

MALAYSIA NATIONAL HEALTH ACCOUNTS (MNHA):

National Health Expenditure

2011-2024

Mesyuarat Jawatankuasa Pemandu MNHA
15 Disember 2025

OBJECTIVE OF TODAY'S MEETING:

- To present and to endorse the latest National Health Expenditure Data 2011-2024 based on both the MNHA (national) and SHA 2011 (international) frameworks.

MNHA DATA IMPORTANCE:

- National level health expenditure data over a time period that comprises data from both public & private sector stakeholders.
- Malaysia National Health Expenditure Data is macro level health expenditure estimation which is produced using standardized, internationally acceptable methodology.
- It assists in developing evidence-based health policies.
- It is important to interpret this information responsibly, bearing in mind that limitations do exist when producing the health expenditure data.

Outline

1. Introduction
 - SHA & MNHA Frameworks
 - Data sources
2. Methodology
3. Results
 - Overview
 - Sources of Financing
 - Out-of-pocket
 - Providers of Healthcare
 - Functions of Healthcare
 - Preventive Care
 - Primary Health Care (PHC)
 - International Data & Health Systems
4. Discussion
5. Summary 2024

INTRODUCTION

National Health Accounts (NHA)
A tool to demonstrate how a country's health resources are spent, on what services, and who pays for them

OECD NHA Standard
System of Health Accounts (SHA)
International Framework



eurostat



SHA 2011 International Framework (OECD, WHO and Eurostat)



Global Health Expenditure Database

192 countries use SHA 2011 framework

1920

2000

2005

2011

2018

2025



MNHA National Framework
based on SHA Framework,
but boundaries are tailored
to Malaysia's health system

MOH Policy and Planning Committee Meeting (JDPKK)

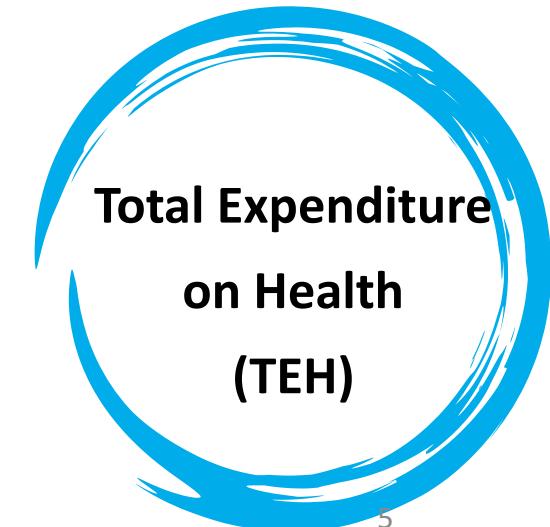
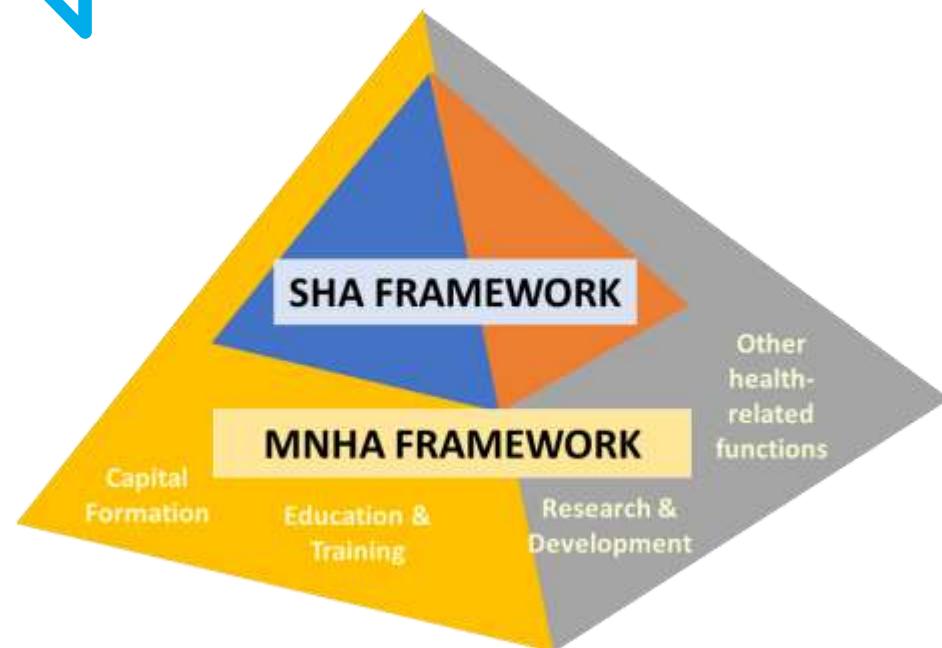
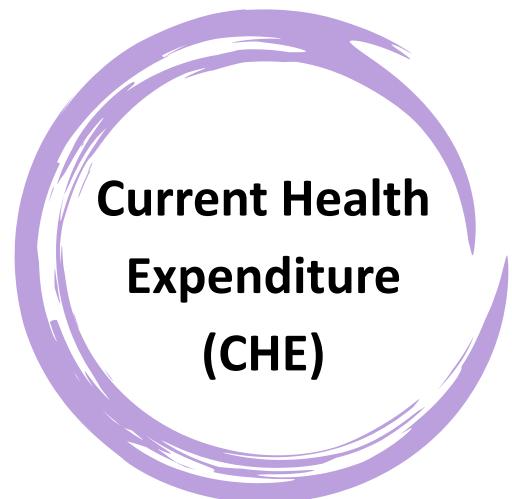
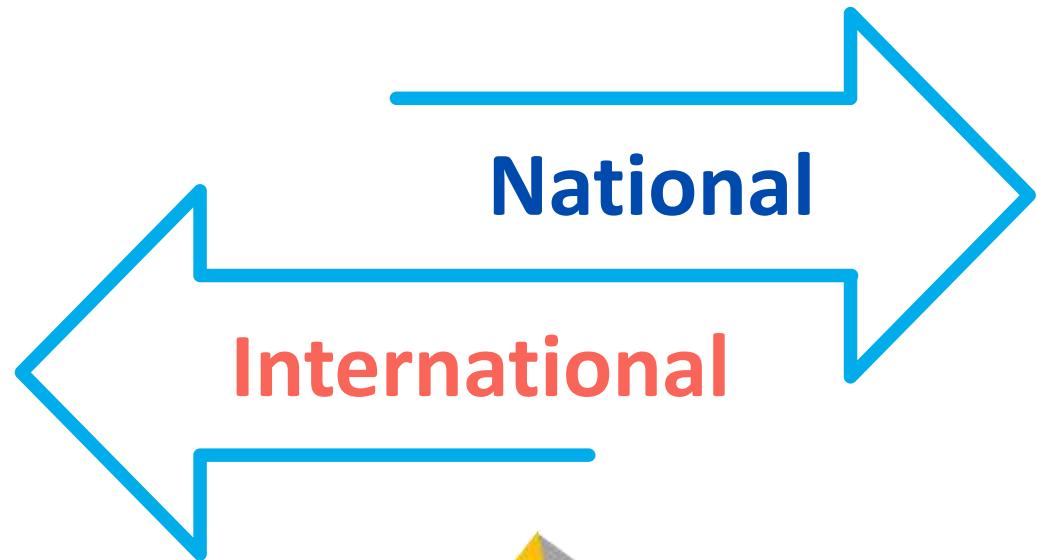
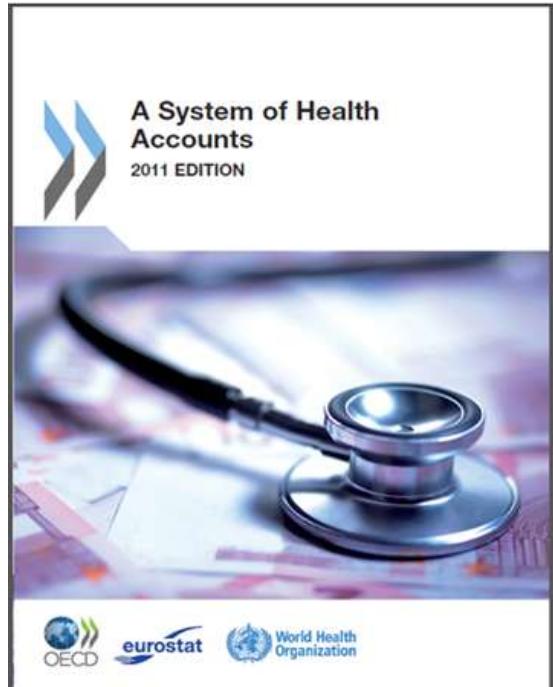
- Endorsement of subsequent HER data at MNHA Steering Committee Meeting, co-chaired by KSU & DG MOH
- Institutionalization of MNHA

MNHA PUBLICATIONS

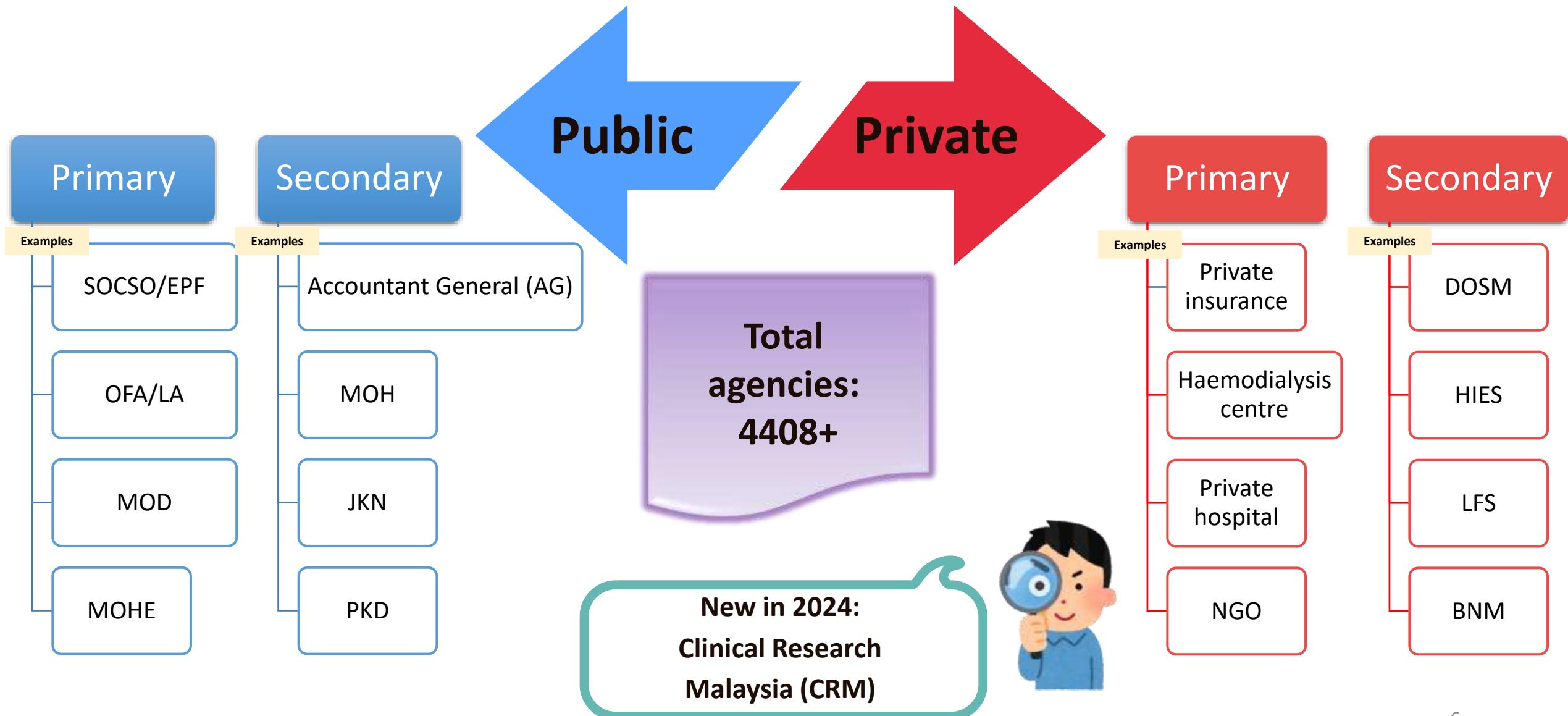


Time series data 1997-2023

FRAMEWORKS



DATA SOURCES



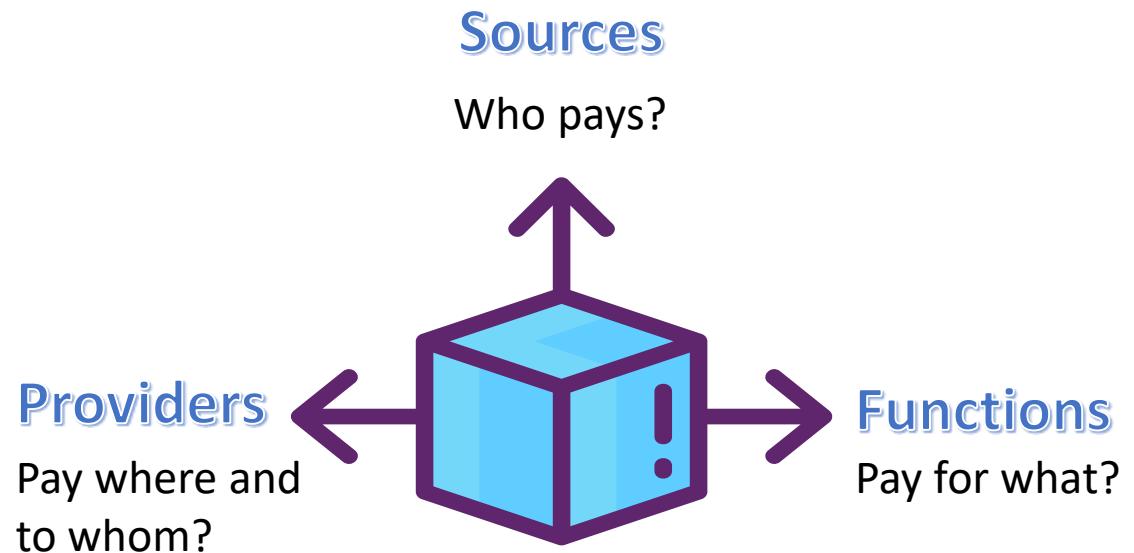
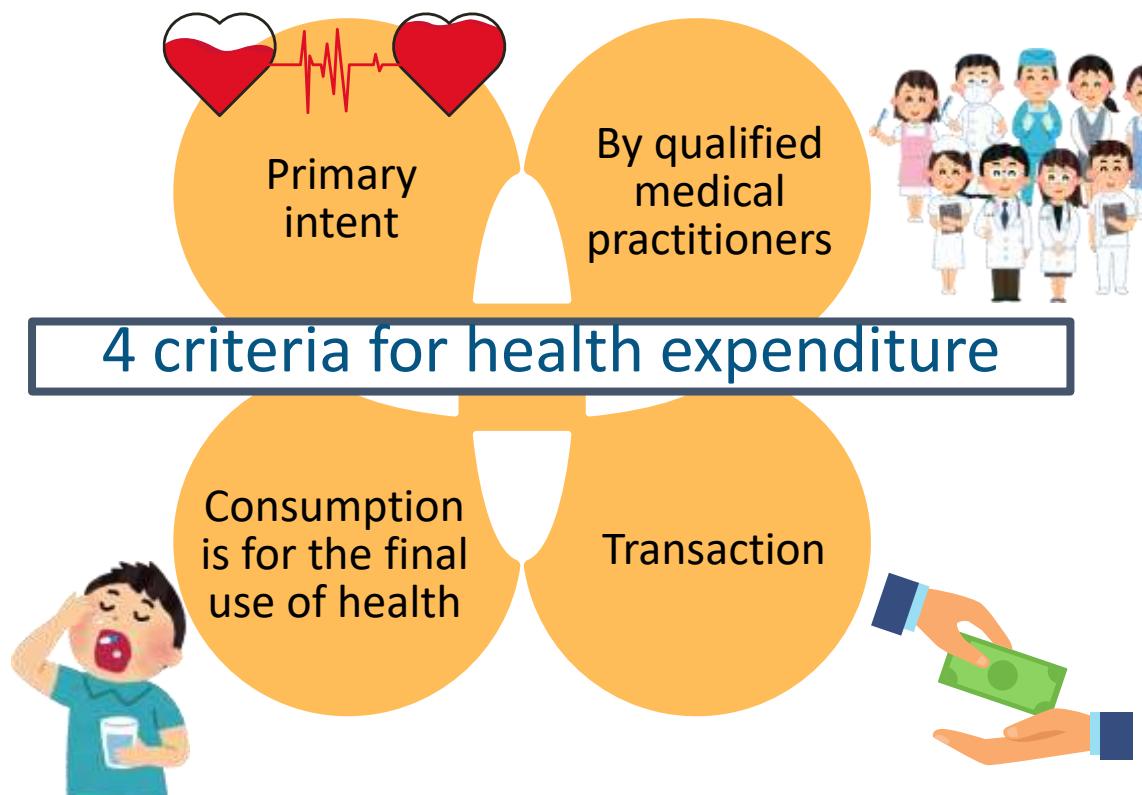
METHODOLOGY

