	1,412	1,671	2,025	2,431	2,776	3,035	2,946	2,109	2,753	3,293	3,472	3,688	4,061
	Sub-Total	2,278	2,432	2,670	3,138	3,297	3,690	4,462	5,184	5,935	6,751	7,502	8,071	7,934	8,927	10,267	11,219	12,332	13,853
	Total	5,143	5,394	5,890	6,780	7,429	8,154	9,728	10,994	11,967	14,862	16,179	18,166	18,405	19,871	23,080	26,158	27,145	30,781

Preventive & Promotive Expenditure by Sources of Financing

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

In 2014 a total of RM2,252 million or 4 per cent of total health expenditure was spent on public health programmes including preventive and

promotive services of which RM1,840 million or 82 per cent was by the public sector source of financing (Figure 7.3). In the public sector, MOH spent 84 per cent of this amount.

The 1997 to 2014 time series data also shows MOH as the largest source of financing for this function of health care services with an 11-fold increase in absolute *Ringgit Malaysia* (RM) value over the time period (Table 7.3).

FIGURE 7.3: Preventive and Promotive Public Health Programme Expenditure by Sources of Financing, 2014

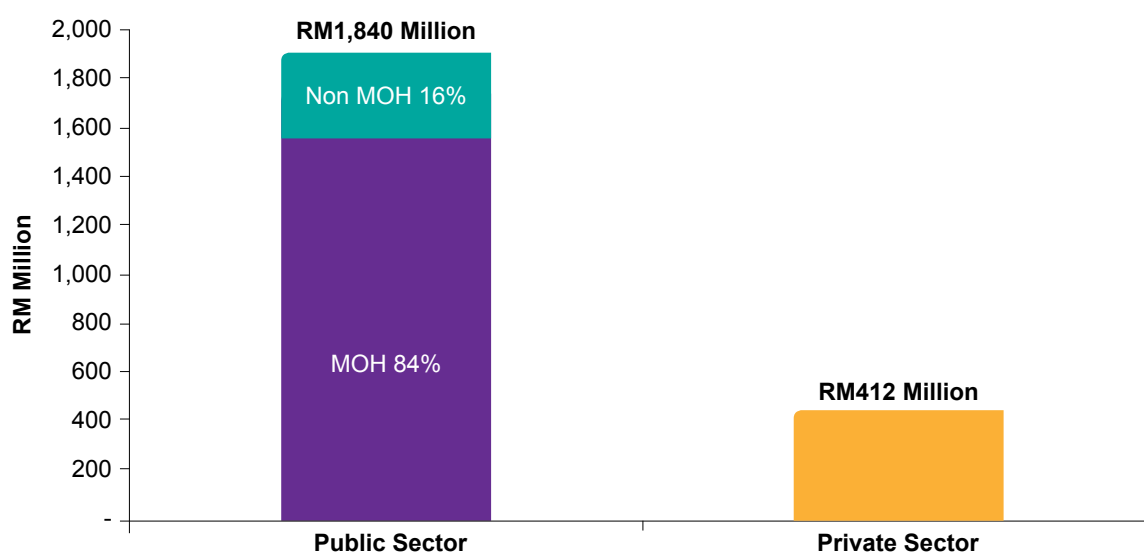


TABLE 7.3: Preventive & Promotive Public Health Expenditure by Sources of Financing, 1997-2014 (RM Million)																			
MNHA code	Source of financing	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MS1.1.1.1	Ministry of Health (MOH)	146	139	166	167	197	201	307	341	364	496	495	603	628	673	752	898	1,634	1,541
MS1.1.1.2	Ministry of Education (MOE)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MS1.1.1.3	Ministry of Defence (MOD)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MS1.1.1.9	Other federal agencies (including statutory bodies)	13	17	19	22	25	29	33	37	43	49	56	57	68	75	95	117	128	121
MS1.1.2.1	(General) State Government	24	29	29	28	27	30	52	73	49	56	67	71	58	63	57	68	71	33
MS1.1.2.2	Other state agencies (including statutory bodies)	3	3	3	3	3	3	7	6	10	9	6	6	13	26	30	34	39	78
MS1.1.3	Local authorities	6	6	7	7	8	10	13	19	26	21	291	65	138	40	62	83	73	45
MS1.2.2	Social Security Organization (SOCISO)	2	2	2	3	3	3	3	4	4	5	5	1	1	2	4	5	35	23
MS2.4	Private household out-of- pocket expenditures	3	3	3	3	3	4	4	5	6	8	7	7	6	6	6	7	7	6
MS2.5	Non-profit organisations serving households	5	6	5	5	6	6	6	6	9	7	11	16	6	7	10	15	2	1
MS2.6	All Corporations (other than health insurance)	145	150	166	164	183	187	191	194	213	213	273	258	259	303	352	391	420	405
MS9	Rest of the world	-	-	-	-	-	-	-	-	-	-	1	0	0	0	0	-	-	-
Total		348	356	401	403	455	473	616	685	724	864	1,212	1,086	1,177	1,195	1,369	1,619	2,409	2,252

Expenditure for Education and Training by Sources of Financing

This includes expenditure for all health and health-related education and training of personnel. Although MNHA framework includes this expenditure under the total health expenditure, the SHA framework excludes this because of the shortfall in the assumptions and difficulties in the capture of this expenditure. Furthermore, personnel who undergo health and health-related education and training may not continue to provide services in the health sector.

In 2014 a total of RM2,637 million or about 5 per cent of total health expenditure was spent on health related education and training. A total of RM1,393 million or 53 per cent of this amount

was funded by public sector source of financing with MOH spending 31 per cent and non-MOH spending the balance (Figure 7.4).

The 1997 to 2014 time series data shows that although both the public and private sources of financing has an increasing trend in expenditure for this function of health care service, the public sources spending remains almost two times of private sources in absolute *Ringgit Malaysia* (RM) value (Table 7.4a and Table 7.4b). Similarly, in the public sources of financing, the non-MOH spending about twice of MOH expenditure for education and training.

FIGURE 7.4: Expenditure for Education and Training by Sources of Financing, 2014

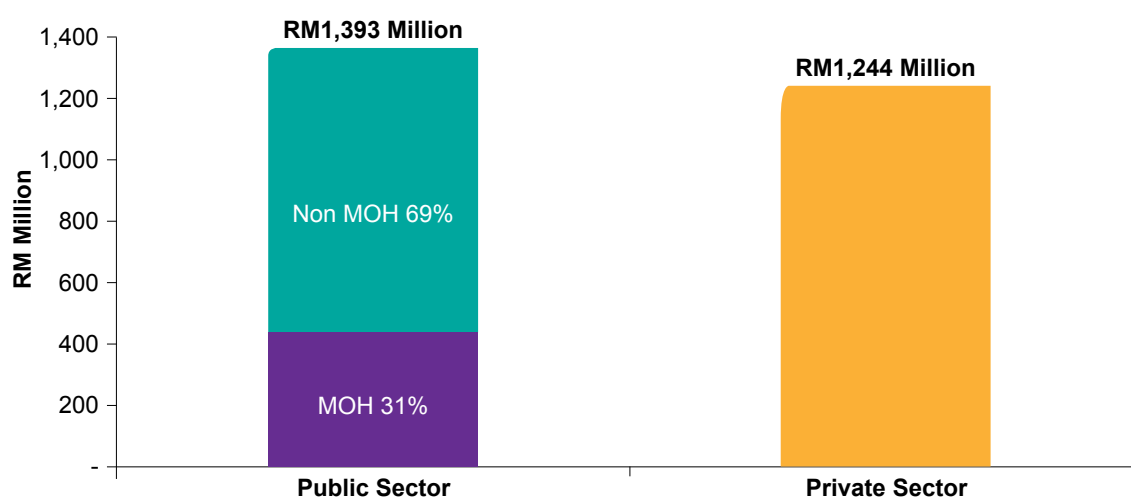


TABLE 7.4a: Expenditure for Education and Health Training by Sources of Financing, 1997-2014 (RM Million)																			
MNHA code	Source of financing	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MS1.1.1.1	Public Sector (MOH)	35	33	68	96	147	186	231	222	218	270	275	310	325	340	380	377	407	438
MS1.1.1.2- MS1.1.1.9	Public Sector (Non - MOH)	62	91	100	114	139	161	210	225	236	261	360	408	758	935	1,008	1,106	905	955
MS2	Private sector*	39	56	62	75	91	103	142	149	158	176	253	283	659	722	791	864	1,222	1,244
	Total	136	180	231	285	376	449	583	596	612	707	888	1,001	1,742	1,997	2,179	2,347	2,534	2,637

Note: *Data includes expenditure under Rest of the World

TABLE 7.4b: Expenditure for Education and Health Training by Sources of Financing, 1997-2014 (Per cent, %)																			
MNHA code	Source of financing	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MS1.1.1.1	Public Sector (MOH)	25.69	18.32	29.42	33.74	39.10	41.37	39.67	37.20	35.63	38.25	30.96	30.98	18.64	17.04	17.45	16.08	16.07	16.62
MS1.1.1.2- MS1.1.1.9	Public Sector (Non - MOH)	45.90	50.71	43.54	40.02	36.82	35.77	36.01	37.82	38.62	36.89	40.57	40.76	43.53	46.80	46.24	47.11	35.70	36.21
MS2	Private sector*	28.41	30.97	27.03	26.24	24.07	22.87	24.32	24.98	25.75	24.86	28.47	28.26	37.82	36.16	36.31	36.81	48.23	47.17
	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	100.00	100.00	100.00	100.00	100.00	100.00

Note: *Data includes expenditure under Rest of the World

CHAPTER 8

State Expenditure

MNHA state disaggregation of health expenditure is still a new set of analysis and reporting under beneficiary group of MNHA classification. As far as possible the state allocation was assigned based on the facility where the financial resources were used to purchase the various types of health care services and products. Otherwise it was based on the location of the agency which represented as the source of financing. This state allocation was done for the smallest possible disaggregated source of financing and then rolled up to produce the total state expenditure. Further improvement and refinement in the methodology are expected in the future. The arrangement of the state in the figures and tables below are based on the state population size in the year 2014 as the reference year.

