



# Persatuan Pengguna Pulau Pinang Consumers Association of Penang

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## Press Statement

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### **CAP: Ministry of Health should rethink deregulation of consultation fees**

The Consumers Association of Penang (CAP) is concerned over the announcement made on 6th December by Health Minister Dr. Dzulkefly Ahmad on deregulation of consultation fees in all registered and licensed private healthcare facilities.

With the government's intention to abolish the consultation fee control under the Seventh and Thirteenth Schedule of the Private Healthcare Facilities and Services (Private Medical Clinics and Private Dental Clinics) Regulations 2006, CAP considers this as a rational move if that is meant for the GPs, dentists, and specialists to adjust their professional fees to reasonable rates, especially for GPs since the consultation fee rate has been kept at the 1992 level and it has not been adjusted for 27 years. Often this has been used as an excuse to mark up the drugs dispensed and sold in the private clinics, sometimes outrageously, purportedly just to make the private business viable. Just by taking into account inflation since 1992, the rates in the fee schedule should have been adjusted accordingly and fairly close to 100% increase, in CAP's calculation.

However, while fee deregulation is taking care of health practitioners' economic welfare, CAP is concerned that the policy could come with possible negative consequences, especially when healthcare service and products are not ordinary consumer goods.

Information asymmetry between healthcare practitioners and patients is often severe; usually the doctor (service seller) is in a dominant position or authority proposing further treatment or diagnosis, indirectly suggesting 'what to sell' to patients. Just by displaying the fees does not mean consumers are empowered or patients are given more choices. Besides the most basic consultation fee, treatment fee could vary greatly (especially true in private hospitals), and often patients do not know what to expect after the first consultation.

CAP urges the government not to deregulate the procedural fee schedule so soon, and to instead monitor and study first the effect of deregulation of consultation fees.

CAP is also concerned that the GPs or the chain-facilities might engage in a cartel or anti-competitive practices that could indirectly result in increasing Out-Of-Pocket (OOP) expenditure for healthcare treatment.

Before the fee adjustment and deregulation, Malaysia is already among the countries with the highest medical inflation rate in the region. In fact, according to Aon's 2020 Global Medical Trend Rates Report, Malaysia is looking into a gross 14.0% medical inflation in the coming 2020, and forecast to

be greater than 5 times the general inflation rate. Therefore, CAP remains cautious over this new policy proposal to deregulate medical fees, urges the government to monitor the private medical fees closely and intervene whenever necessary if this leads to negative impacts on the people's welfare, eroding instead of empowering consumer's rights.

If this proposed policy proceeds, private healthcare practitioners and hospitals should not oppose the government's rational policy for drug price regulation as well as separation of pharmacy dispensary from doctors' consultation/prescription.

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