Data source preparation

Data collection

Data analysis

Data verification & validation

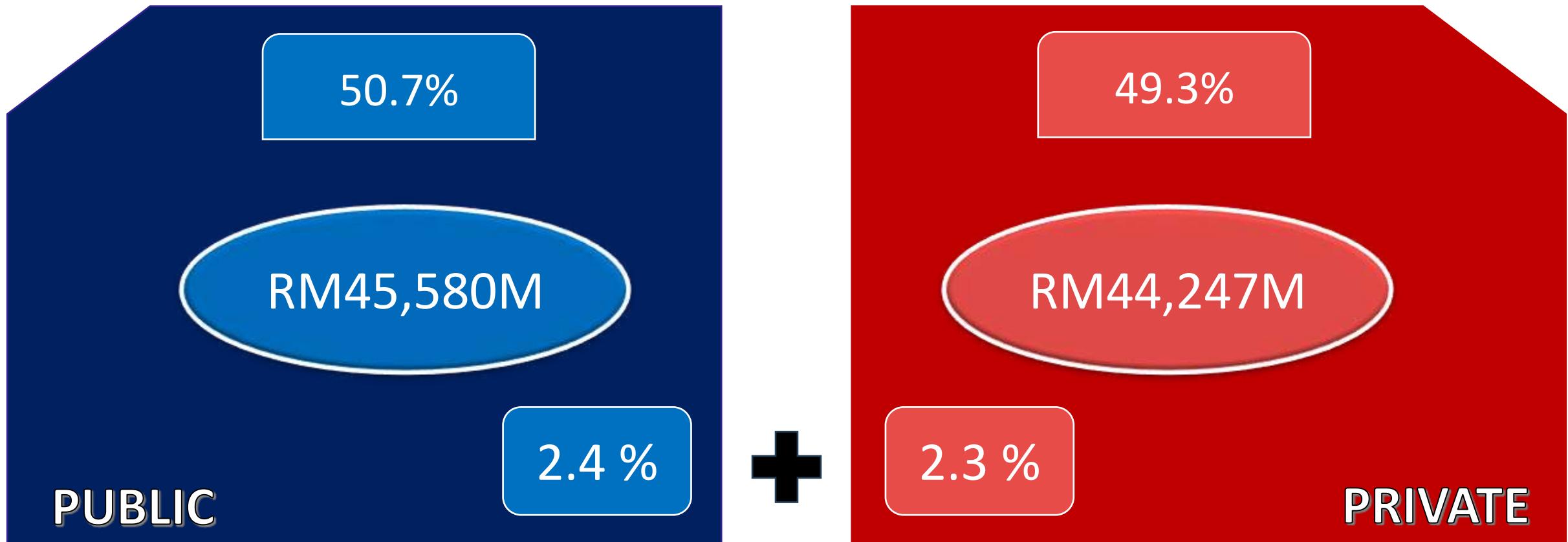


RESULTS

Public Private

3 latest
RMK

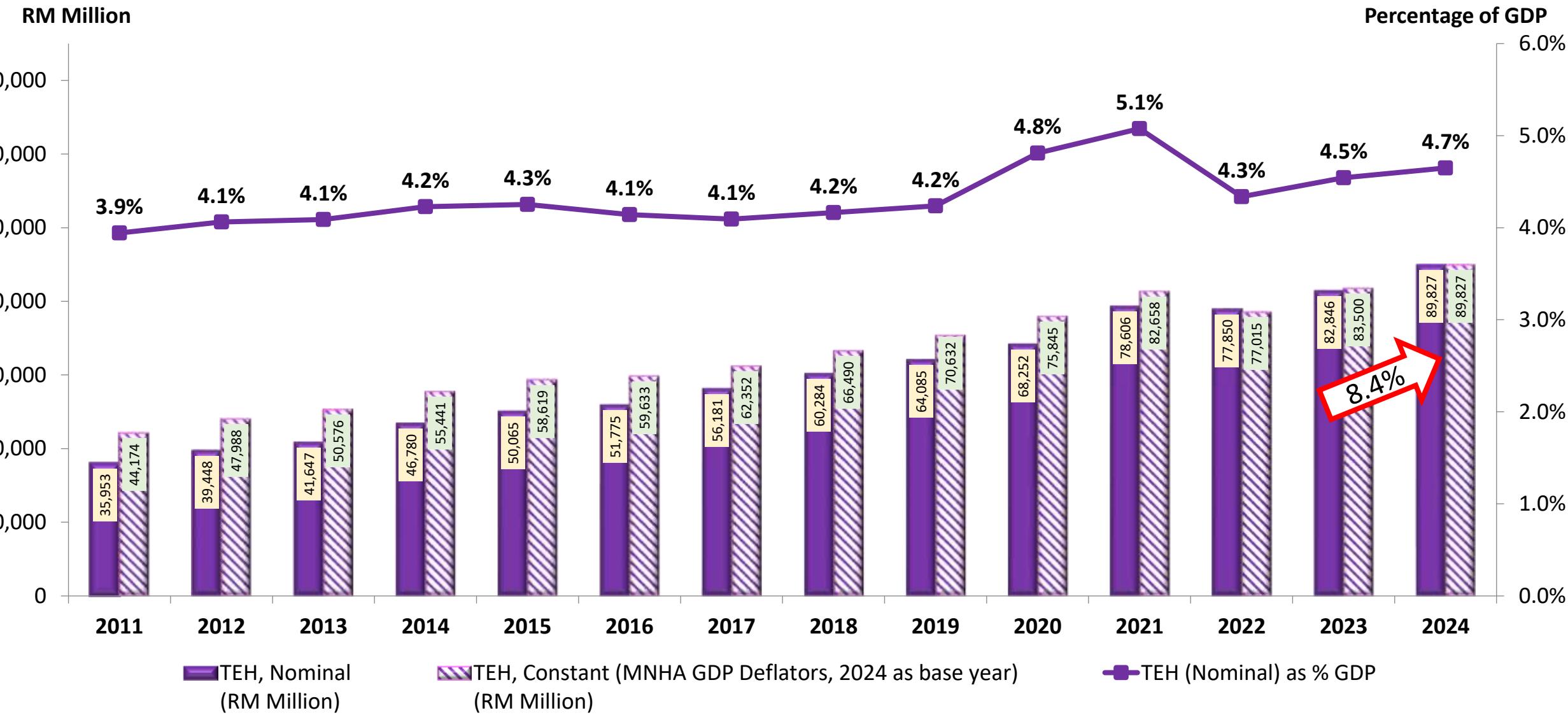
TOTAL EXPENDITURE ON HEALTH (TEH) = RM 89,827M



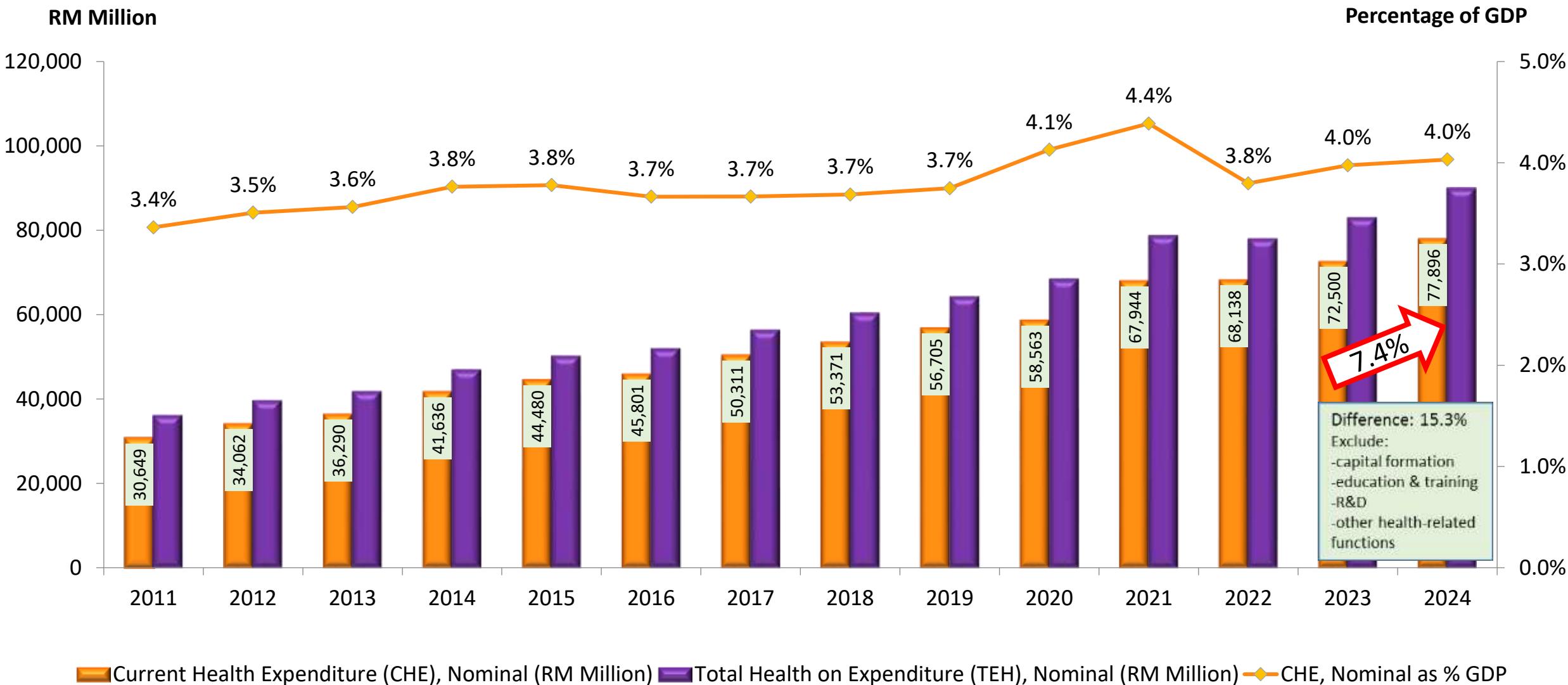
4.7% of GDP

2024

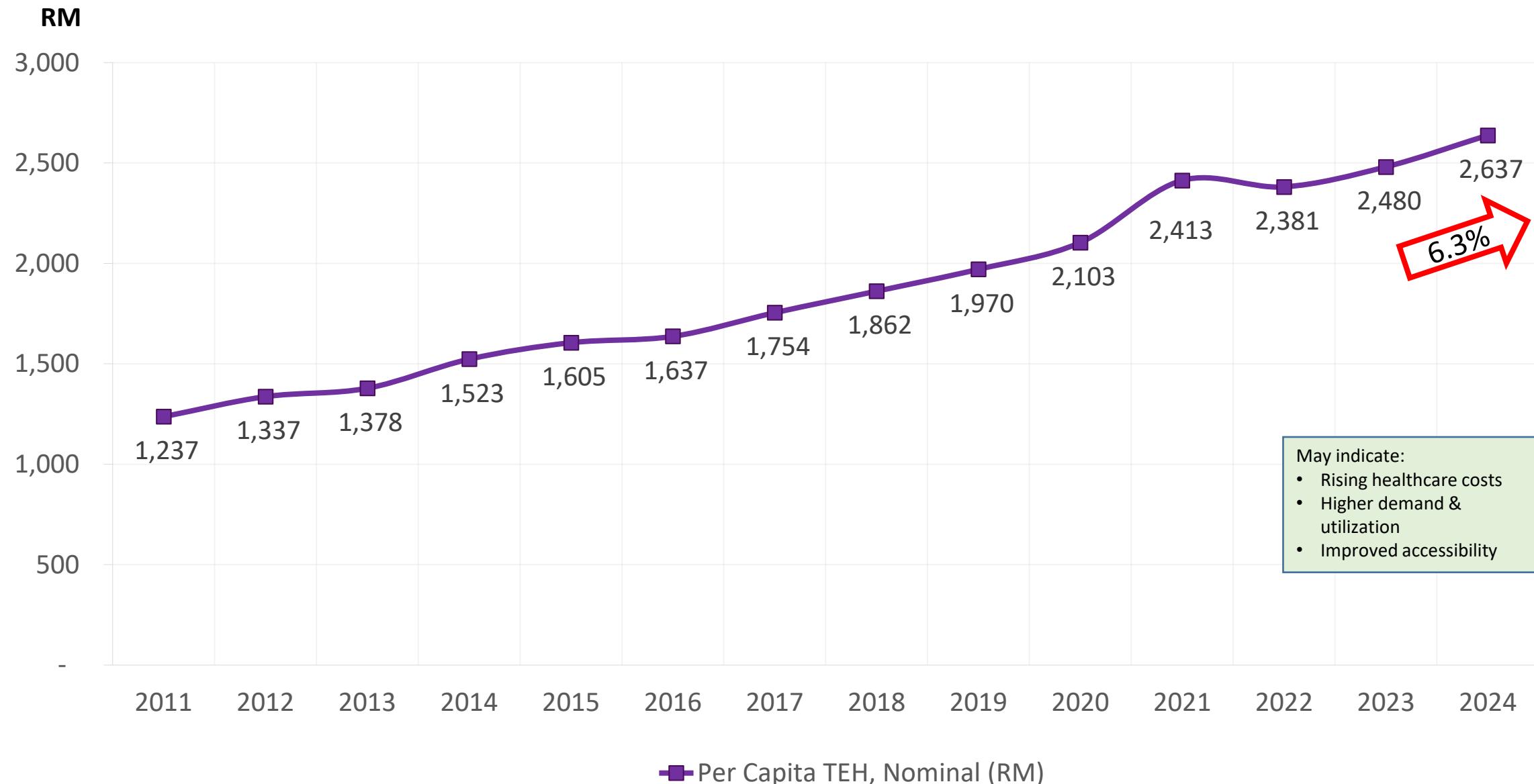
Total Expenditure on Health (TEH) & TEH as percentage of Gross Domestic Product (GDP), 2011-2024