There are a total of thirteen states and three additional Federal Territories, namely Kuala Lumpur, Labuan and Putrajaya. The state population census is reported under the Department of Statistics Malaysia. In 2014, Selangor had both the largest population and highest expenditure of 6 million people with health expenditure of RM8,494 million (Figure 8.1 and Table 8.1).

FIGURE 8.1: Total Health Expenditure by State, 2014

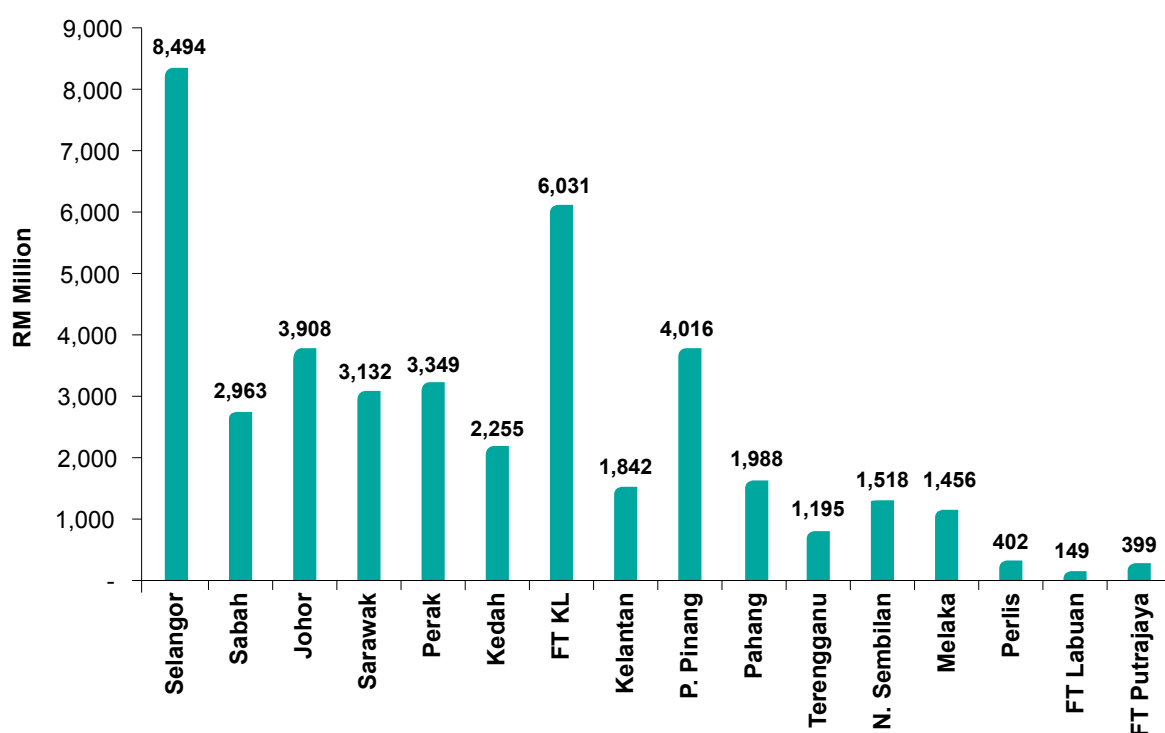


TABLE 8.1: State Population and Health Expenditure, 2014

State	Population (Thousands)*	Expenditure (RM Million)
Selangor	6,022	8,494
Sabah	3,674	2,963
Johore	3,509	3,908
Sarawak	2,675	3,132
Perak	2,453	3,349
Kedah	2,065	2,255
FT KL	1,727	6,031
Kelantan	1,717	1,842
P. Pinang	1,677	4,016
Pahang	1,582	1,988
Terengganu	1,133	1,195
N. Sembilan	1,078	1,518
Malacca	869	1,456
Perlis	245	402
FT Labuan	93	149
FT Putrajaya	81	399
National	-	6,635
Total	30,598	49,731

CHAPTER 9

Out-of-Pocket Health Expenditure

Most often OOP health expenditures are attained through community surveys. However the best approach for this estimation, as used for this report, is through a complex method called the integrative method whereby the gross level of direct spending from consumption, provision and financing perspective is collated followed by a deduction of third party financial reimbursements by various agencies to avoid double counting.

The data shown in this chapter includes spending for TCAM as well as spending for health-related education and training which are excluded in all expenditures that are reported under the SHA framework.

The 1997-2014 time series data shows that the household OOP Health expenditure remains the largest single source of funding in the private sector amounting to an average of 78 per cent of this sector spending which is equivalent to about 30-40 per cent of total health expenditure (Figure 9.1). The OOP health expenditure from 1997 to 2014 has increased from RM2,930 million to RM19,544 million (Figure 9.2). which is an increase from 1.04 per cent GDP to 1.77 per cent GDP (Figure 9.3).

$$\text{OOP Health Expenditure} = (\text{Gross OOP Health Expenditure} - \text{Third Party Payer Reimbursement}) + \text{OOP Health Expenditure for Education \& Training.}$$

FIGURE 9.1: OOP Share of Total and Private Sector Health Expenditure, 1997-2014 (Per cent, %)

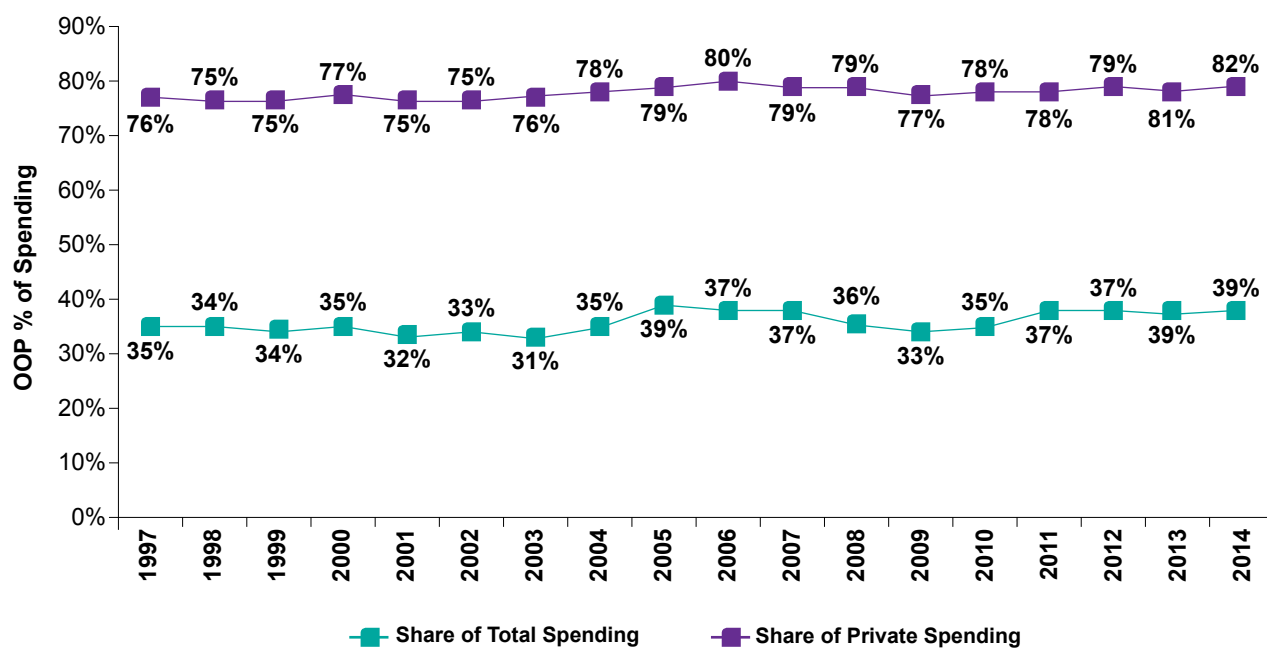


FIGURE 9.2: OOP Health Expenditure, 1997-2014 (RM Million)

