KHAZANAH RESEARCH INSTITUTE

VIEWS 19/24 | 11 OCTOBER 2024

Systematic and Comprehensive Governance: Thinking About the Full Paying Patient Programme

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Introduction

There has been much ado about the expansion of the full paying patient (FPP) programme in government hospitals[1], a solution put forth by the Health Minister Dzulkefly Ahmad to boost revenue for the Ministry of Health (MOH).

MOH already currently receives the second largest allocation of the federal budget, 10.5% of Budget 2024 but this is still insufficient to address public healthcare needs[2].

Although there has been both support[3] and opposition[4] towards FPP, research implies that more needs to be done to

[1] CodeBlue (2024)
[2] CodeBlue (2023)
[3] The Star (2024)
[4] Aliran (2024)

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This Views piece was previously published in Malaysiakini and Malay Mail as an op-ed.

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ensure healthcare services in public facilities remain equitable, accessible and deliverable[5].

Old Idea, Same Problems?

Although currently being branded as the Rakan MOH programme, FPP has been introduced in Malaysian public hospitals since 2007 to help reduce the loss of government specialists to the private sector. The fees collected would be divided between the specialist and the government[6].

Under FPP, patients would be fully charged for the treatment they receive, have the ability to choose a specialist and receive full access to first-class facilities[7]. The costs they would pay would still be significantly lower than in the private sector. For example, FPPs pay between RM3,000 to RM5,000 for a c-section birth at Hospital Selayang[8]. In contrast, a c-section in a private hospital would cost between RM6,000 to RM15,000[9].

While FPP has existed for close to two decades, a 2023 study has highlighted that hospitals implementing the programme experience challenges in balancing resource management and serving the public masses[10].

Limited Capacities Mean You Don't Always Get What You Pay For

One of the main issues was the limited capacity of public hospitals to meet the increased demand in FPP services. Contrary to recent news[11], under the FPP programme, wards and resources are still shared with other public patients.

Hospital directors interviewed by the study have mentioned that patients felt that they were not receiving a quality of care that matched the payment that they were making. For example, even if they paid extra, they may still be admitted to a second-class ward due to limited availability or receive subpar amenities such as a lack of hot water for showering. Most hospitals do not have dedicated FPP wards, and some hospitals have converted existing isolation or single-bedded rooms for FPP use[12].

FPP Does Not Remunerate Support Staff

Hospitals implementing FPP have also faced a major issue with workforce management. Since FPP fees are only divided between specialists and the government, there is no proper remuneration or incentive to other healthcare personnel who help run the service[13].

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[5] Muhammad Nur Amir et al. (2023)
[6] Muhammad Nur Amir et al. (2023)
[7] Muhammad Nur Amir et al. (2023)
[8] Hospital Selayang, MOH (n.d.)
[9] Qoala Malaysia (2022)
[10] Muhammad Nur Amir et al. (2023)
[11] Aliran (2024)
[12] Muhammad Nur Amir et al. (2023)
[13] Muhammad Nur Amir et al. (2023)

This has led to problems in recruiting staff to assist in after-hours procedures. Specialists delivering the FPP service have shared that it is unofficial practice to pay support staff with some surgeons contributing 10% of their share of the payment to staff who help during procedures and some who will not give anything at all[14].

FPP Targeted to Make Public Employment More Attractive and Boost Revenue in the Healthcare Sector

So, are there any benefits of the implementation of FPP? The idea of having a private practice within public hospitals, or more commonly known as dual practice, is not novel to Malaysia. In countries such as Ireland, Australia, France and the United Kingdom, different variations of dual practice in the healthcare sector are permitted. This is motivated by the benefits of increasing attractiveness of working in the public sector and reducing brain drain to the private sector, increasing patient choice in public facilities as well as generating additional revenue for the healthcare sector[15].

Between 2012 to 2018, FPP revenue increased from RM 4.4 million to over RM 22 million, most likely driven by an increase in participating specialists over the years. However, it was reported that in 2019 FPP encounters only accounted for 0.13% of total MOH patient encounters, indicating that perhaps the burden of care is not significant to detract from other public patients[16].

This potential revenue source is what the Health Minister hopes to capitalise on to help improve public healthcare facilities. The Galen Centre has previously described the introduction of payroll-funded social health insurance (SHI) as a better alternative to FPP due to the larger amount generated[17].

However, SHI would create a blanket requirement for all those in formal employment to contribute, thus reducing their take-home incomes. Also, the government would still have to provide subsidies for a substantial proportion of the population that would not be captured through payroll tax[18].

An FPP scheme would only incur costs for those who would be willing to pay for the service. To ensure that care responsiveness for public patients is not affected, FPP services is currently only provided for those who require elective procedures, are in non-emergency and uncomplicated conditions, are of low risk and are not expected to require intensive post-surgical care[19].

[14] Muhammad Nur Amir et al. (2023)
[15] Mueller and Socha-Dietrich (2020)
[16] Malindawati Mohd et al. (2022)
[17] CodeBlue (2024)
[18] Nazihah and Ilyana Syafiqa (2021)
[19] Malindawati Mohd et al. (2022)

Conclusion

Overall, different studies from countries with a dual practice programme have produced different results, making it difficult to make definitive conclusions as to whether there is a net benefit or adverse effect[20]. One thing is for certain- governance matters!

For FPP to be beneficial there needs to be specific institutional arrangements and governance in public facilities, particularly regarding the terms and conditions of practice and remuneration. There also needs to be mechanisms to ensure equal standards of access for all, regardless of whether they are full-paying or not. Finally, there needs to be continuous monitoring and review facility capacity as well as assessments and improvements of FPP implementation on-the-ground.

These recommendations are in line with what is advocated by groups such as Hartal Doktor Kontrak. They help address the need to retain specialists within the public sector whilst boosting revenue for healthcare. However, it should still be the government's responsibility to continue its commitment towards increased funding for better, universal healthcare in Malaysia[21].

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[20] Mueller and Socha-Dietrich (2020)

[21] Nazihah and Ilyana Syafiqa (2021)

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