Total Expenditure on Health (TEH) & Current Health Expenditure (CHE) as percentage of GDP 2011-2024



Per Capita Expenditure on Health, 2011-2024



Expenditure on Health by States, 2024

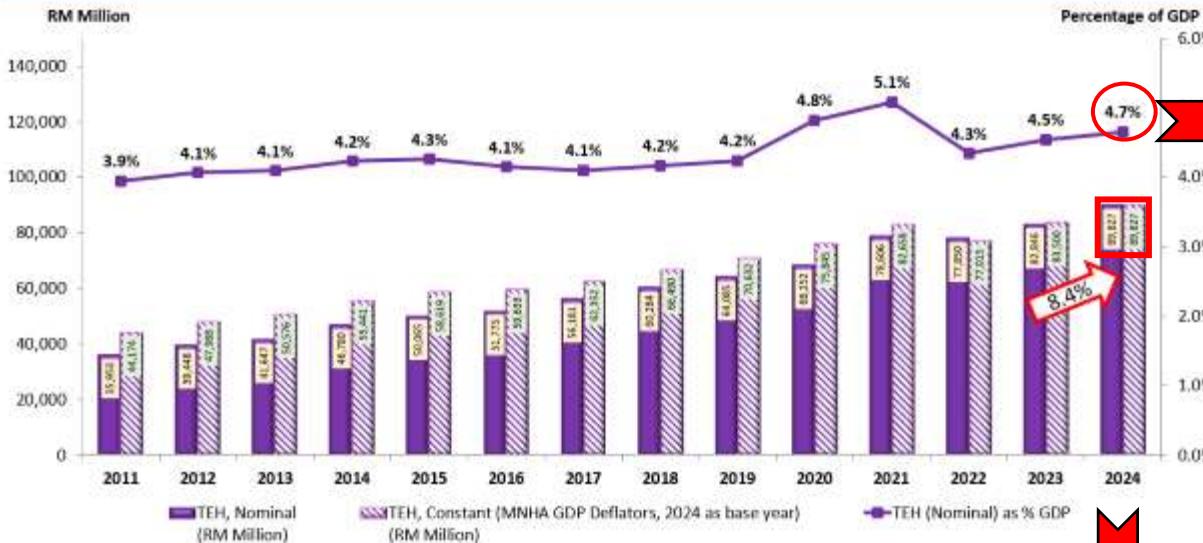
219

18,011

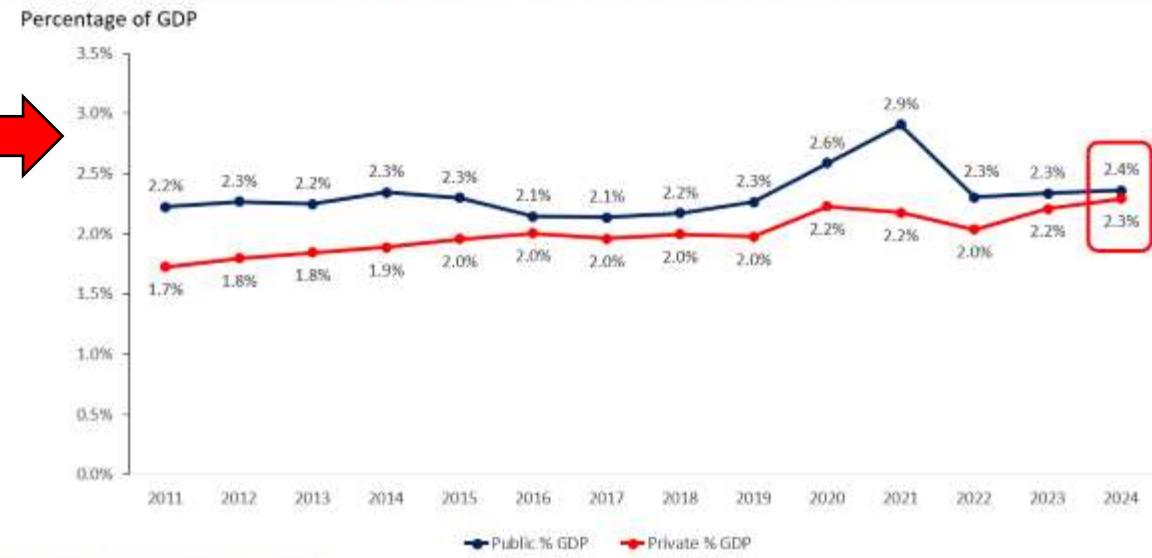
(in RM million)



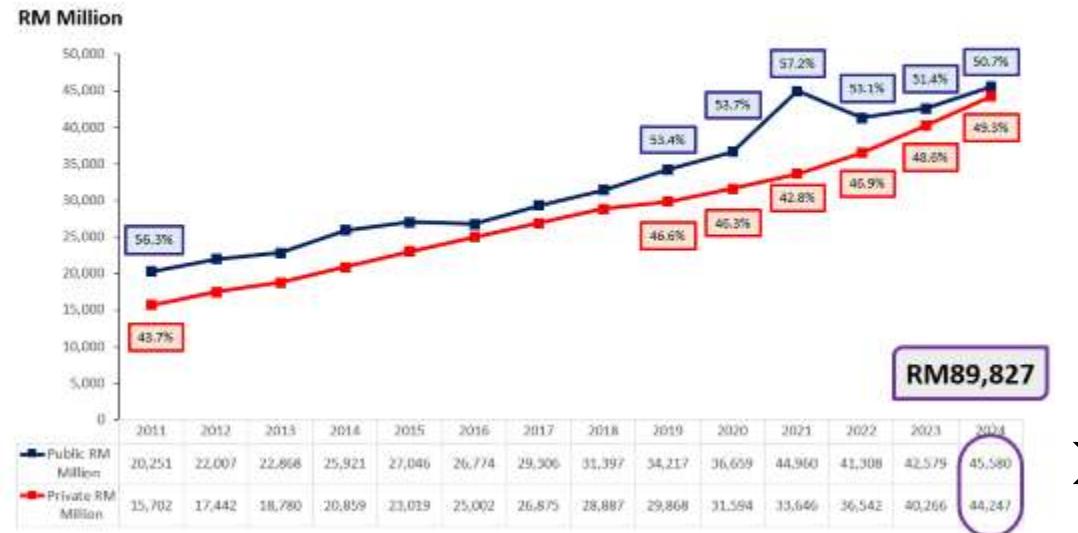
Total Expenditure on Health (TEH) & TEH as percentage of Gross Domestic Product (GDP), 2011-2024



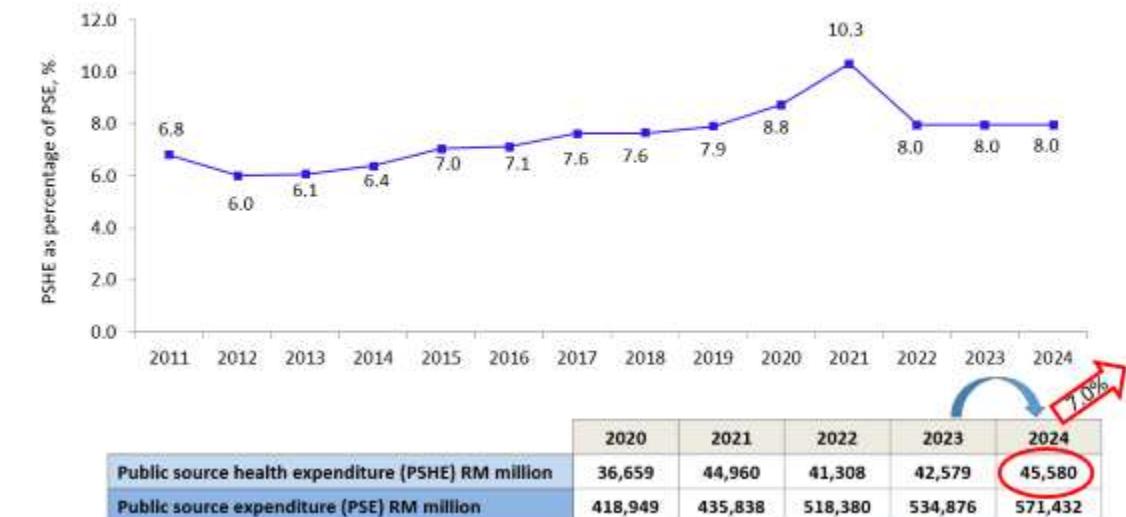
TEH by Public & Private Sources of Financing as Percentage of GDP, 2011-2024



TEH by Sources of Financing, Public & Private Sources, 2011-2024

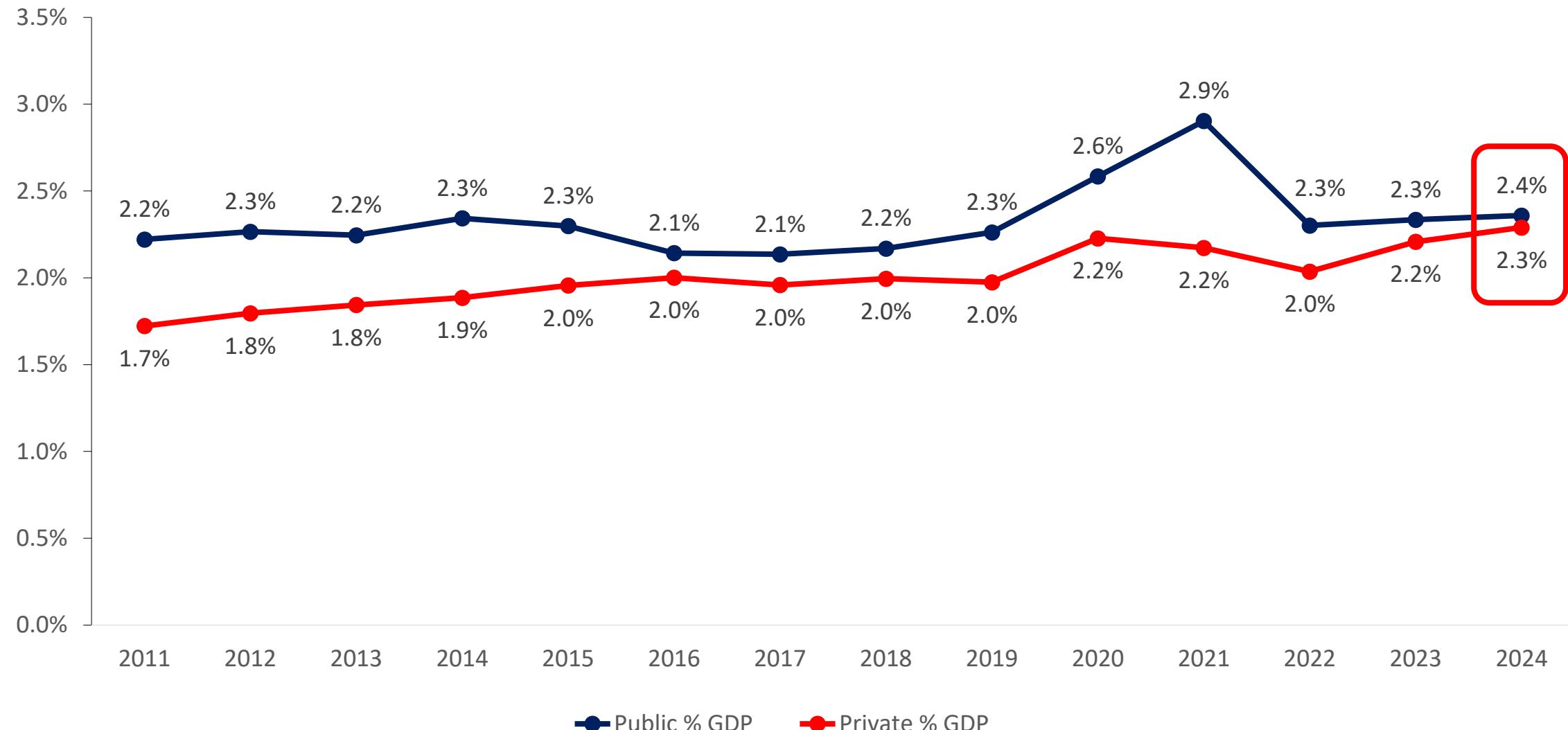


Public Source Health Expenditure (PSHE) as % of Public Source Expenditure (PSE), 2011-2024