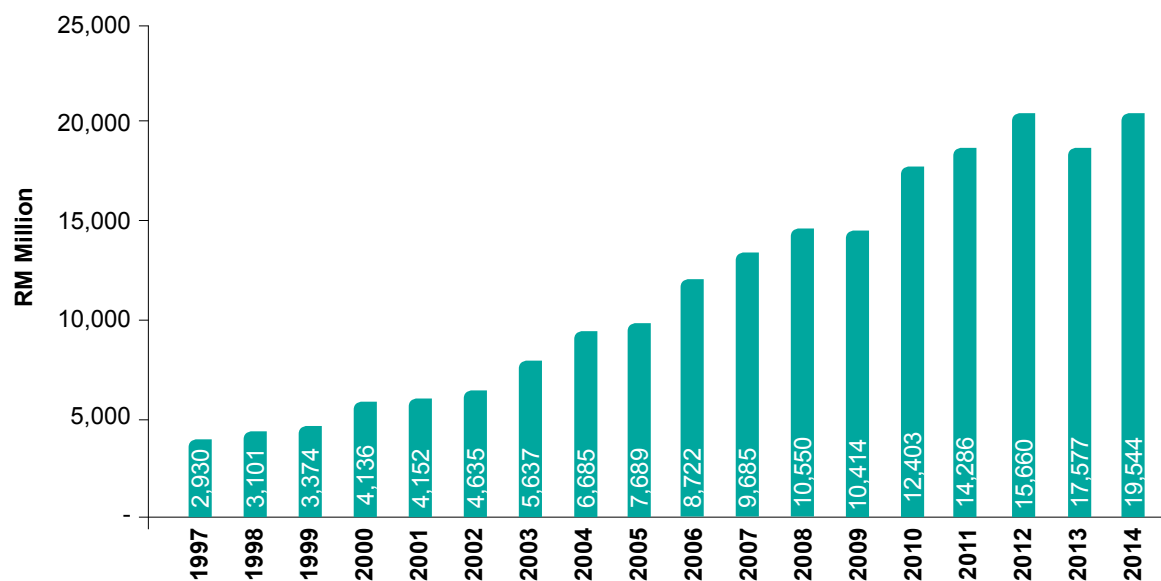
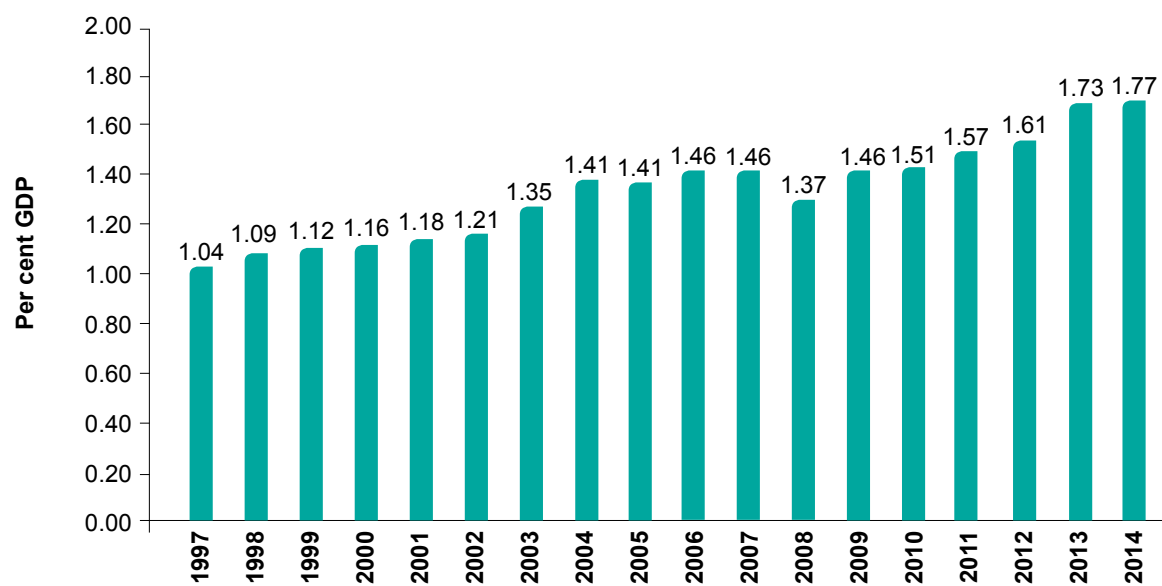


FIGURE 9.3: OOP Health Expenditure Share of GDP, 1997-2014 (Per cent, %)



OOP Health Expenditure by Providers

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 sector providers. The bulk of public sector health care services for patients in this country have always been heavily subsidized by the government, even if the government outsources any of the services to private providers. However under the provision of public sector services there are some components of healthcare services and several products like most prosthesis which are purchased by patients from private providers. When patient seek private sector services they are often at liberty to purchase these services or products separately or part of the services. The private sector providers include several categories of standalone private facilities such as private hospitals, private medical clinics, providers of medical appliances, traditional & complementary care providers, private dental clinic, private pharmacies, private laboratories and others. OOP is the mode of payment for services either in public sector or private sector. However the final amount reported under OOP expenditure includes expenditure reported by this mode for training.

Throughout the time series more than 94 per cent of OOP spending occurred at private facilities (Figure 9.4). In 2014, of the total OOP spending at private facilities which amounted to RM18,524 million, the private hospitals consumed the largest share of OOP expenditure at RM7,164 million or 39% followed by private medical clinics at RM2,768 million or 15%, private pharmacies at RM2,499 million or 13%, providers of medical appliances or retails at RM2,328 million or 13%, and traditional & complementary care providers at RM2,084 million or 11% and the balance RM1,681 million or 9% at private dental clinics, private standalone medical laboratories and other facilities (Figure 9.5).

The 1997 to 2014 the time series data shows increased OOP health expenditure in all the various facilities except for private medical clinics (Table 9.1a and Table 9.1b). The highest increase in absolute amount was seen at private hospitals from RM979 million in 1997 to RM7,164 million in 2014. However there is 11-fold increase in spending at providers of medical goods and appliances from RM206 million in 1997 to RM2,328 million in 2014. The OOP spending at private medical clinics show a steady increase from RM718 million in 1997 to RM2,378 million in 2007 but then declined from 2008 onwards with a drop in the proportion from 26% in 1997 to 15% in 2014.

FIGURE 9.4: OOP Health Expenditure by Public and Private Providers of Health Services, 2014 (RM Million)

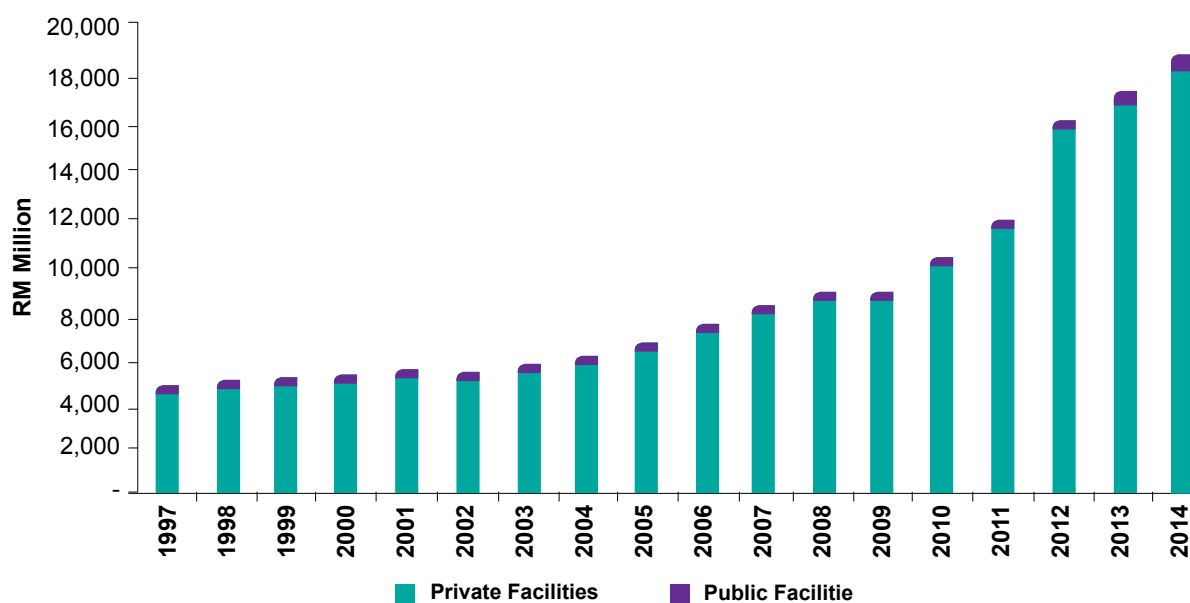


FIGURE 9.5: OOP Health Expenditure by Private Providers of Health Services, 2014, (Per cent, %)

