

Medical Cost & Premium Inflation on the RISE!!!

(An extract from thestar.com.my dated 1/12/2021)







KUALA LUMPUR: The insurance and Takaful industry calls on all stakeholders such as **Bank Negara, private hospitals and doctors to work together** with the industry to address the rising medical cost and premium inflation.

The **major drivers** of medical and premium/contribution inflation are: –

1. Advances in medical treatment, imported equipment, supplies and medicines;
2. High prevalence of non-communicable diseases;
3. Ageing population; and
4. Increasing benefits and policy design.

The below image is the illustration on the Medical Treatment Charges between Private & Government Hospital in Malaysia:-

Public vs Private Healthcare Fees

 <p>Angiogram/One Stent Angioplasty</p> <table><tr><td>Public</td></tr><tr><td>RM50 - RM200</td></tr><tr><td>Private</td></tr><tr><td>RM15000 - RM45000</td></tr></table>	Public	RM50 - RM200	Private	RM15000 - RM45000	 <p>Coronary Bypass</p> <table><tr><td>Public</td></tr><tr><td>RM4000</td></tr><tr><td>Private</td></tr><tr><td>RM25000 - RM80000</td></tr></table>	Public	RM4000	Private	RM25000 - RM80000	 <p>Knee Replacement Surgery</p> <table><tr><td>Public</td></tr><tr><td>RM10000 - RM35000</td></tr><tr><td>Private</td></tr><tr><td>RM25000 - RM80000</td></tr></table>	Public	RM10000 - RM35000	Private	RM25000 - RM80000
Public														
RM50 - RM200														
Private														
RM15000 - RM45000														
Public														
RM4000														
Private														
RM25000 - RM80000														
Public														
RM10000 - RM35000														
Private														
RM25000 - RM80000														
 <p>Chemotherapy (per cycle)</p> <table><tr><td>Public</td></tr><tr><td>RM200</td></tr><tr><td>Private</td></tr><tr><td>RM50 - RM4000</td></tr></table>	Public	RM200	Private	RM50 - RM4000	 <p>Kidney Stone (depending on complexity)</p> <table><tr><td>Public</td></tr><tr><td>RM3000 - RM10000</td></tr><tr><td>Private</td></tr><tr><td>RM9000 - RM40000</td></tr></table>	Public	RM3000 - RM10000	Private	RM9000 - RM40000	 <p>Spine Surgery</p> <table><tr><td>Public</td></tr><tr><td>RM8000 - RM15000</td></tr><tr><td>Private</td></tr><tr><td>RM40000 - RM55000</td></tr></table>	Public	RM8000 - RM15000	Private	RM40000 - RM55000
Public														
RM200														
Private														
RM50 - RM4000														
Public														
RM3000 - RM10000														
Private														
RM9000 - RM40000														
Public														
RM8000 - RM15000														
Private														
RM40000 - RM55000														

Life Insurance Association of Malaysia (LIAM) survey: –

- Claims have risen to 88.6% of premium.
- The average annualized premium increase was 6.47% and the rate revision only happens every three to five years.

The survey shows that:

“Claims have been increasing at a faster rate than premiums. Over the long term, this threatens the sustainability of medical insurance.”

Suggestions by Actuarial Partners 2020 study/survey: –

- a) Insurers and Takaful operators to introduce **more alternative plan designs with lower premiums and cost-sharing provisions** for policyholders to maintain their medical coverage and encourage cost control.
- b) A greater transparency by **publishing the average costs of common procedures and treatment** and this can empower policyholders to make better healthcare decisions.
- c) To **automate and digitize guarantee letter process** to reduce administration costs and improve the insured patient experience.

If you haven't have a medical insurance plan, please consider to have one. Just like what we Malaysian always said '**Sediakan Payung Sebelum Hujan**'.

Contact us now for a free consultation on insurance related matters

1. Email your queries to insurance@edindings.com or
2. Call us at 012-2861817 (M), 03-21622515 (O)