TEH by Public & Private Sources of Financing as Percentage of GDP, 2011-2024

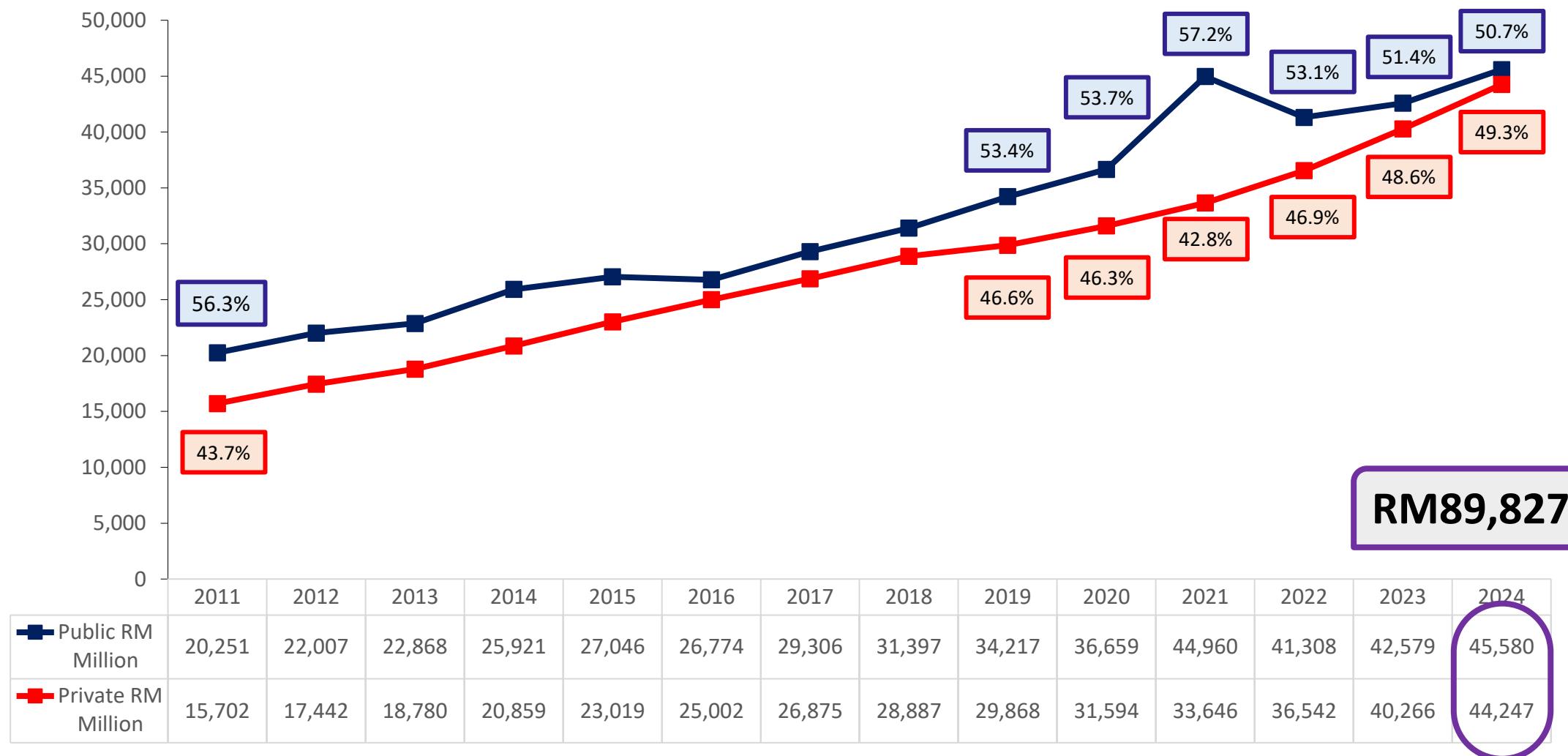
Percentage of GDP



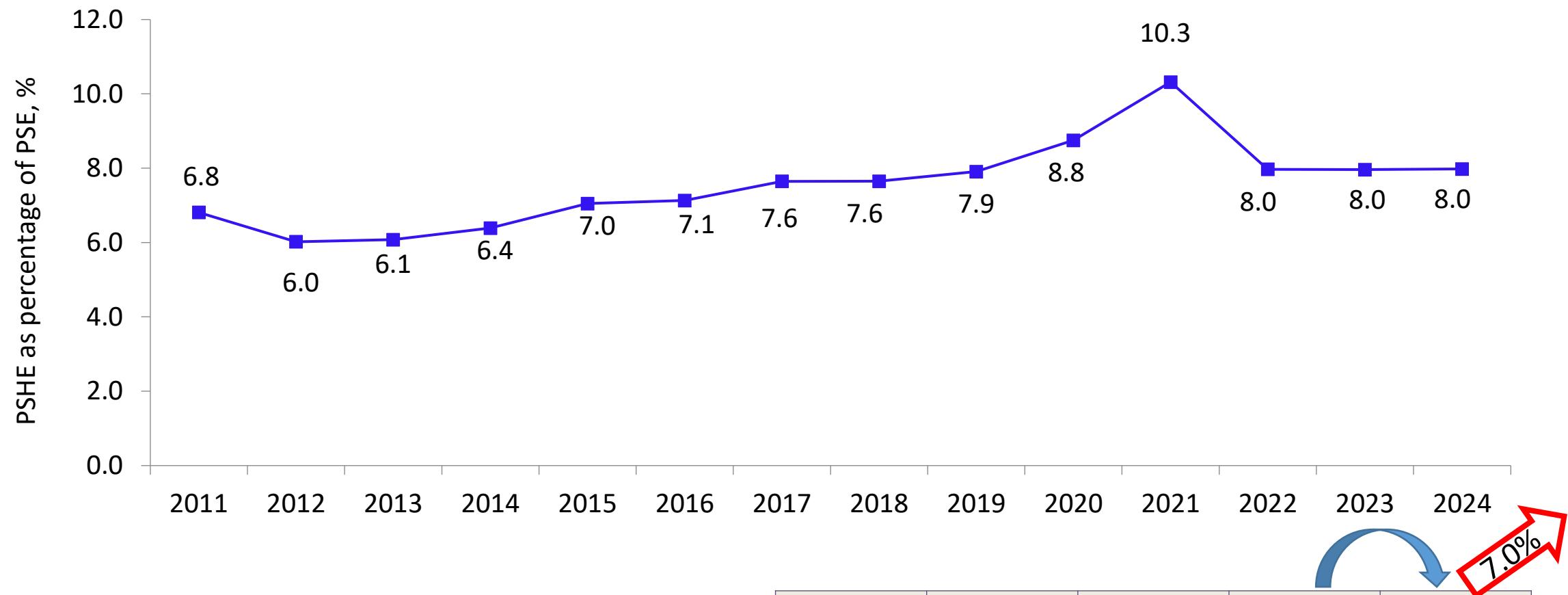
Note: Percentages shown are rounded to one decimal place

TEH by Sources of Financing, Public & Private Sources, 2011-2024

RM Million



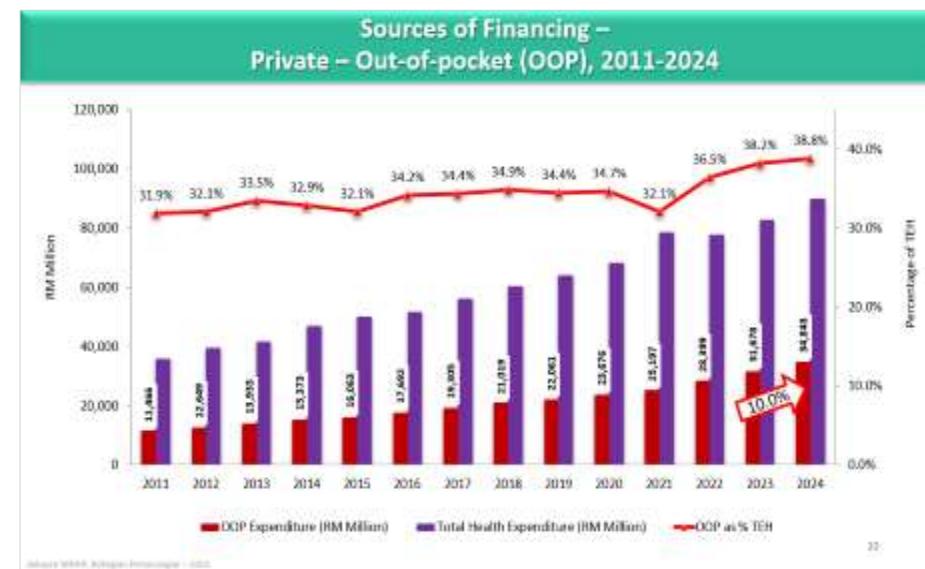
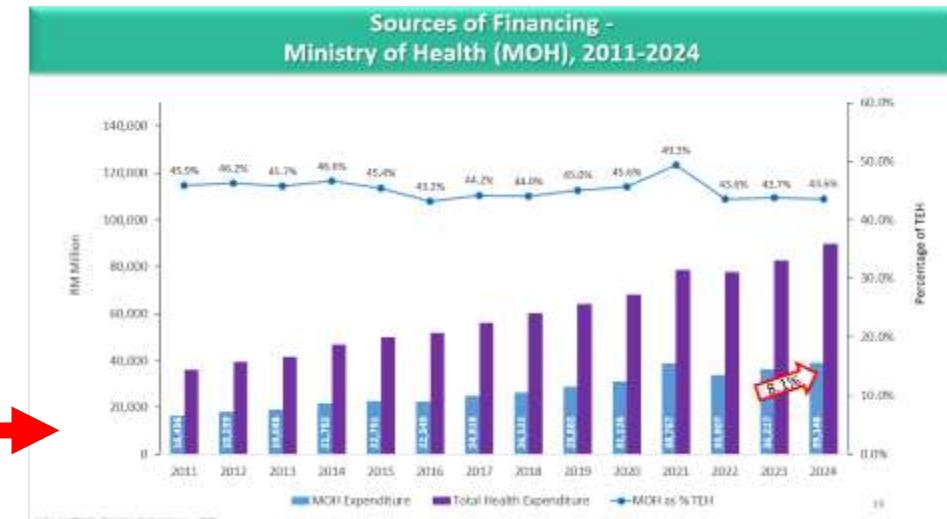
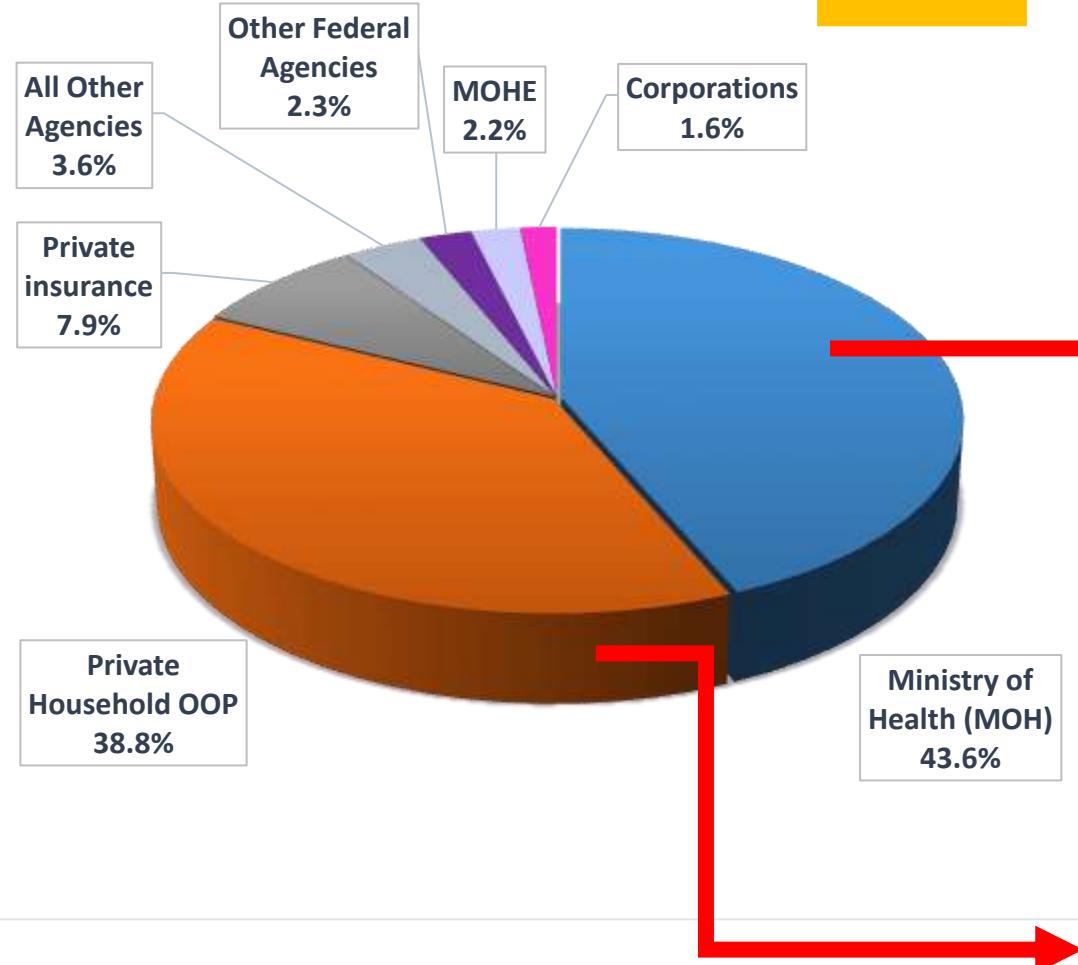
Public Source Health Expenditure (PSHE) as % of Public Source Expenditure(PSE), 2011-2024



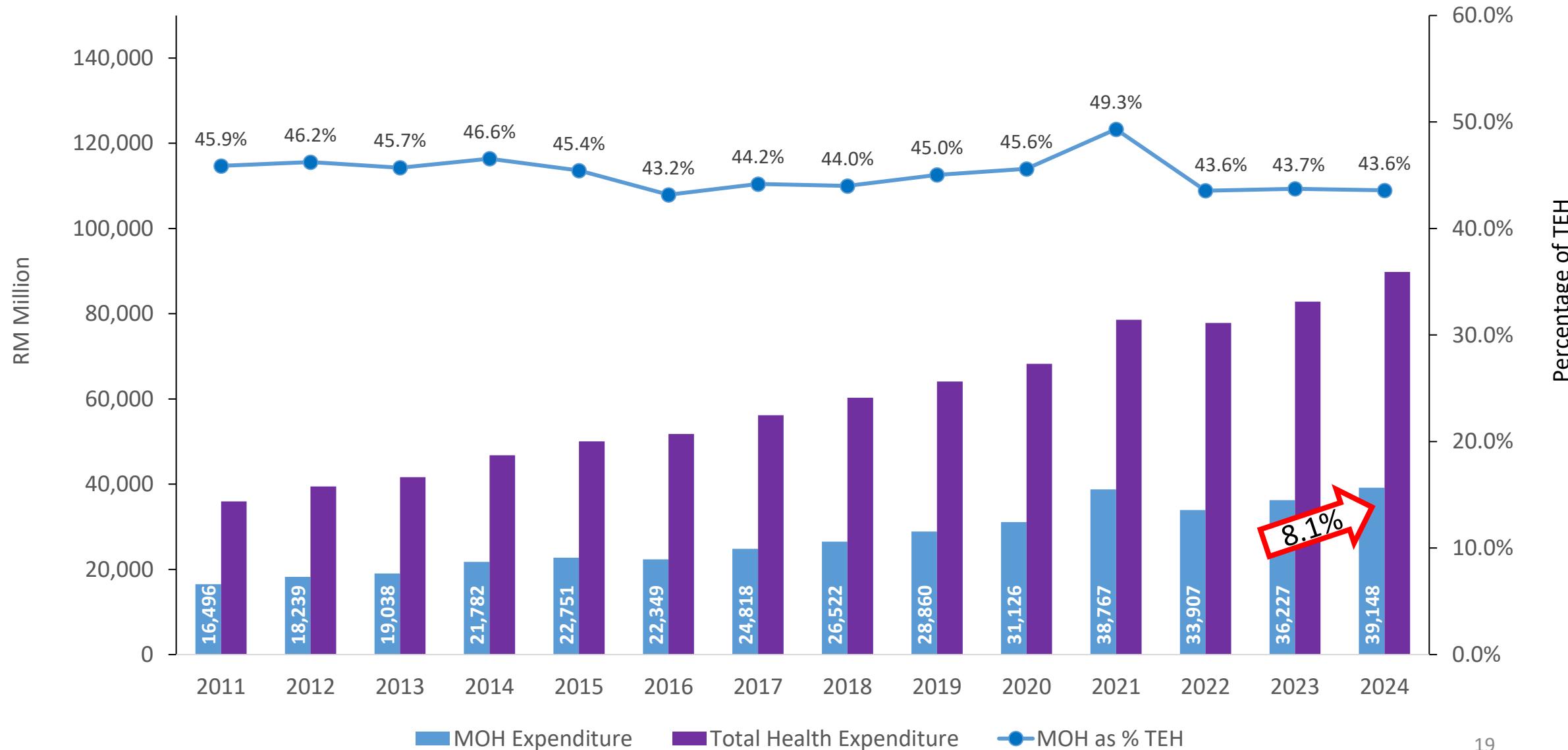
	2020	2021	2022	2023	2024
Public source health expenditure (PSHE) RM million	36,659	44,960	41,308	42,579	45,580
Public source expenditure (PSE) RM million	418,949	435,838	518,380	534,876	571,432