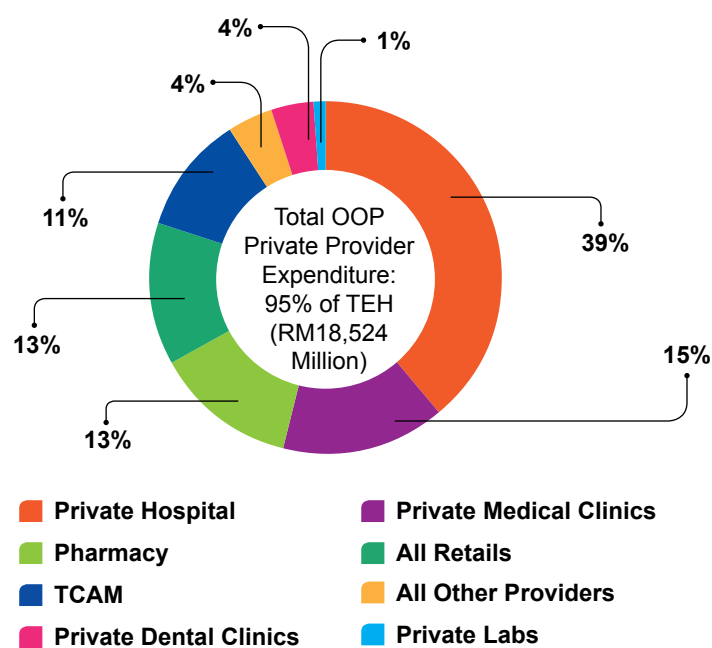


TABLE 9.1a: OOP Health Expenditure by Private Providers of Health Services, 1997-2014 (RM Million)																		
Provider Name	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Private Hospitals	979	1,070	1,176	1,348	1,428	1,577	2,100	2,377	2,659	2,997	3,264	3,744	4,228	4,449	5,094	5,744	6,450	7,164
Private Medical Clinics	718	731	785	1,011	952	1,062	1,194	1,496	1,862	2,142	2,378	2,214	1,423	1,780	2,174	2,265	2,454	2,768
Private Pharmacies	347	385	440	491	475	507	602	751	740	805	926	1,007	1,128	1,250	1,525	1,706	1,975	2,499
Providers of Medical goods and appliances	206	207	211	361	357	442	543	681	868	1,004	1,119	1,296	1,206	1,727	1,917	2,043	2,144	2,328
Traditional & Complementary Care Providers	374	376	399	487	481	531	588	675	784	913	1,018	1,179	1,091	1,547	1,717	1,829	1,919	2,084
All other providers	8	3	4	24	26	40	80	87	142	149	203	210	333	417	457	534	720	979
Private Dental Clinics	133	139	150	181	180	198	224	252	274	285	293	339	308	446	548	602	641	703
Total	2,765	2,910	3,165	3,903	3,899	4,356	5,330	6,318	7,328	8,296	9,202	9,988	9,718	11,617	13,433	14,724	16,302	18,524

TABLE 9.1b: OOP Health Expenditure by Private Providers of Health Services, 1997-2014 (Per cent, %)																		
Provider Name	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Private Hospitals	35.41	36.76	37.17	34.54	36.63	36.20	39.40	37.62	36.29	36.12	35.47	37.48	43.51	38.29	37.92	39.01	39.56	38.67
Private Medical Clinics	25.95	25.13	24.80	25.91	24.41	24.37	22.40	23.67	25.40	25.82	25.84	22.17	14.64	15.32	16.18	15.38	15.05	14.94
Private Pharmacies	12.56	13.24	13.91	12.58	12.17	11.65	11.29	11.89	10.09	9.70	10.07	10.08	11.61	10.76	11.35	11.58	12.11	13.49
Providers of Medical goods and appliances	7.45	7.10	6.66	9.25	9.15	10.15	10.18	10.78	11.84	12.11	12.16	12.97	12.41	14.87	14.27	13.88	13.15	12.57
Traditional & Complementary Care Providers	13.52	12.91	12.60	12.47	12.34	12.18	11.03	10.68	10.70	11.01	11.07	11.80	11.23	13.32	12.78	12.43	11.77	11.25
Private Dental Clinics	0.30	0.11	0.13	0.62	0.68	0.92	1.49	1.38	1.94	1.80	2.21	2.10	3.43	3.59	3.40	3.63	4.41	5.28
All other providers	4.82	4.76	4.74	4.64	4.61	4.54	4.21	3.98	3.73	3.44	3.18	3.40	3.17	3.84	4.08	4.09	3.93	3.79
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	100.00	100.00	100.00	100.00	100.00	100.00

OOP Health Expenditure by Functions

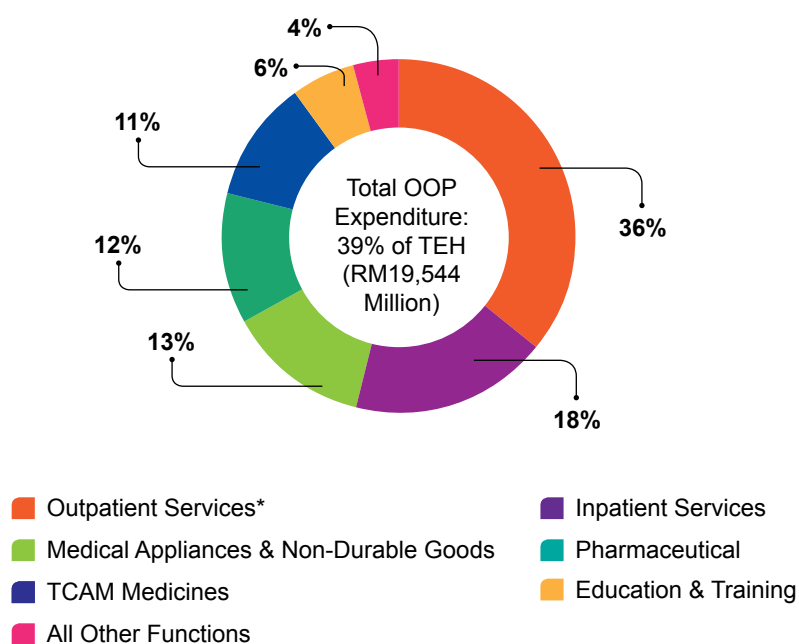
The data under this section responds to the question on the type of health care services and products that are purchased with the OOP spending. This includes expenditures for core functions of health care such as for curative care, ancillary services, medical goods & appliances and others, as well as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

In 2014 the largest proportion of OOP health expenditure was RM7,057 million or 36 per cent for out-patient care services (Figure 9.6). This would include out-patient care services provided both in standalone medical clinics as well as in hospital facilities. In the same year in-patient care services was RM3,593 million or 18 per cent of OOP spending. This would include spending at both public and private hospitals with greater proportion at private hospitals. The OOP spending for medical appliances & non-durable goods was RM2,471 million or 13 per cent, pharmaceuticals including over-the-counter and prescription drugs was RM2,356 million or 12 per cent, traditional &

alternative medicines was RM2,084 million or 11 per cent and the remaining RM1,983 million or 10 per cent was for other functions.

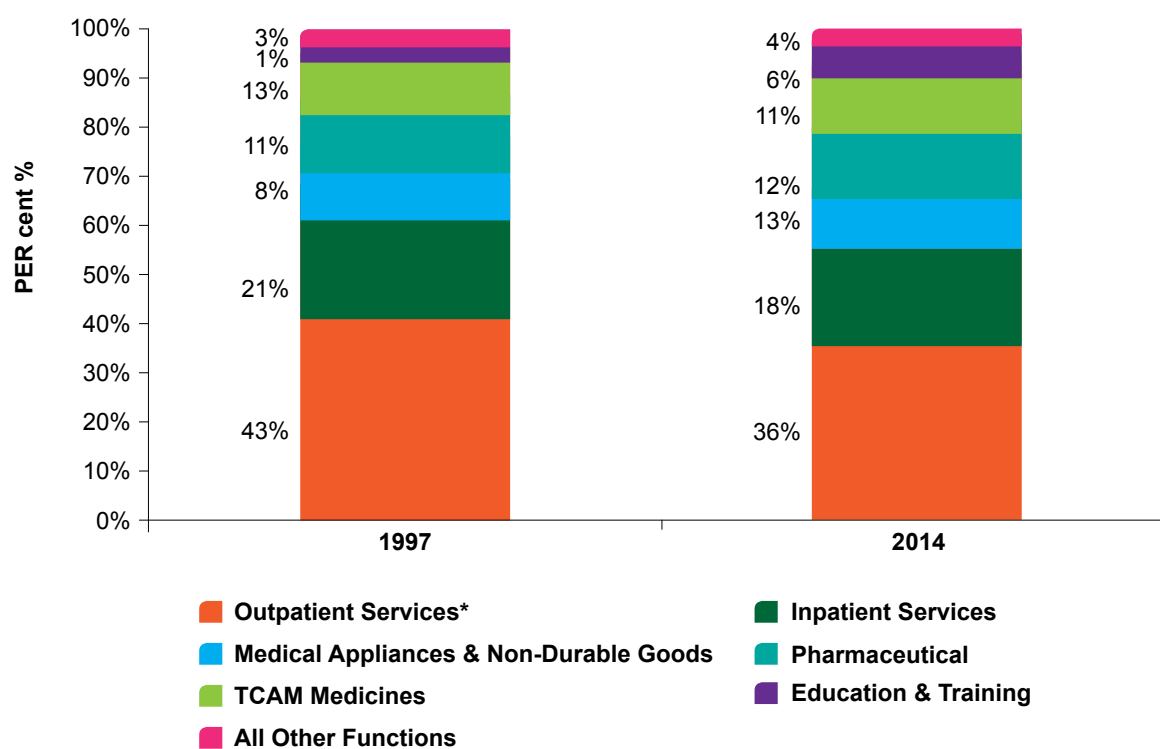
The 1997 to 2014 time series data although shows general increase in the level of OOP spending for various functions, the proportions show some variations. Over this 18-year time period, although the OOP spending for out-patient services has increased from RM1,269 million in 1997 to RM7,057 million in 2014, the proportion of out-patient services has actually decreased from 43 per cent to 36 per cent over this time (Figure 9.7). This time period has also seen a rise in in-patient services from RM628 million in 1997 to RM3,593 million in 2014 with the proportion of this function remaining around 18-21 per cent over this time. There was nearly 11-fold increase in OOP spending for medical appliances & non-durable goods from RM228 million in 1997 to RM2,471 million in 2014 and 37-fold increase in OOP spending for education and training from RM31 million in 1997 to RM1,172 million in 2014 (Table 9.2a and Table 9.2b).

