

# Azrul Mohd Khalib â?? Chief Executive, Galen Centre for Health and Social Policy, Malaysia

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*Dr. Azrul Mohd Khalib, chief executive at the Galen Centre for Health and Social Policy, gives an insight on the current important issues the Malaysian healthcare ecosystem is facing and the different solutions and strategies the Galen Centre, as a thinktank for health and social issues, has identified for the government.*

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## **Could you please give a brief background on the Galen Centre for Health and Social Policy?**

I founded the Galen Centre for Health and Social Policy as a thinktank specialized in health and social issues. Our goal is to start a debate in the country by providing information and influencing policy-makers in several key areas. We also support ideas to drive the development of the country and ensure free market stability and patient-centric decision-making. At the Galen Centre, we want to make sure that all policies implemented, including the healthcare reforms, place patients, people and communities at the heart of public health policy and decision-making. We are aiming for inclusivity in all the reforms so that no citizen is left alone so that all voices in the country are being reflected in the policies that are supposed to help them.

## **A new government has been elected this year to bring new reforms to develop the country. What do you think should be the first step to improve healthcare in Malaysia?**

Malaysia is on the brink of becoming a high-income country with a different disease burden compared to that of a lower income country. However, the country has to assess if the infrastructure in place today will be able to accommodate the new needs and challenges of the upcoming years. Currently, the healthcare narrative used in Malaysia is very similar to that of a lower income country as most talks are directed towards financing, affordability and availability of medicines.

The first step would be to change the way we communicate in the sector in order to empower our country and look at ways to implement a sustainable health financing model. Indeed, in Malaysia, universal healthcare has been implemented for a very long time but faces increasing challenges due to a more diverse population with a variety of health needs and concerns. Updating the system has been on the political agenda for the past 20 years but we need all stakeholders on board in order to properly change the system. So far, the institutions who are holding information have been conservative, and this is slowing down the reform processes. Therefore, the civil service must also consider reforms which are supportive of developing the country's healthcare system in the 21<sup>st</sup> century.

Then, the Ministry of Health will have to decide on which areas have to be reformed in priority. It is evident that there is a need for reforms in regard to corruption, transparency and accountability in order to strengthen the country's democratic and financial institutions.

## **Which healthcare areas should the Ministry of Health focus on in priority?**

The first priority should be about erasing the disparities between private and public sector patients. Indeed, last year's healthcare inflation rate was around 14 percent and this year, it is expected to jump to 17 percent. Many private patients are being wiped out of their private insurance scheme, turning to the public sector for healthcare services. There would be around 30 percent of private patients shifting to public care. As the system is not able to take care of them, the government has imposed bigger public rates for patients coming from the private sector.

Moreover, the country's transition towards a high-middle income status is impacting Malaysia's epidemiological profile which has seen a rapid increase of NCDs, diabetes and cancer. The rise of such health burdens is linked to the diet and social habits of Malaysians that have not changed since the time when Malaysia was an agrarian society. Currently, Malaysia is one of the most overweight countries in Asia per capita so the health budget has been redirected towards helping to treat such diseases.

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On the industry side, there is also a need to make Malaysia more interesting as a market to invest in, not only for foreign but also for domestic investments. Indeed, some domestic players are investing more in foreign markets instead of Malaysia as they have a bad perception of the country due to the weaknesses mentioned above. Therefore, while thinking of health reforms, we have to consider how the country will implement and finance them as well as what would be the impact on the Malaysian population to raise the interest of the industry and bring more investments to the country.

### **The incidence of NCDs has been rising in the country. What have been the preventive actions taken in this regard?**

When three million people have diabetes, which is 10 percent of the population, and that 25 percent of the working population is impacted, it is a serious problem. It leads to more complicated illnesses such as cancer or hypertension and you will find that NCDs now occupy all the attention. Our health system is not able to cope with the demand. Therefore, some patients will not receive a treatment that could save them, because based on the system calculations, the same budget would save more patients in another therapeutic area. Therefore, it is important for Malaysia to be able to redefine its system in order to be able to cope with the demand for the next decades.

The problem at the moment is that the treatment of NCDs is based on a curative and therapeutic approach which is the most expensive way to go for treatment with no guarantee of success. Healthcare professionals are leading the ecosystem and they treat diseases without necessarily looking at preventive measures. Therefore, the government really has to focus on investing more resources and budget into prevention as it will be the only way to change the mindset of each and every stakeholder and ultimately, reverse the situation. Unfortunately, prevention not been successful. In this regard, the Galen Centre approach is to look at such issue with a holistic point of view. When looking at an issue, we do not focus only on healthcare but on other sectors and stakeholders that would be involved in the problem and could help provide a better outcome.

### **Where do you see the main opportunities for Malaysia?**

Malaysia is a strategic location for the industry, especially regarding the language and the skillset. Indeed, Malaysia offers lower cost and highly educated talents next to Singapore whose operating costs are rather high with a limited talent pool. At the moment, we are building an environment that will nurture more educated talents. As Malaysia is becoming a knowledge-based economy requiring a different kind of skillset, investors have to be reassured that Malaysia has the capabilities to offer infrastructures and talents who can support and help develop business.

Moreover, in comparison to its neighbouring countries, Malaysia has one of the best IP frameworks currently in place. It has been recognized by global trade representatives as one of the most robust systems, especially in regard to cross-ministry cooperation. However, improvement is needed as there can be inconsistent IP laws enforcement in Malaysia that shakes investors and companies' confidence in the country's abilities to approve trademarks, IP and data exclusivity. To ensure consistent enforcement, adherence to international norms is important. The Galen Centre was one of the supporters of the Trans-Pacific Partnership (TPP) for Malaysia because it brought that strength back to the country. Malaysia would have been able to take advantage of that partnership and get inspired from member countries. However, it did not continue but it is in Malaysia's best interest to ratify the new CTPP.

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## **What goals has the Galen Centre set to shape the future of Malaysian health and social policy?**

We certainly want to help the government identify the low-hanging fruits existing among healthcare reforms that can be done very quickly and with little effort. For example, we are thinking of ways to make healthcare more accessible and fairer, so the first reform would be to strengthen universal coverage by allowing patients to have full access to their pension funds to enable them to fully support their treatment. Currently, a significant portion is only accessible at 65 years old. The Galen Centre is advocating for a collaborative approach in its works, so we are looking forward to more discussion and cooperation between all stakeholders, and especially the government.

Our second major project is to find a solution for Malaysia when it comes to health financing. We have a very clear objective to see the adoption of a social health insurance for everyone that would replace our current system. At the moment, any patients entering a public hospital pay only a few dollars to get treated and believe it is the actual treatment cost while it is actually a lot more expensive. We have to change their mentality by installing a health insurance that will help them participate in the process and make them understand and appreciate the Malaysian health system.

Our third goal is addressing the issue of affordability of medicines. Today, the out-of-pocket expenses for Malaysians are very high. Indeed, even if patients go to the public sector, they will probably be sent back to private institution to receive treatments as the government cannot handle all the patients. The Galen Centre is advocating for the creation of a safety net for patients so that they can get the treatment needed without paying too much. This project should be done at a national level through a collaboration of all players. For example, the B40 program dedicated to the protection of the poorest population of Malaysia has been announced, but there is no information on its implementation yet. It is a problem because this type of program needs support, especially for its financing, otherwise, it is not different from what the country already offers. The Galen Centre is supportive of a health system that protects everyone, and not just the B40.

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