TEH by Sources of Financing, Public & Private Sources, 2011-2024

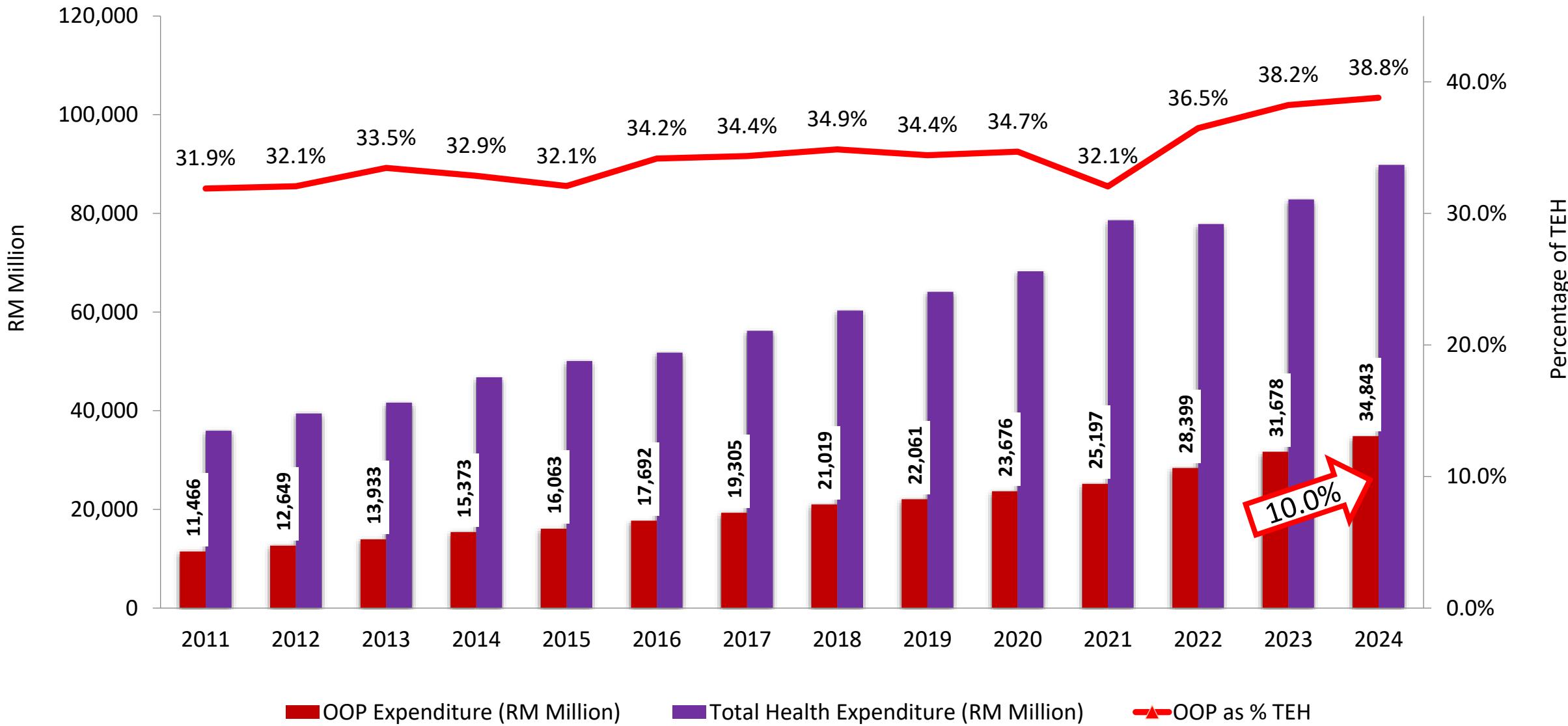
2024



Sources of Financing - Ministry of Health (MOH), 2011-2024



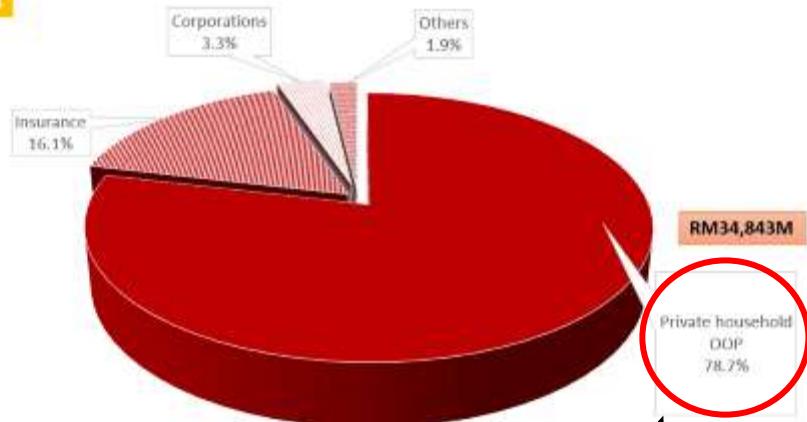
Sources of Financing – Private – Out-of-pocket (OOP), 2011-2024



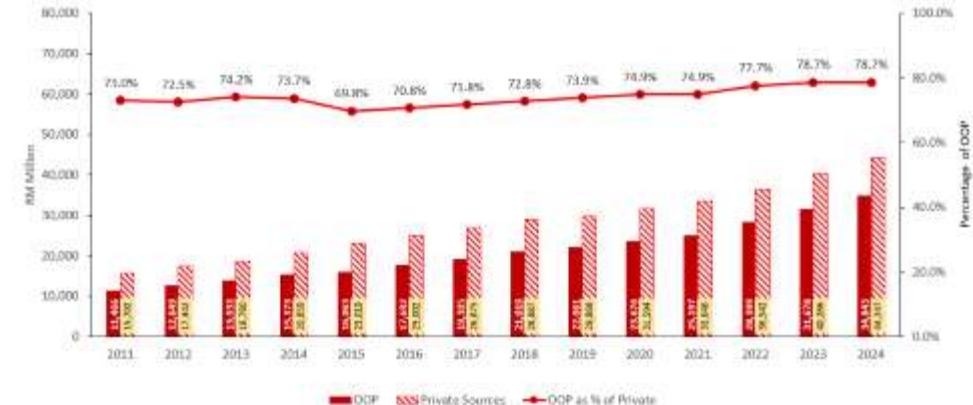
Sources of Financing – Private – Out-of-pocket (OOP), 2011-2024

Sources of Financing –
Private Source, 2024

2024

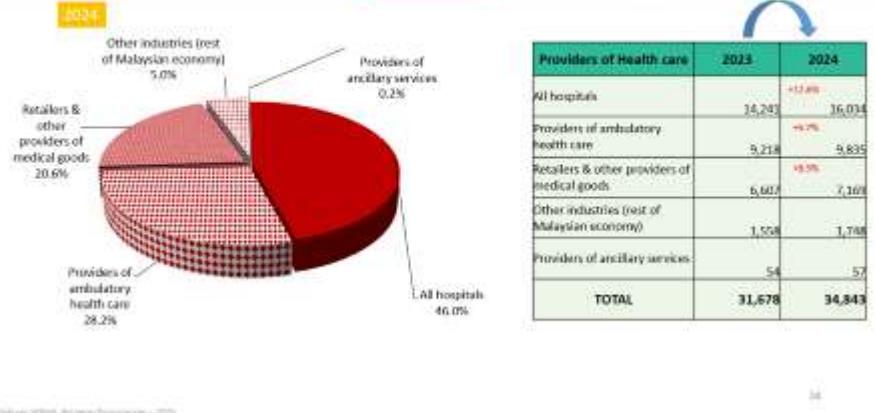


Sources of Financing –
Private – Out-of-pocket (OOP), 2011-2024



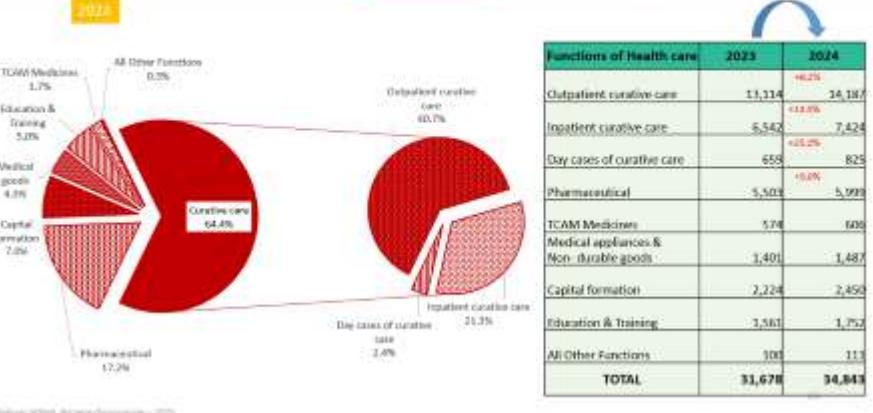
Source of Financing –
Private – OOP – Providers of Healthcare, 2024