FIGURE 9.6: OOP Expenditure by Functions of Health Services, 2014 (Per cent, %)



Note: *Data include home care

FIGURE 9.7: OOP Health Expenditure by Functional Proportion, 1997 & 2014, (Per cent %)



Note: *Data include home care

TABLE 9.2a: OOP Health Expenditure by Functions of Health Services, 1997-2014 (RM Million)																		
Function Name	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
*Out-patient Services	1,269	1,367	1,494	1,837	1,845	2,073	2,469	2,945	3,438	3,956	4,392	4,491	3,925	4,608	5,350	5,797	6,327	7,057
In-patient Services	628	641	691	782	793	847	1,137	1,293	1,441	1,592	1,673	1,907	2,136	2,238	2,616	2,945	3,271	3,593
Medical Appliances & non-durable goods	228	229	243	388	383	471	573	714	896	1,054	1,175	1,360	1,259	1,833	2,035	2,168	2,276	2,471
Pharmaceutical	325	363	408	464	448	479	572	718	712	755	871	943	1,075	1,144	1,407	1,580	1,843	2,356
TCAM medicines	374	376	399	487	481	531	588	675	784	913	1,018	1,179	1,091	1,547	1,717	1,829	1,919	2,084
Education & Training	31	46	51	62	75	85	118	123	131	146	211	236	539	591	646	772	1,192	1,172
All other functions	74	80	88	116	126	150	181	217	288	305	345	435	388	441	514	568	748	811
Total	2,930	3,101	3,374	4,136	4,152	4,635	5,637	6,685	7,689	8,722	9,685	10,550	10,414	12,403	14,286	15,660	17,577	19,544

Note:.* Data include home care

TABLE 9.2b: OOP Health Expenditure by Functions of Health Services, 1997-2014 (Per cent, %)																		
Function Name	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
*Out-patient Services	43.32	44.07	44.27	44.43	44.43	44.73	43.80	44.06	44.72	45.36	45.35	42.57	37.69	37.16	37.45	37.02	36.00	36.11
In-patient Services	21.44	20.67	20.48	18.91	19.11	18.27	20.17	19.34	18.73	18.25	17.28	18.07	20.51	18.05	18.31	18.80	18.61	18.38
Medical Appliances & non-durable goods	7.80	7.39	7.21	9.39	9.24	10.15	10.17	10.69	11.66	12.09	12.13	12.89	12.09	14.78	14.24	13.85	12.95	12.64
Pharmaceutical	11.09	11.70	12.08	11.21	10.78	10.33	10.14	10.74	9.26	8.66	8.99	8.93	10.32	9.23	9.85	10.09	10.49	12.06
TCAM medicines	12.76	12.11	11.82	11.76	11.59	11.45	10.43	10.09	10.20	10.47	10.52	11.17	10.48	12.47	12.02	11.68	10.92	10.66
Education & Training	1.07	1.47	1.52	1.49	1.80	1.83	2.09	1.84	1.70	1.67	2.17	2.24	5.18	4.76	4.52	4.93	6.78	6.00
All other functions	2.53	2.59	2.62	2.81	3.04	3.24	3.21	3.25	3.74	3.50	3.56	4.12	3.73	3.55	3.60	3.63	4.26	4.15
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	100.00	100.00	100.00	100.00	100.00	100.00

Note:.* Data include home care

CHAPTER 10

International Comparison

Policy makers often do comparisons with other countries before making major decisions. It is for this reason that World Health Organization (WHO) strongly recommends member countries to submit their annual health expenditure data using the standardized SHA framework as a comparable and reliable international health expenditure data source. These data are reviewed and revised before publication as the annual World Health Statistics (WHO) Report. Further details on health expenditure are uploaded onto the Global Health Expenditure Database (GHED) in WHO NHA website.

In view of producing timely data, WHO estimates the country specific NHA for countries with insufficient capacity to carry out their respective estimations or has delays in data submission. However sometimes even the country specific GHED are updated in between the year by WHO.

It is advisable to use SHA based NHA reporting for international data comparisons. However most of the data in other chapters of this report are extracted from the MNHA database which has a wider boundary of health expenditure compared to the SHA compatible MNHA framework. Although Malaysia produces both databases, the data reported in this chapter is extracted from GHED so as to standardize data comparisons between countries. **Any additional data besides that available in the GHED can be extracted from MNHA database based on specific requests, bearing in mind that WHO do make some adjustments to reported country specific NHA data.**

In 2014 the difference between the two is 11 per cent with total health expenditure based on the MNHA framework as RM49,731 million or 4.49 per cent GDP whereas it is RM44,609 million or 4.17 per cent GDP based on SHA compatible MNHA

framework (Figure 10.1 & Table 10.1). One of the main reasons for this difference is that unlike the SHA framework, the MNHA framework captures total health expenditure inclusive of spending for TCAM, health education & training, health-related research and public health functions of producing safe water and food safety.

This chapter highlights some NHA related data as reported in GHED from 14 developed and developing countries with potential policy relevance to Malaysia. They consist of 3 European countries (France, Germany and United Kingdom), 7 countries in Asia (Sri Lanka, India, Bangladesh, China, Japan, Republic of Korea and Philippines), 3 countries neighbouring Malaysia (Singapore, Indonesia and Thailand) and Australia. **The data for Malaysia extracted from GHED database is reproduced in Tables A4-A5.**

In 2014, the health spending in Malaysia is 4.2 per cent of GDP (Figure 10.2). India, Philippines, Singapore, China, Thailand, and Republic of Korea spent more than Malaysia but lower than European countries such as France, Germany, United Kingdom and Australia that spent more than 9 per cent GDP. However the regional countries like Thailand, Philippines, India and Bangladesh with similar to Malaysia GDP spending has a much lower per capita spending ranging from USD 88 in Bangladesh to USD 950 in Thailand compared to Malaysia spending USD 1,040 per capita (Figure 10.3). The population of a country affects the per capita spending value as countries with large population such as China and Philippines have their respective per capita spending lower than Malaysia. Similarly Singapore with a small population has their per capita expenditure nearly as much as the European countries. Germany, France and Australia spent more than USD4,000 per capita.

All the developed countries and Thailand have higher proportion of public sector spending with this sector accounting for nearly two-thirds to three quarters of the total health expenditure (Figure 10.4). Most developing countries have a higher proportion of private sector spending except for Singapore with 60 per cent private sector spending. Malaysia is similar to Republic of Korea, China and Sri Lanka with an almost equal proportion health spending from both the public and private sectors.

The OOP health spending in almost all the countries are more than half the private sector spending except for France, with the level of private spending in most of these countries being

much lower than Malaysia (Figure 10.5). There is much concern regarding health financing mechanism in a country when the OOP spending exceeds 40 per cent of total health spending especially together with a high level of private spending like in Bangladesh, Singapore, India, Philippines, Indonesia as well as in Sri Lanka. The OOP spending in most developed countries as well as in Thailand are below 20 per cent of total health expenditure. The Republic of Korea being an exception with a pattern similar to developing country. The OOP spending as share of total and private spending in Malaysia for the year 2014 is very similar to China and Republic of Korea, the two countries with total health expenditure of 5.5 per cent and 7.4 per cent GDP respectively.

