

# CO-PAYMENT MEDICAL INSURANCE

## WHAT IS IT???

**Co-payment, or copay,** is a share of medical costs between the insured and the insurance company. The exact amount can vary depending on your insurance plan.

Co-payment usually be **either in a percentage or a fixed amount:** –

For example,

i. A **5% co-payment** in a medical insurance claim of RM10,000 means you will pay RM500 as a share of the final amount, while the insurer pays the remaining RM9,500; or

ii. If a **fixed RM3,000** co-payment, then you will pay RM3,000 as a share and the insurer will pay the balance of RM7,000.

### **The Objective**

Bank Negara Malaysia (BNM) aims to promote more sustainable and affordable medical insurance offerings, amid the continued increase in medical cost inflation. In 2023, Malaysia recorded medical cost inflation of 12.6%, significantly higher than the global average of 5.6%.

Effective 1 September 2024, insurers and takaful operators (ITOs) must offer consumers an option to purchase medical insurance products with a co-payment feature.

## **The Advantage**

- **Lower Premiums** – Insurance plans with co-payment often have lower premiums, and the overall insurance cost is more affordable.
- **Transparency** – Improving the transparency of medical costs to support consumers in making more informed choices when seeking treatment

To safeguard consumer interests, Co-payment shall not apply in the following circumstances:

- Emergency treatment, including in accident cases;
- Outpatient treatment for follow-up treatments arising from critical illnesses such as cancer or kidney dialysis; and
- Treatment sought at a Government healthcare facility.

Greater take-up of co-payment medical plans over time aims to help contain medical cost inflation in Malaysia by controlling the over-consumption of health services. As such, a whole-of-nation approach

is critical to address medical cost inflation across the healthcare value chain.

Feel free to contact us for further clarification with no obligation attached.

***Contact us now for a free consultation:***

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