2024

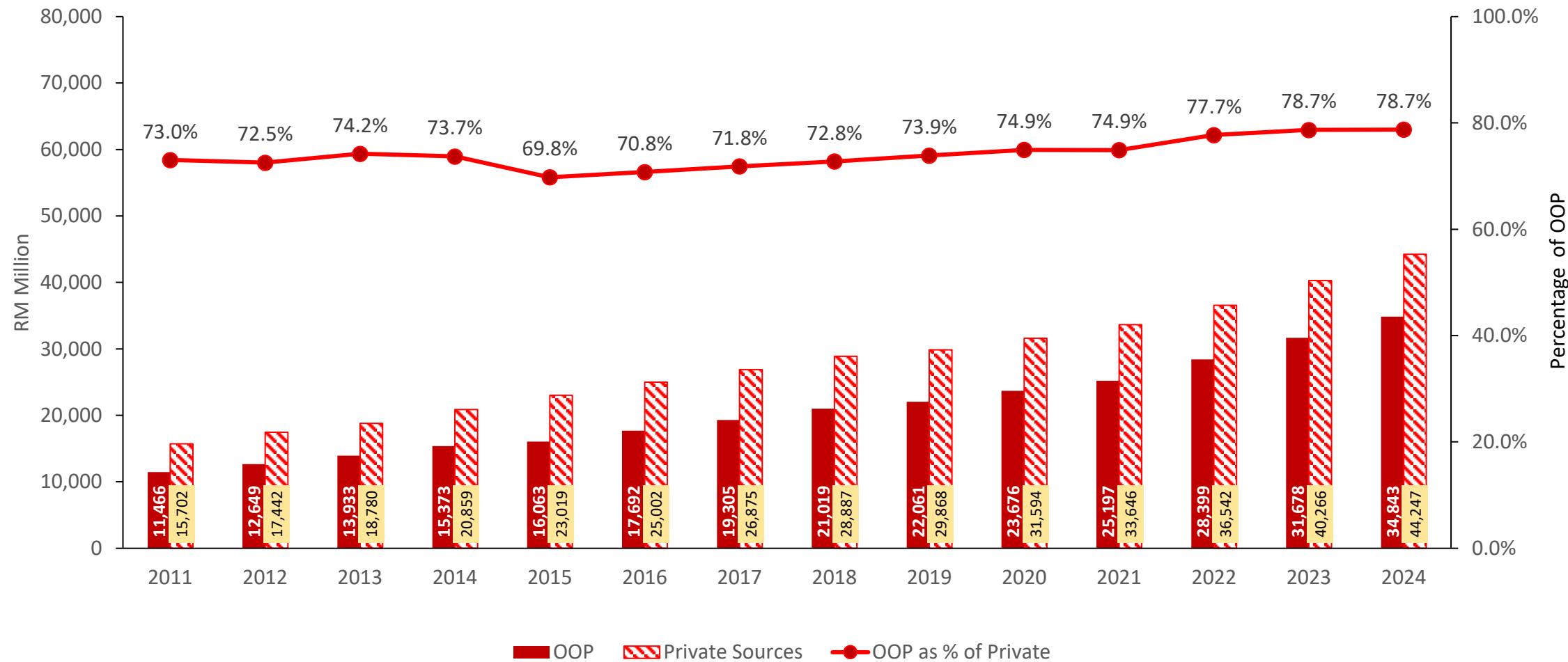


Source of Financing –
Private – OOP – Functions of Healthcare, 2024

2024

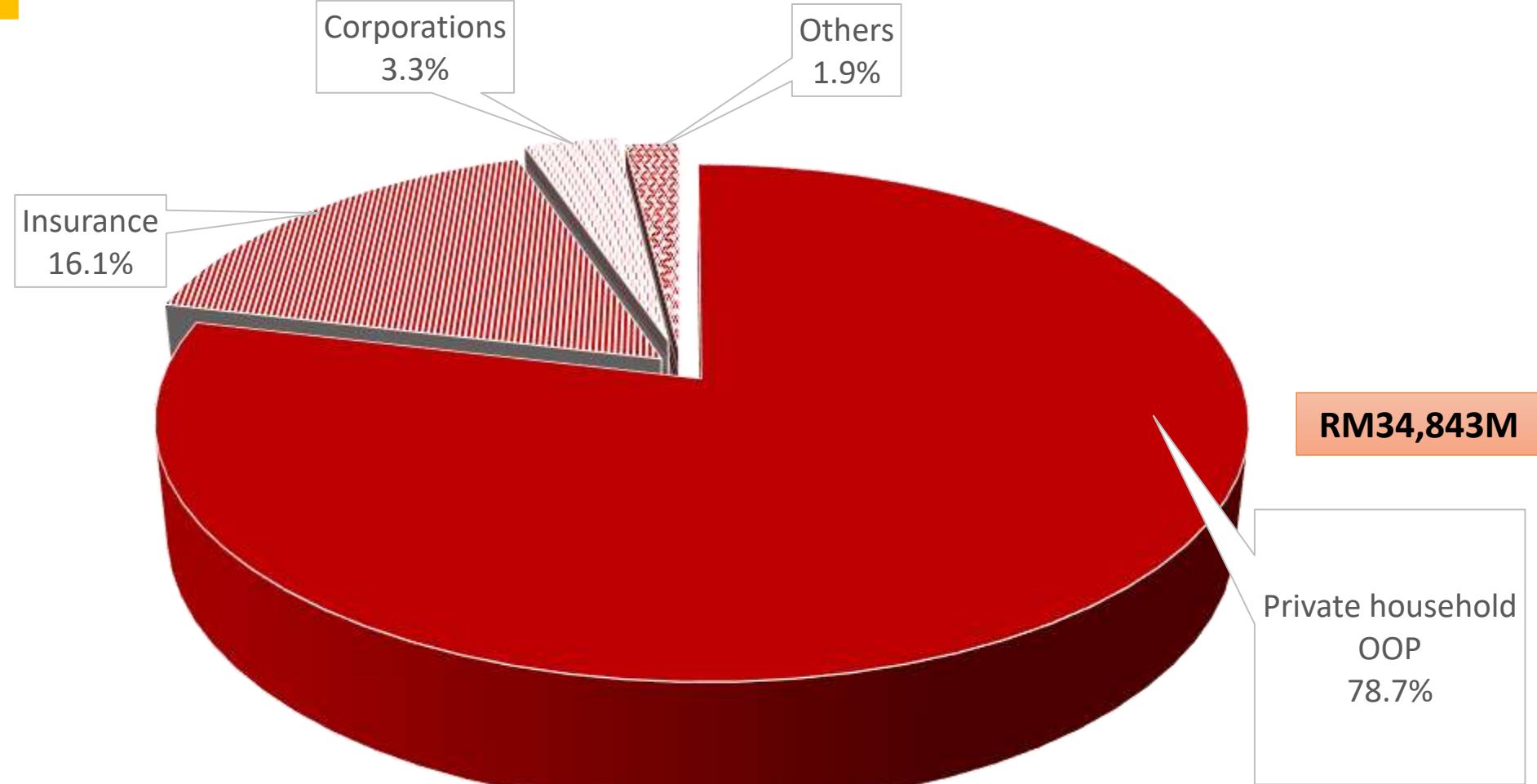


Sources of Financing – Private – Out-of-pocket (OOP), 2011-2024



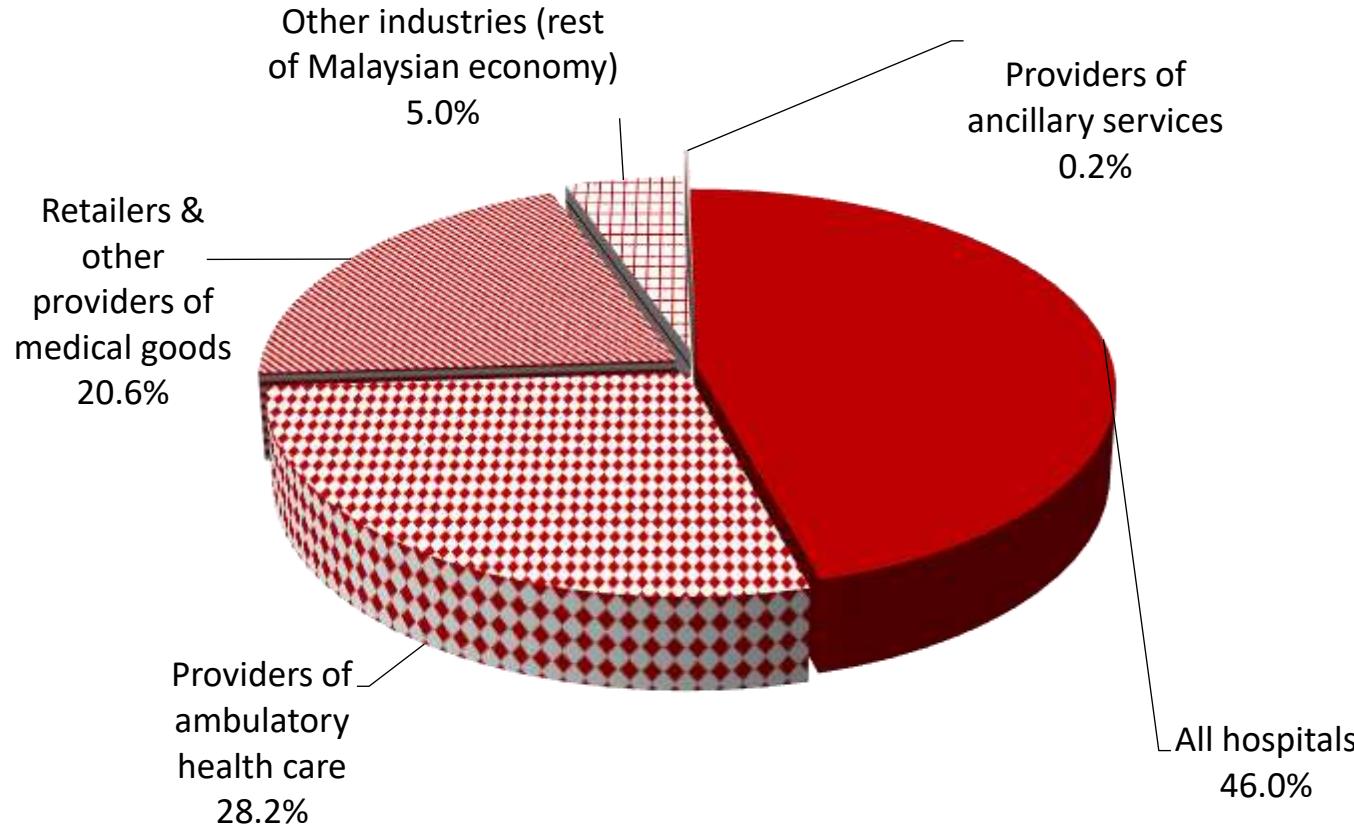
Sources of Financing – Private Source, 2024

2024



Source of Financing – Private – OOP – **Providers** of Healthcare, 2024

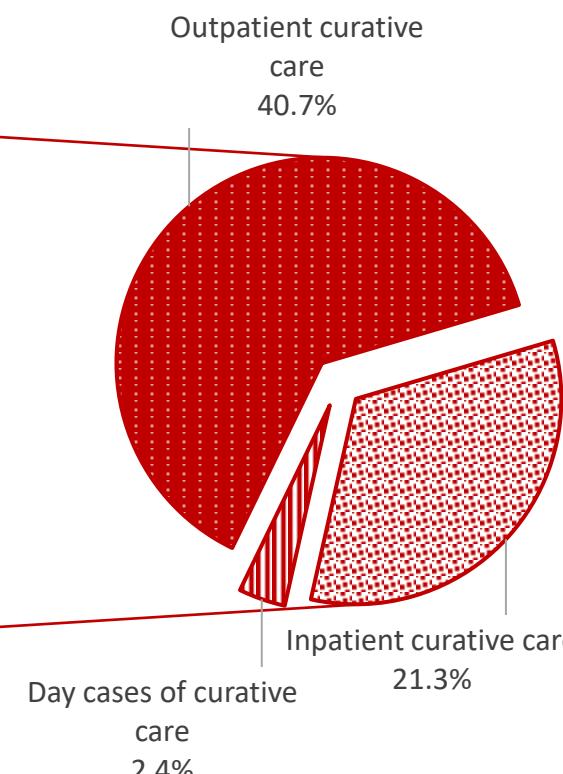
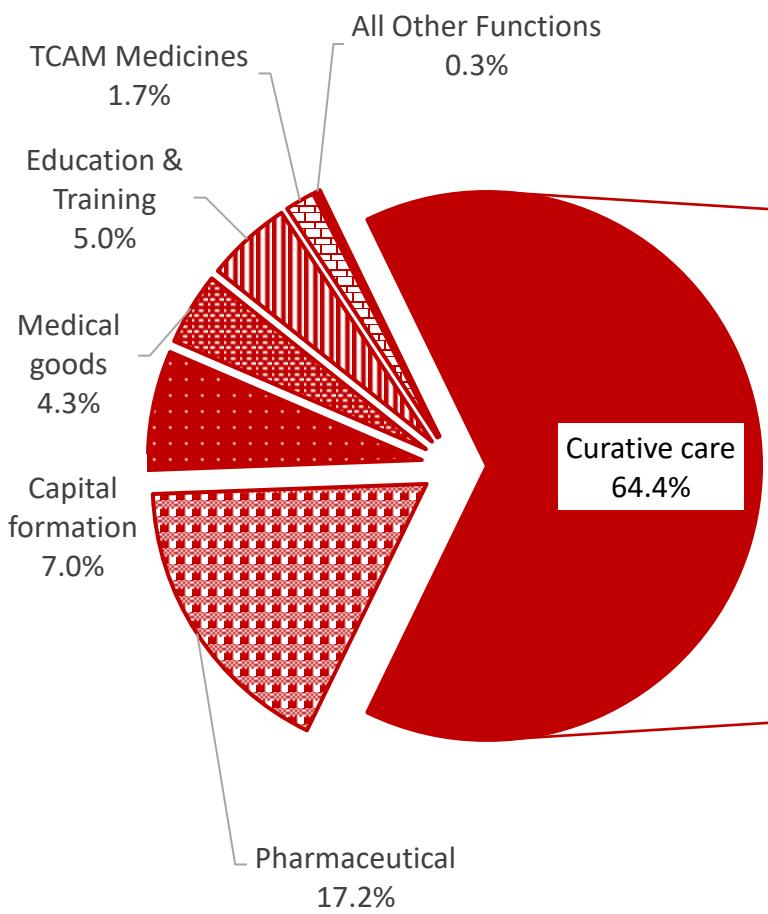
2024



Providers of Health care	2023	2024
All hospitals	14,241	16,034 +12.6%
Providers of ambulatory health care	9,218	9,835 +6.7%
Retailers & other providers of medical goods	6,607	7,169 +8.5%
Other industries (rest of Malaysian economy)	1,558	1,748
Providers of ancillary services	54	57
TOTAL	31,678	34,843

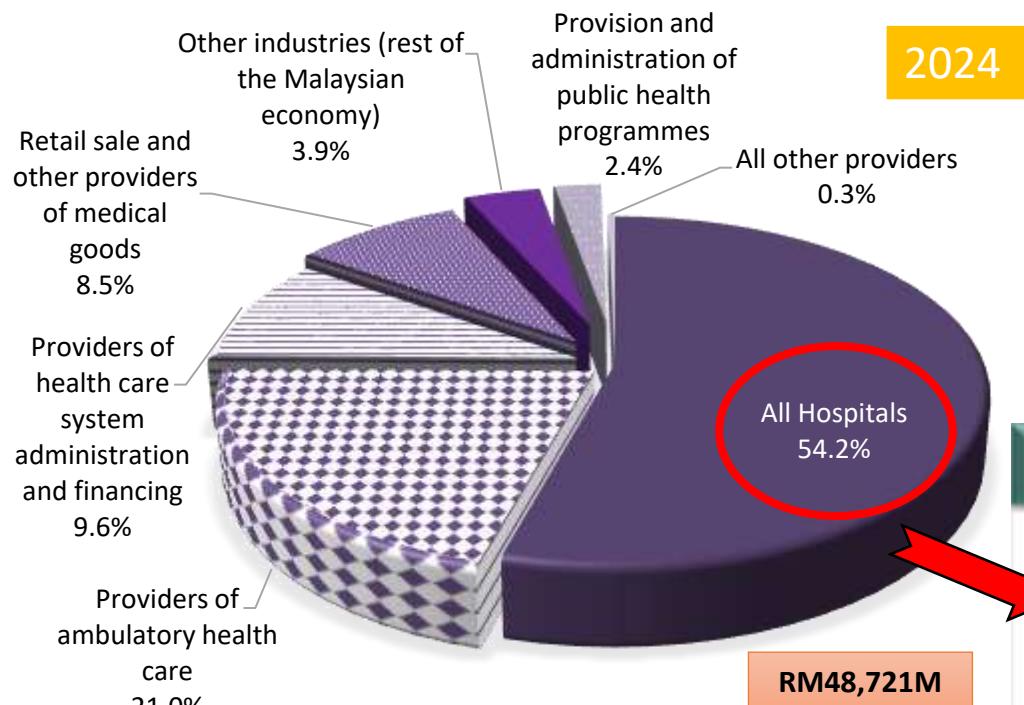
Source of Financing – Private – OOP – **Functions** of Healthcare, 2024