FIGURE 10.1: Comparison using MNHA and SHA Compatible MNHA Framework, 1997-2014

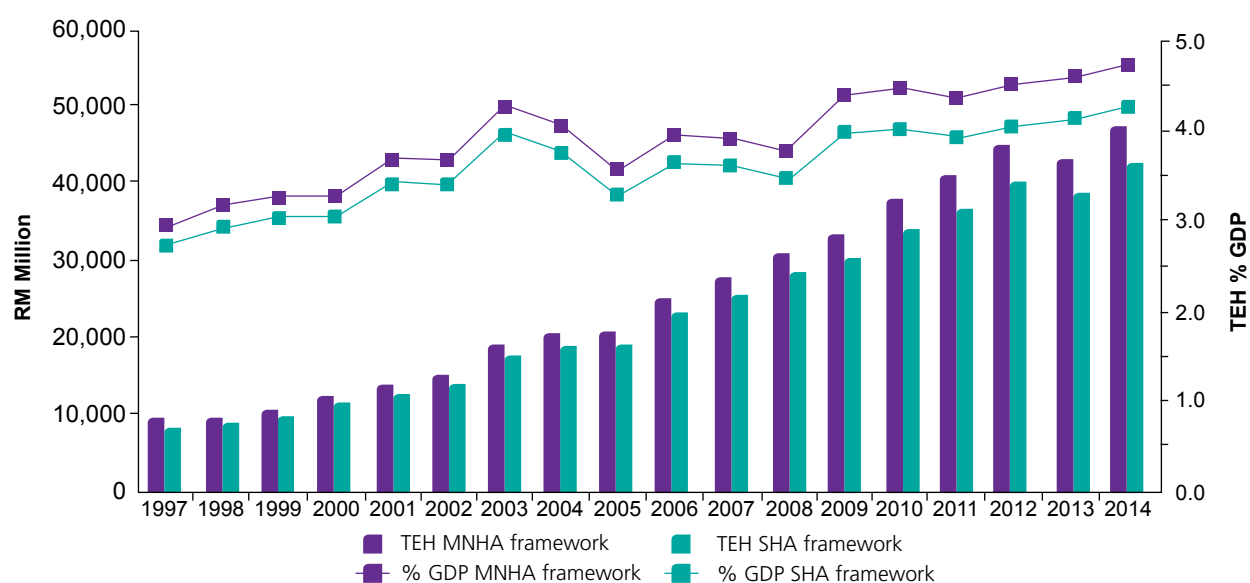
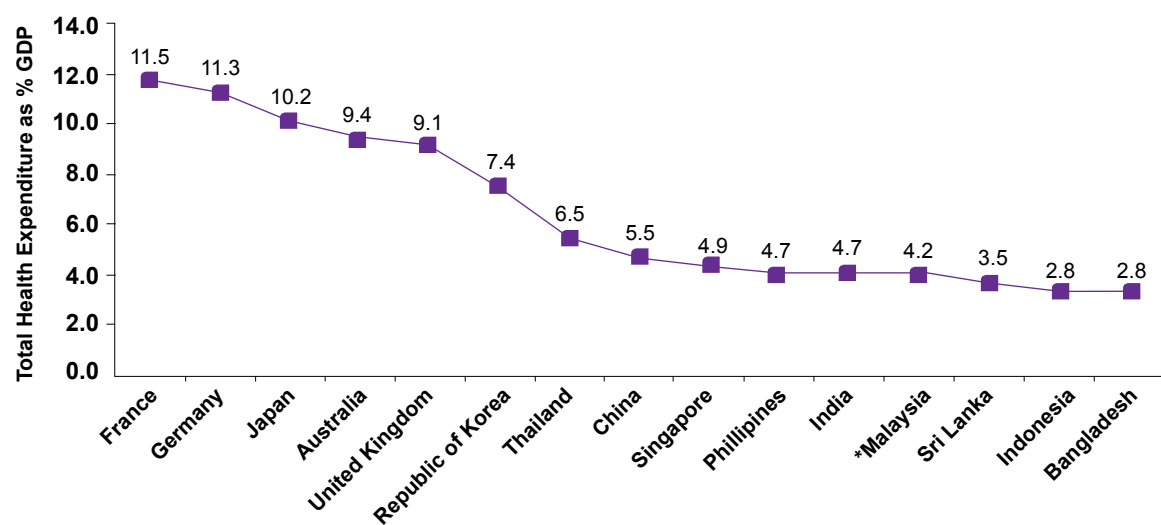


TABLE 10.1: Total Health Expenditure, MNHA & SHA Framework 1997-2014 (RM Million & Per cent GDP)

Year	Total Health Expenditure (RM Million)		Total Health Expenditure % GDP		TEH % Difference MNHA & SHA framework
	TEH MNHA framework	TEH SHA framework	% GDP MNHA framework	% GDP SHA framework	
1997	8,190	7,678	2.91	2.72	7%
1998	8,844	8,291	3.12	2.93	7%
1999	9,703	9,122	3.23	3.03	6%
2000	11,578	10,824	3.25	3.04	7%
2001	12,841	11,979	3.64	3.40	7%
2002	14,022	13,042	3.66	3.40	8%
2003	17,753	16,558	4.24	3.95	7%
2004	19,037	17,753	4.02	3.74	7%
2005	19,314	17,894	3.55	3.29	8%
2006	23,376	21,808	3.92	3.65	7%
2007	25,921	23,990	3.90	3.61	8%
2008	28,843	26,727	3.75	3.47	8%
2009	31,060	28,333	4.36	3.97	10%
2010	35,231	31,817	4.29	3.99	11%
2011	38,206	34,420	4.19	3.89	11%
2012	41,913	37,785	4.32	4.01	11%
2013	44,346	39,648	4.35	4.02	12%
2014	49,731	44,609	4.49	4.17	11%

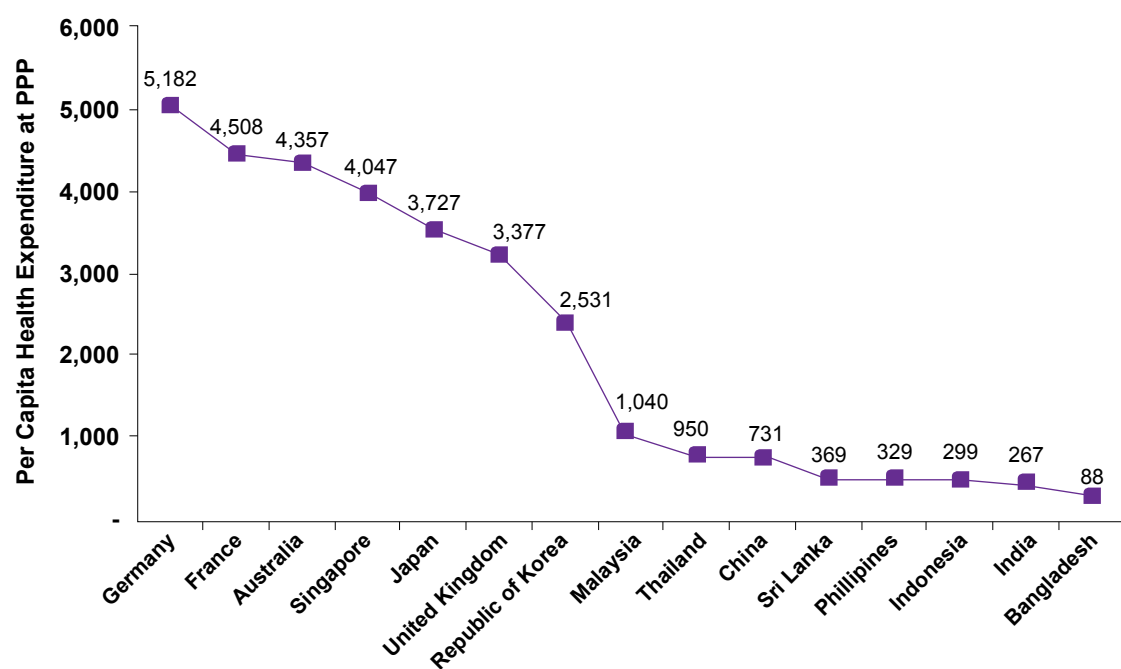
Note: Malaysia data from SHA compatible MNHA database 1997-2014

FIGURE 10.2: International Comparison of Total Health Expenditure as Percent GDP, 2014