2024

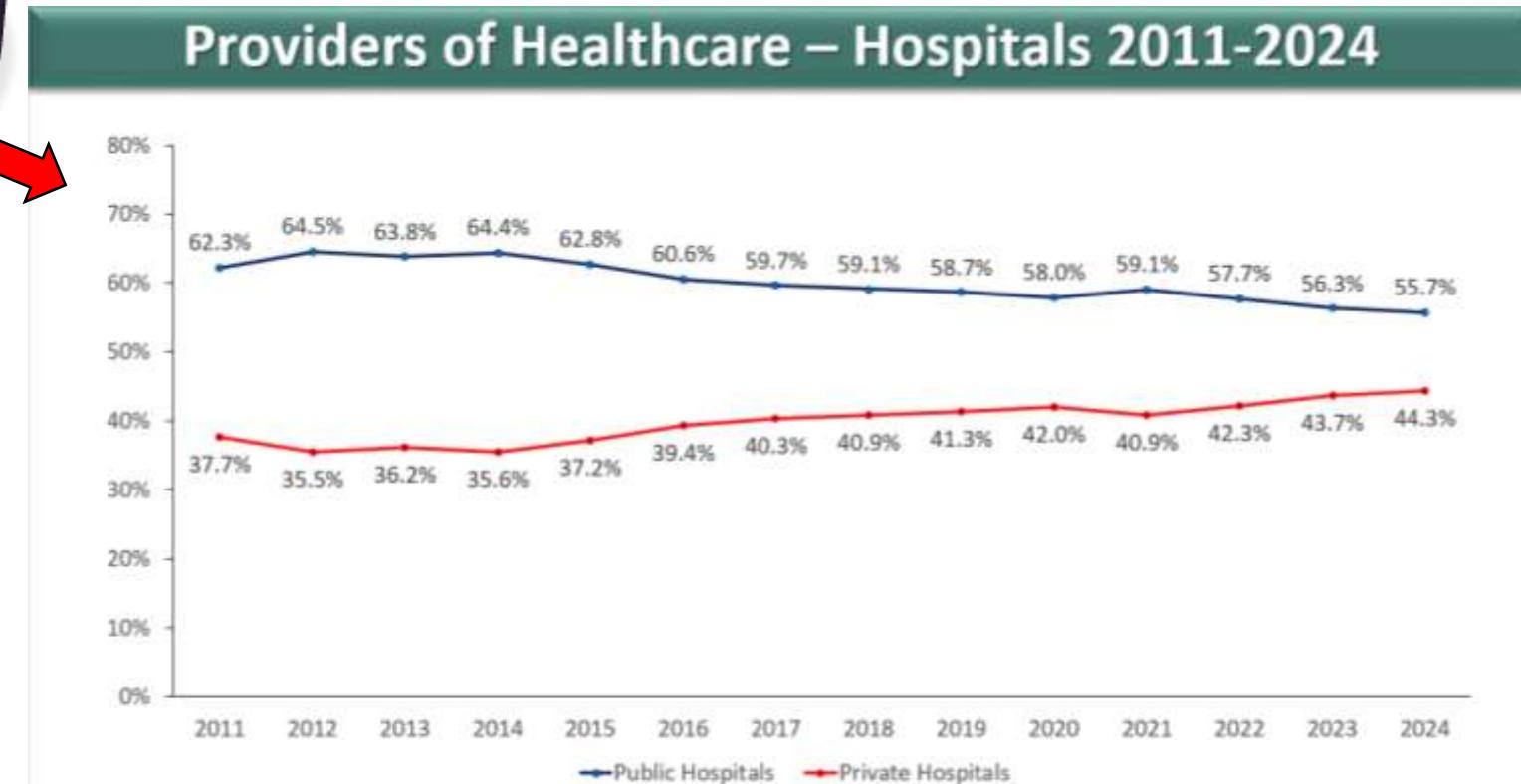



Functions of Health care	2023	2024
Outpatient curative care	13,114	14,187 +8.2%
Inpatient curative care	6,542	7,424 +13.5%
Day cases of curative care	659	825 +25.2%
Pharmaceutical	5,503	5,999 +9.0%
TCAM Medicines	574	606
Medical appliances & Non-durable goods	1,401	1,487
Capital formation	2,224	2,450
Education & Training	1,561	1,752
All Other Functions	100	111
TOTAL	31,678	34,843

TEH by Providers of Healthcare, 2024

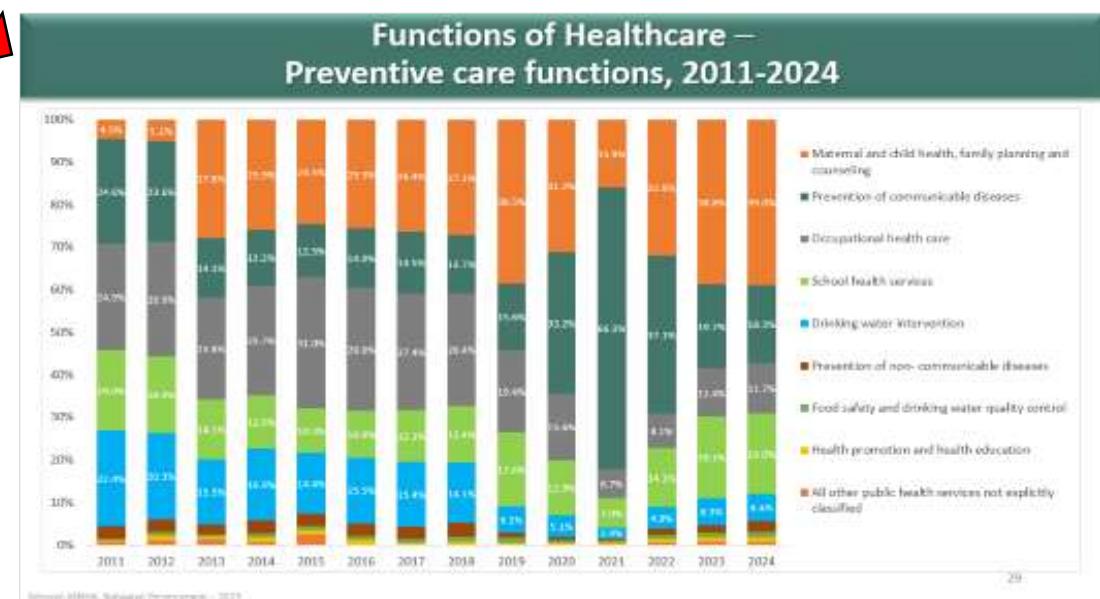
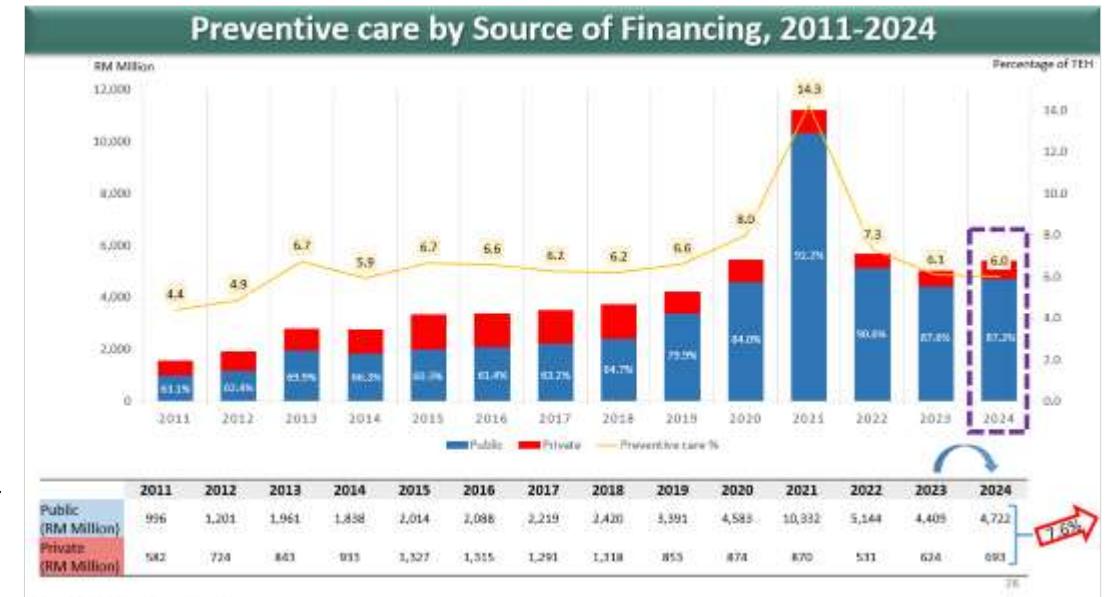
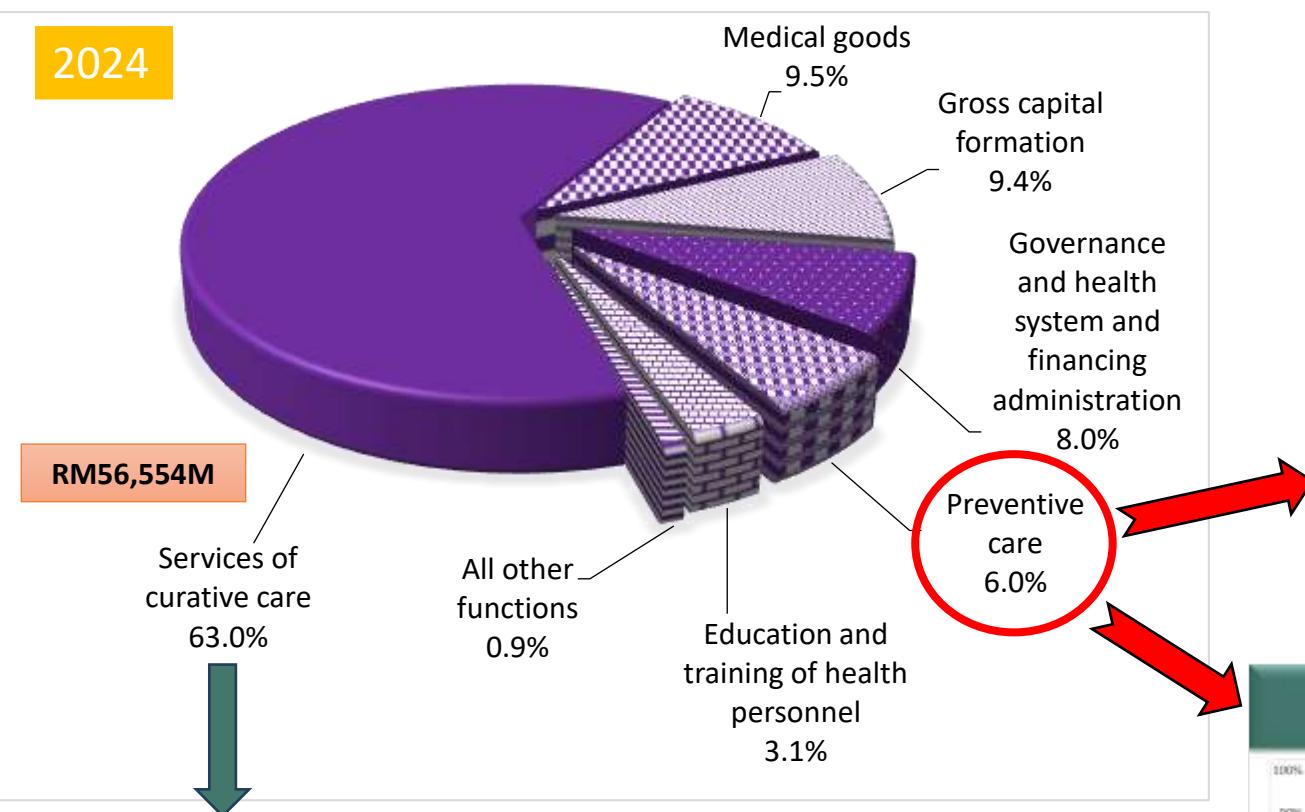


- Clinics**
 - Medical Practitioner Clinics
 - Dental Clinics
- Healthcare establishments**
 - TCM / Alternative Healthcare
 - Other Health Professionals
- Outpatient care centres**
 - Family planning centres
 - Mental health & substance abuse centres
 - Free-standing ambulatory surgery centres
 - Dialysis centres
- Others**
 - Medical & diagnostic labs
 - Ambulance services
 - Blood banks & organ banks

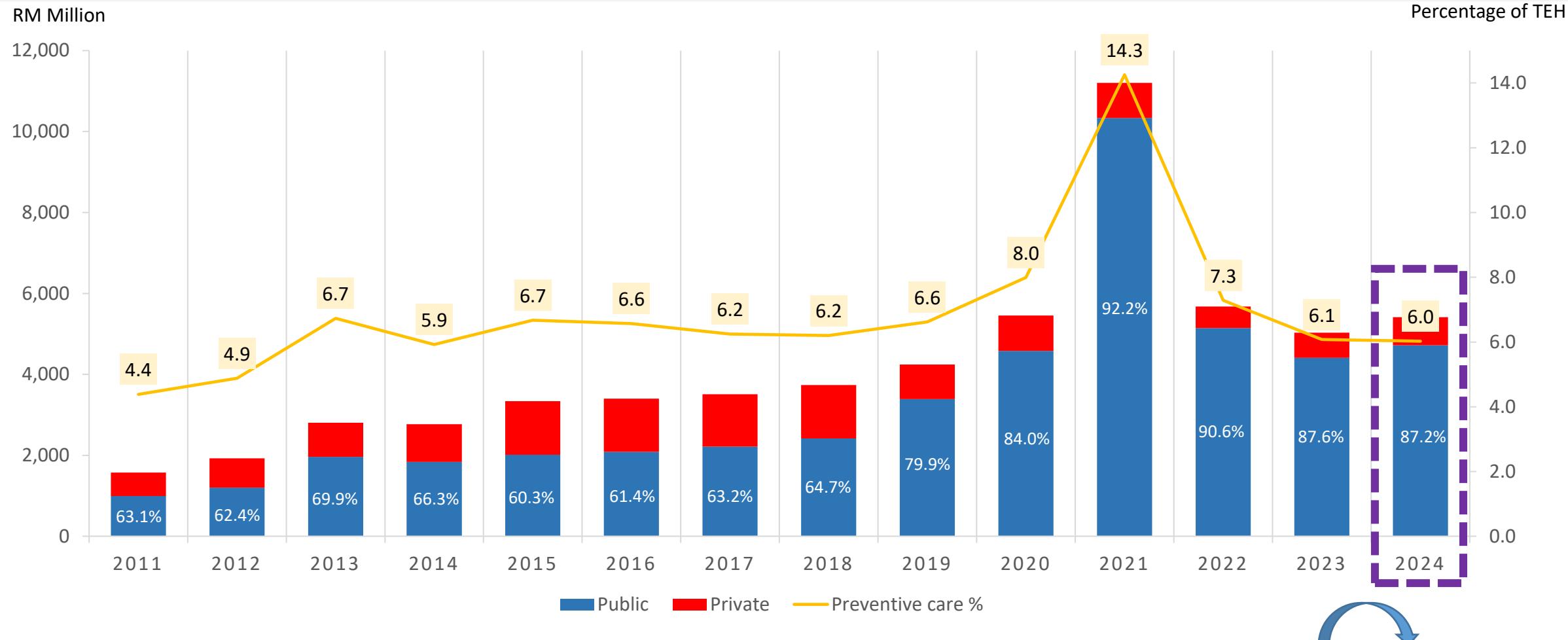


TEH by Functions of Healthcare, 2024

2024



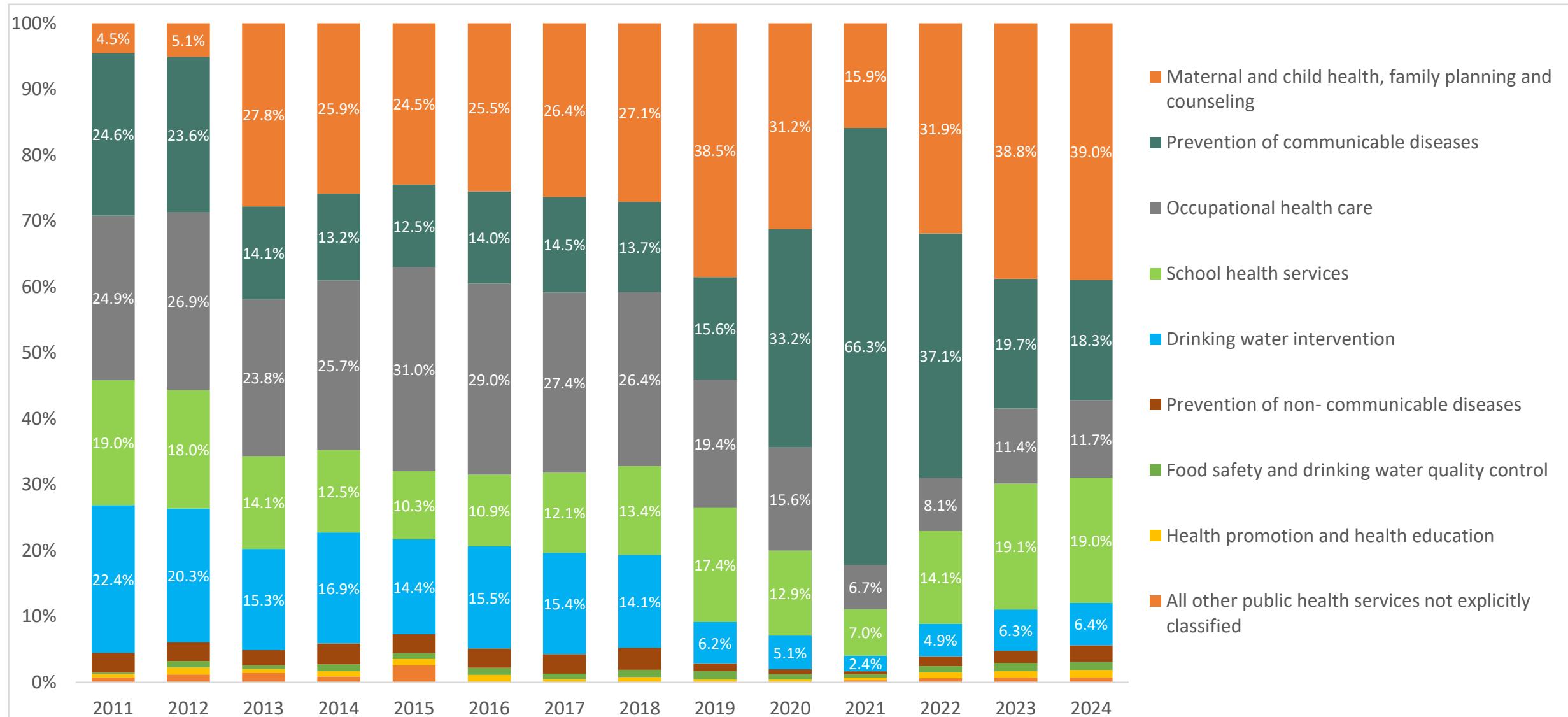
Preventive care by Source of Financing, 2011-2024