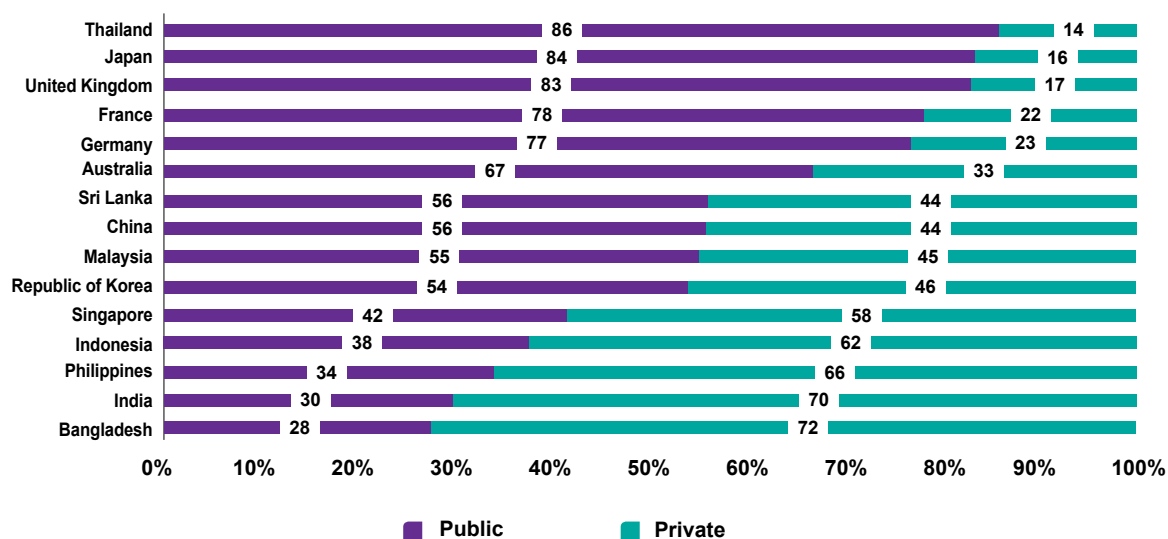
Source: Global Health Expenditure Database (GHED) WHO NHA on 15th September 2016

FIGURE 10.3: International Comparison of Per Capita Health Expenditure at PPP (USD), 2014



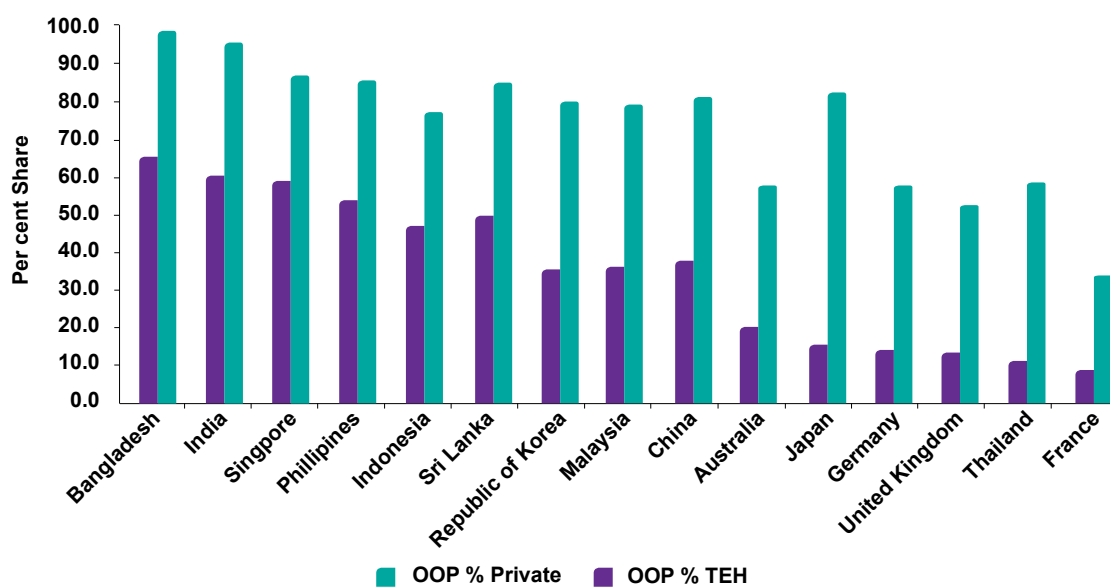
Source: Global Health Expenditure Database (GHED) WHO NHA on 15th September 2016

FIGURE 10.4: International Comparison of Public-Private Share of Total Health Expenditure, 2014



Source: Global Health Expenditure Database (GHED) WHO NHA on 15th September 2016

FIGURE 10.5: International Comparison for OOP Share of Private and Total Health Expenditure, 2014



Source: Global Health Expenditure Database (GHED) WHO NHA on 15th September 2016

APPENDIX TABLES

TABLE A1.1 : Source of Data

Data Sources for Public Sector Estimation

PUBLIC SECTOR			
	Main Agencies	Specific Organization	Source of Data
1	Ministry of Health (MOH)	Accountant-General's Department	MOH - AG DATA (expenditure)
2	Other Ministries	Ministry of Education	MNHA survey - MOE
		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
		Occupational Safety And Health Department	MNHA survey - DOSH
		National Institute of Occupational Safety & 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)
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 Organization	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)
		IMS	MNHA Survey - FARMASI (0002)
		Medical supplies HES, DOSM	DOSM Survey - HES DATA
		Medical durables / prostheses / equipments HES, DOSM	DOSM Survey - HES DATA
		Ancillary services HES, DOSM	DOSM Survey - HES DATA
		Private TCM HES, 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
5	Non-Government Organization	Non-Governmental Organizations	MNHA survey - NGO
6	Corporations	Limited and Private Limited Corporations	MNHA Survey - PRIVATE CORPORATION
		Corps - Labour Force Survey	DOSM Survey - CORPS_DOS (0002)
		Industrial Survey & Manufacturing, 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)
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 : List of Agency Surveys Below Full Response Rate (2014)

RESPONSE RATE LESS THAN 100%	
PUBLIC SECTOR DATA SOURCE	
1	MNHA survey - JKN - State Health Department, MOH
2	MNHA survey - PBT (Perkhid) - Local Authority (health care services)
3	MNHA survey - PBT (Perkhid) - Local Authority (staff claim)
4	MNHA survey - JBA (state) - Public State Water Supply Department
5	MNHA survey - BERKANUN (state) - State Statutory Body (staff claim)
6	MNHA survey - JBA (SSB) - Water Supply Department (State Statutory Body)
7	MNHA survey - TRAINING (OFA-Pu) - Public Higher Education Institutions
8	MNHA survey - BERKANUN (Fed)- Federal Statutory Body (staff claim)
9	MNHA survey - AADK - National Anti Drug Agency
10	MNHA survey - JKM - Social Welfare Department
PRIVATE SECTOR DATA SOURCE	
1	MNHA survey - INSURAN - Private Insurance
2	MNHA survey - JBA (corp) - Private Water Supply Department
3	MNHA Survey - MCO - Managed Care Organization
RESPONSE RATE LESS THAN 50%	
PUBLIC SECTOR DATA SOURCE	
1	MNHA survey - MAIN - State Islamic Religious Council/ Zakat Collection Centre
PRIVATE SECTOR DATA SOURCE	
1	MNHA survey - TRAINING (OFA-Pr) - Private Higher Education Institutions
2	MNHA Survey - PRIVATE HEMO (0001) - Private Haemodialysis Centre
3	MNHA survey - NGO – Non- Government Organization

TABLE A3: Comparison of MNHA to SHA Framework (OECD 2000) with SHA Tables

The data in this document is reported using the MNHA framework. However, the revised data analysis was produced under dual coding and a set of tables showing the comparison of MNHA codes mapped to ICHA codes are shown for reference (Appendix Table A3.1a to A3.1c). This is followed by five SHA Tables (Appendix Table A4 to A13).

TABLE A3.1a : Classification of Total Expenditure on Health by Sources of Financing			
MNHA code	ICHA code	Sources of Funding	Description
MS1	HF.1	Public Sector	Refers to MS1.1 to MS1.2
MS1.1	HF.1.1	Public sector excluding social security funds	Refer to Federal Government, state government & Local Authorities
MS1.2	HF.1.2	Social security funds	SOCSSO & EPF
MS2	HF.2	Private sector	Refers to MS2
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 Out-of-Pocket 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 Employer
MS9	HF.3	Rest of the world	Rest Of the World

TABLE A3.1b : Classification of Total Expenditure on Health by Providers of Health Services

MNHA code	ICHA code	Providers of Health Services	Description
MP1	HP.1	Hospitals	Public & private hospitals
MP2	HP.2	Nursing and residential care facilities	Nursing care facilities including psychiatric care facilities, residential for mental health, etc
MP3	HP.3	Providers of ambulatory health care	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	Health prevention & promotion services (public & private)
MP6	HP.6	General health administration and insurance	Overall administration of health (public & private) & health insurance administration. (note: For MOH it includes administration of HQ exclude public health programs) 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 residents of Malaysia

TABLE A3.1c : Classification of Total Expenditure on health by Functions of Health Services

MNHA code	ICHA code	Functions of Health Services	Description
MF1	HC.1	Services of curative care	Curative care provider at inpatient, outpatient, day-care & homecare services
MF2	HC.2	Services of rehabilitative care	Rehabilitative care provider at inpatient, outpatient, day-care & homecare services
MF3	HC.3	Services of long-term nursing care	Long term nursing care provider at inpatient, outpatient, day-care & 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	Prevention and public health services	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	Administration at HQ, State health dept, local authorities, SOCSO, EPF, private insurance, etc
MR2	HC.R.2	Education and training of health personnel	Gov & 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 health
MR9	HC.R.6	All other health-related expenditures	Category to capture all other expenditures that not classified elsewhere in MNHA

TABLE A4: GLOBAL HEALTH EXPENDITURE DATABASE (GHED), WHO INDICATORS AND DATA																		
Malaysia - National Expenditure on Health (Ringgits), 1997-2014																		
INDICATORS	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Health Expenditure (THE) % Gross Domestic Product (GDP)	2.7	2.9	3.0	3.0	3.4	3.4	4.0	3.7	3.3	3.7	3.6	3.5	4.0	4.0	3.9	4.0	4.0	4.2
General Government Health Expenditure (GGHE) as % of Total Health Expenditure	55.2	55.5	55.5	55.8	58.6	57.6	59.7	56.6	51.4	55.1	54.4	55.8	58.8	57.3	54.9	55.2	54.8	55.2
Private Health Expenditure (PvHE) as % of Total Health Expenditure (THE)	44.8	44.5	44.5	44.2	41.4	42.4	40.3	43.4	48.6	44.9	45.6	44.2	41.2	42.7	45.1	44.8	45.2	44.8
General Government Health Expenditure (GGHE) as % of General Government Expenditure (GGE)	4.7	4.7	4.9	5.3	5.4	5.2	5.9	6.4	5.3	5.9	5.6	5.2	5.9	6.7	6.4	5.7	5.9	6.4
External Resources on Health as % of Total Health Expenditure (THE)	0.7	0.9	0.8	0.7	0.6	0.6	<	<	<	<	<	<	<	<	<	<	<	<
Social Security Funds as % of General Government Health Expenditure (GGHE)	<	0.7	0.7	0.7	0.8	0.9	0.8	0.9	0.9	0.7	0.7	0.7	0.7	0.8	0.9	0.9	1.2	1.1
Out of Pocket Expenditure (OOPS) as % of Total Health Expenditure (THE)	33.6	33.0	33.1	33.7	30.5	31.3	30.2	33.6	38.1	35.6	35.8	34.7	31.5	32.8	35.1	34.9	36.1	35.3
Out of Pocket Expenditure (OOPS) as % of Private Health Expenditure (PvHE)	75.0	74.1	74.3	76.3	73.8	73.8	75.1	77.3	78.3	79.3	78.4	78.5	76.3	76.8	77.8	78.0	79.9	78.8
Total Health Expenditure (THE) per Capita in US\$	125.1	94.5	104.8	121.6	131.8	140.7	175.2	184.4	183.2	226.4	261.1	294.6	290.6	351.3	393.7	421.5	427.0	455.8
Total Health Expenditure (THE) per Capita in Int\$ (Purchasing Power Parity)	324.0	317.9	346.6	377.8	425.4	447.0	549.9	561.0	526.5	624.7	660.9	668.4	746.7	802.0	825.5	901.8	945.7	1,040.2
General Government Health Expenditure (GGHE) per Capita in US\$	69.1	52.4	58.2	67.8	77.2	81.0	104.7	104.3	94.1	124.6	142.1	164.4	170.9	201.3	216.3	232.8	234.2	251.5
General Government Health Expenditure per Capita in Int\$ (Purchasing Power Parity)	178.8	176.3	192.3	210.7	249.2	257.3	328.5	317.3	270.4	343.9	359.6	372.9	439.0	459.5	453.5	498.0	518.6	573.9
Out of Pocket Expenditure (OOPS) per Capita in US\$	42.1	31.2	34.7	41.0	40.3	44.1	53.0	62.0	69.7	80.6	93.4	102.3	91.4	115.2	138.1	147.2	154.2	160.9
General Government Health Expenditure (GGHE) as % of Gross Domestic Product (GDP)	1.5	1.6	1.7	1.7	2.0	2.0	2.4	2.1	1.7	2.0	2.0	1.9	2.3	2.3	2.1	2.2	2.2	2.3
Private Insurance as % of Private Health Expenditure (PvHE)	8.6	9.9	10.4	10.8	12.1	13.0	14.5	13.8	12.5	12.7	12.9	14.5	17.1	16.8	16.9	16.4	16.1	15.9
Public Funds for Health % General Government Expenditure (GGE) (excluding external resources)	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Public Funds for Health per Capita in Constant 2009 US\$	89.2	87.0	93.5	100.1	115.8	117.7	147.4	138.5	114.4	141.2	143.8	146.2	170.9	176.7	170.8	184.3	189.1	:
Prevention and Public Health Services as % of Total Health Expenditure (THE)	4.6	4.4	4.5	3.8	3.9	3.7	3.8	4.0	4.2	4.1	5.1	4.2	4.2	3.9	4.1	4.4	6.2	:
Government Expenditure on Inpatient Care as % of General Government Health Expenditure (GGHE)	32.6	33.1	31.7	31.4	29.3	29.3	28.8	31.7	35.4	32.1	<	<	<	<	<	<	<	:
Total Expenditure on Inpatient Care as % of Total Health Expenditure (THE)	27.8	27.9	27.1	26.9	26.5	26.5	28.9	30.7	32.7	31.6	:	:	:	:	:	:	:	:

Source: Global Health Expenditure Database (GHED Sept 2016)

TABLE A5: GLOBAL HEALTH EXPENDITURE DATABASE (GHED), WHO INDICATORS AND DATA																		
Malaysia - National Expenditure on Health (Ringgits), 1997-2014																		
HEALTH EXPENDITURE DATA	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
FINANCING SOURCES																		
Public funds	4,236	4,599	5,060	6,036	7,018	7,506	9,891	10,040	9,191	12,006	13,053	14,911	16,657	18,229	18,910	20,866	21,739	:
Rest of the world funds / External resources	54	75	73	73	74	75	8	8	10	9	1	<	<	<	<	<	<	22
FINANCING AGENTS																		
Total expenditure on health	7,678	8,291	9,122	10,824	11,979	13,042	16,558	17,753	17,894	21,808	23,990	26,727	28,333	31,817	34,420	37,785	39,648	44,609
General government on expenditure on health																		
Ministry of Health	3,624	3,958	4,341	5,228	6,051	6,427	8,712	8,664	7,809	10,512	10,915	12,666	14,322	15,857	16,433	18,156	18,897	21,447
Social security funds	21	30	36	43	58	64	81	89	81	88	97	108	123	149	173	193	255	263
Private expenditure on health																		
Private insurance	295	365	421	516	599	718	964	1,062	1,084	1,246	1,413	1,709	1,991	2,277	2,626	2,774	2,892	3,178
Out of pocket expenditure	2,580	2,735	3,017	3,653	3,659	4,087	5,004	5,965	6,813	7,768	8,578	9,280	8,912	10,435	12,073	13,191	14,318	15,747
Profit institutions serving households (e.g NGOs)	63	69	70	86	92	104	117	129	147	159	185	212	232	267	309	359	77	396
AGENTS BY FUNCTIONS																		
General government to services of curative and rehabilitative care	2,788	2,878	3,119	3,506	3,931	4,223	5,027	5,516	5,723	7,814	8,124	9,548	9,963	10,455	12,300	14,394	14,160	:
MACRO DATA																		
CONSUMPTION																		
Gross Domestic Product (GDP)	281,795	283,243	300,765	356,400	352,580	383,212	418,767	474,049	543,577	596,783	665,341	769,951	712,857	797,327	885,341	941,950	986,733	1,070,006
Final consumption expenditure of households and profit institutions serving households (PFC)	127,783	117,718	125,056	155,941	162,618	172,485	186,674	208,571	240,187	264,584	300,418	344,215	348,168	395,245	437,340	482,238	527,749	579,908
General government expenditure (GGE)	90,131	97,040	102,320	114,884	130,690	144,278	166,949	157,742	172,681	204,255	231,359	289,394	282,794	270,171	297,382	365,610	369,955	381,624
EXCHANGE RATES																		
Purchasing Power Parity (NCU per Int\$) PPP	1.09	1.17	1.15	1.22	1.18	1.20	1.21	1.25	1.32	1.33	1.36	1.47	1.37	1.41	1.46	1.44	1.42	1.43
Exchange Rate (NCU per US\$) X-R-USD	2.81	3.92	3.80	3.80	3.80	3.80	3.80	3.80	3.79	3.67	3.44	3.34	3.52	3.22	3.06	3.09	3.15	3.27
PRICE INDEX																		
Gross domestic product - Price index (GDPP)	58	63	63	68	67	69	71	76	82	86	90	99	93	100	105	106	107	109
POPULATION																		
Population (in thousands)	21,808	22,358	22,899	23,421	23,921	24,402	24,869	25,332	25,796	26,263	26,731	27,197	27,661	28,120	28,573	29,022	29,465	29,902
Population less than 5	2,704	2,720	2,726	2,721	2,706	2,681	2,649	2,613	2,574	2,533	2,491	2,454	2,431	2,427	2,445	2,483	2,534	2,585
Female Population 15-49	5,705	5,876	6,048	6,220	6,368	6,520	6,676	6,838	7,005	7,170	7,349	7,535	7,717	7,891	8,064	8,215	8,351	8,483

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