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public (RM Million)	996	1,201	1,961	1,838	2,014	2,088	2,219	2,420	3,391	4,583	10,332	5,144	4,409	4,722
Private (RM Million)	582	724	843	933	1,327	1,315	1,291	1,318	853	874	870	531	624	693

7.6%

Functions of Healthcare – Preventive care functions, 2011-2024



PRIMARY HEALTH CARE (PHC) EXPENDITURE

2018

- PHC Performance Initiative
- PHCPI- indicator in Vital Sign Profile
- Presented by DG in Global Conference of PHC, Astana Kazakhstan
- National PHC 1.0 was finalised and endorsed in MNHA TAC and Steering Committee 2018

2022

- **PHC 2.0 New Boundaries**
 - International recommendation (OECD, WHO & Lancet Global Health).
 - Discussion with NHF, BPKK, BPKA and Pharm Division.
 - Presented at WHO Symposium on Evolution of Health Accounts - PHC at Cape Town, South Africa

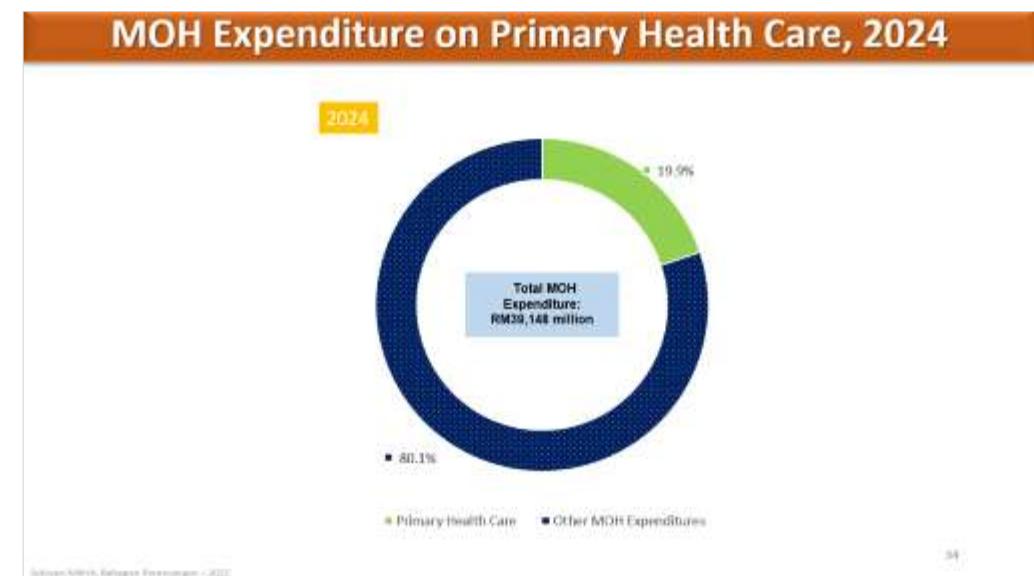
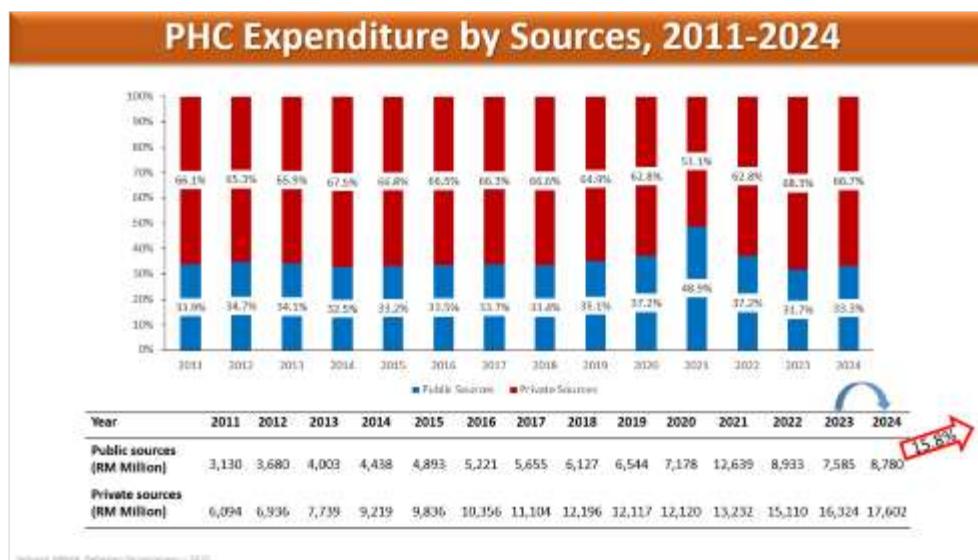
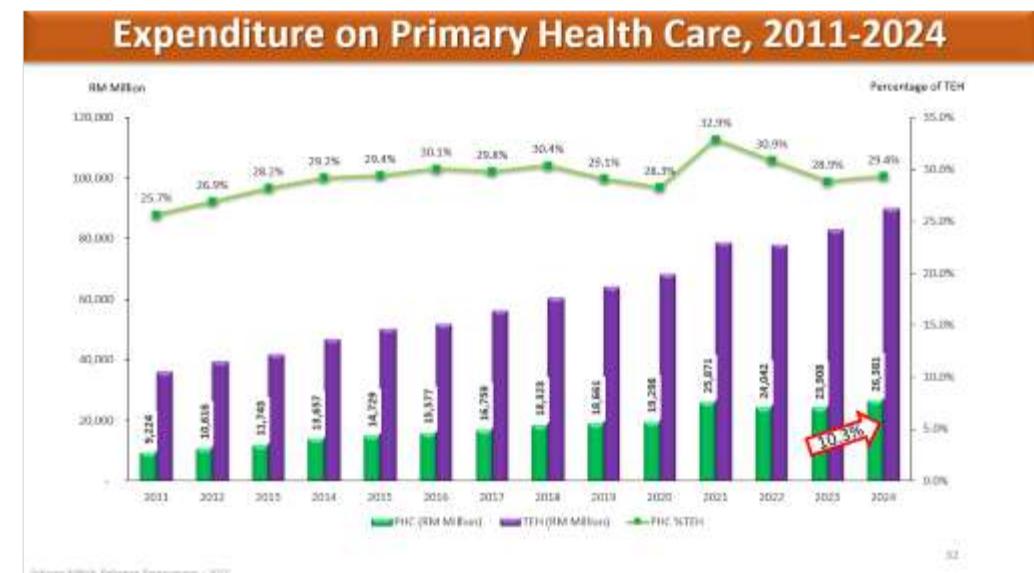
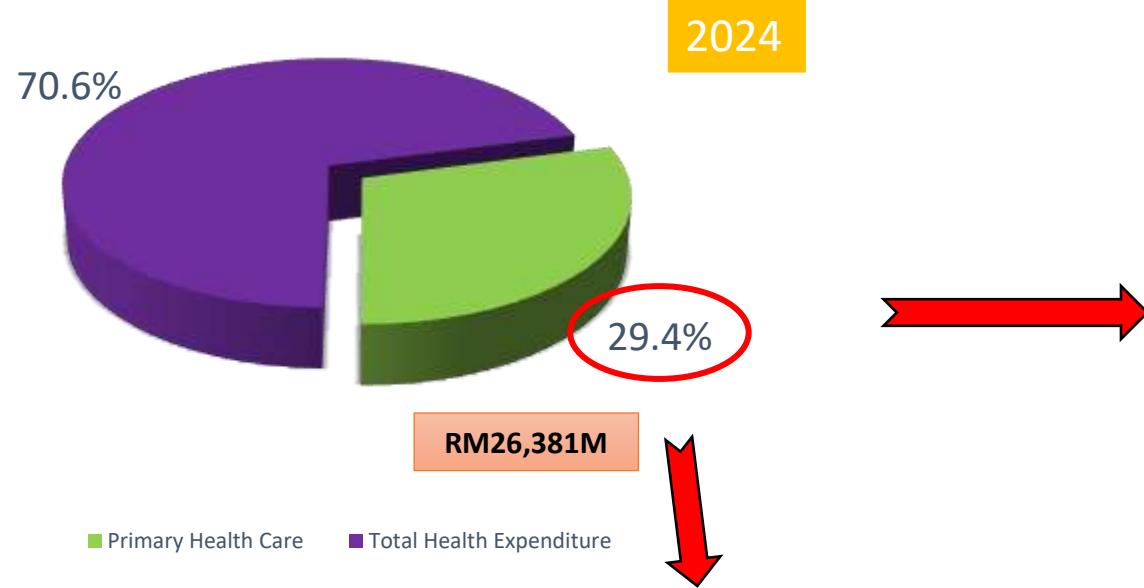
2023

- **PHC Endorsement**
 - Presented at WHO OECD Health Accounts Expert Assembly at Seoul, Korea
 - Validation at MNHA TAC 1 & 3 /2023
 - Endorsement at MNHA Steering Committee 2023

NEW PHC BOUNDARY (2022)

Provider - Description	Function - Description
Public Hospitals (MOH & non-MOH)	General Outpatient Care
Private Hospitals	General Outpatient Care (Wellness Clinics)
Public & Private Medical Clinics	General Outpatient Care (including home care services)
	Dental Outpatient Care
	Outpatient long-term health care (including home-based)
All Healthcare Providers	Prevention and public health services (partial)
	Pharmaceuticals and other medical non-durables (80%)

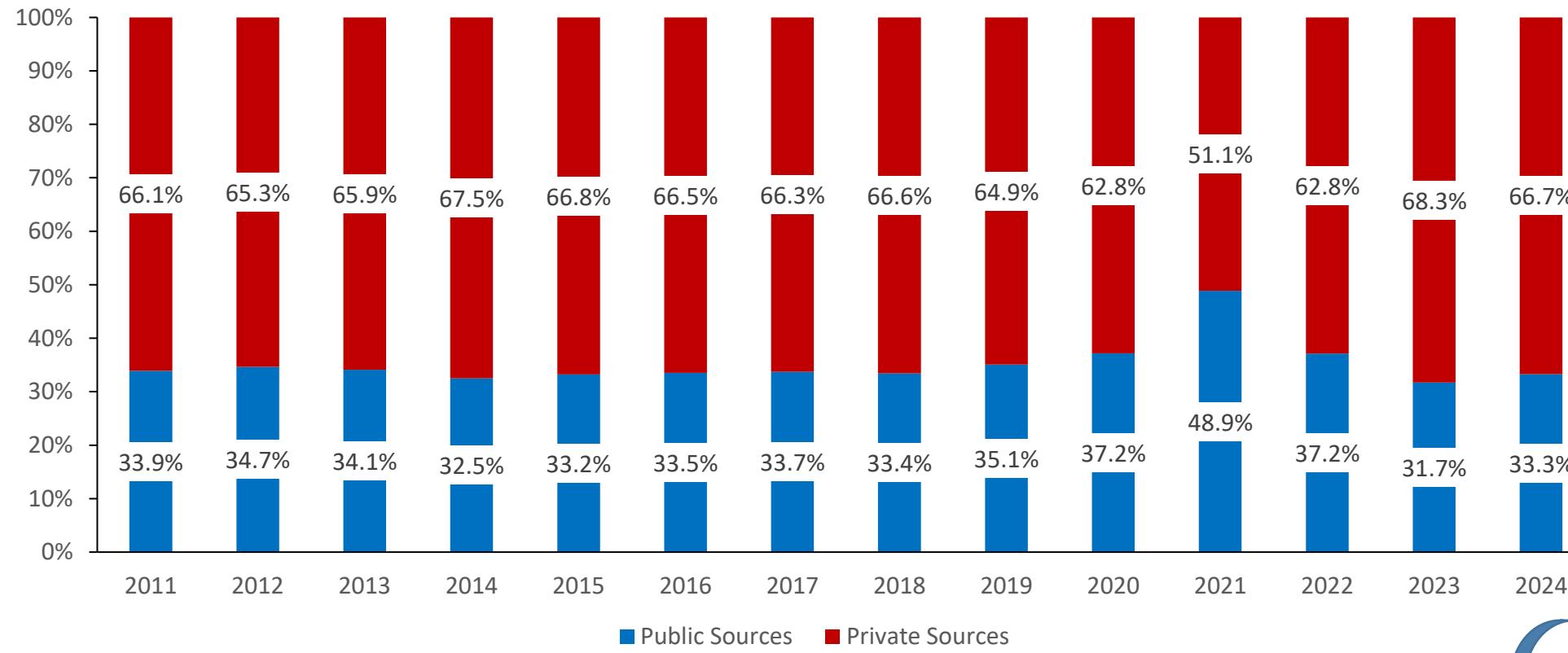
PHC EXPENDITURE, 2024



Expenditure on Primary Health Care, 2011-2024



PHC Expenditure by Sources, 2011-2024

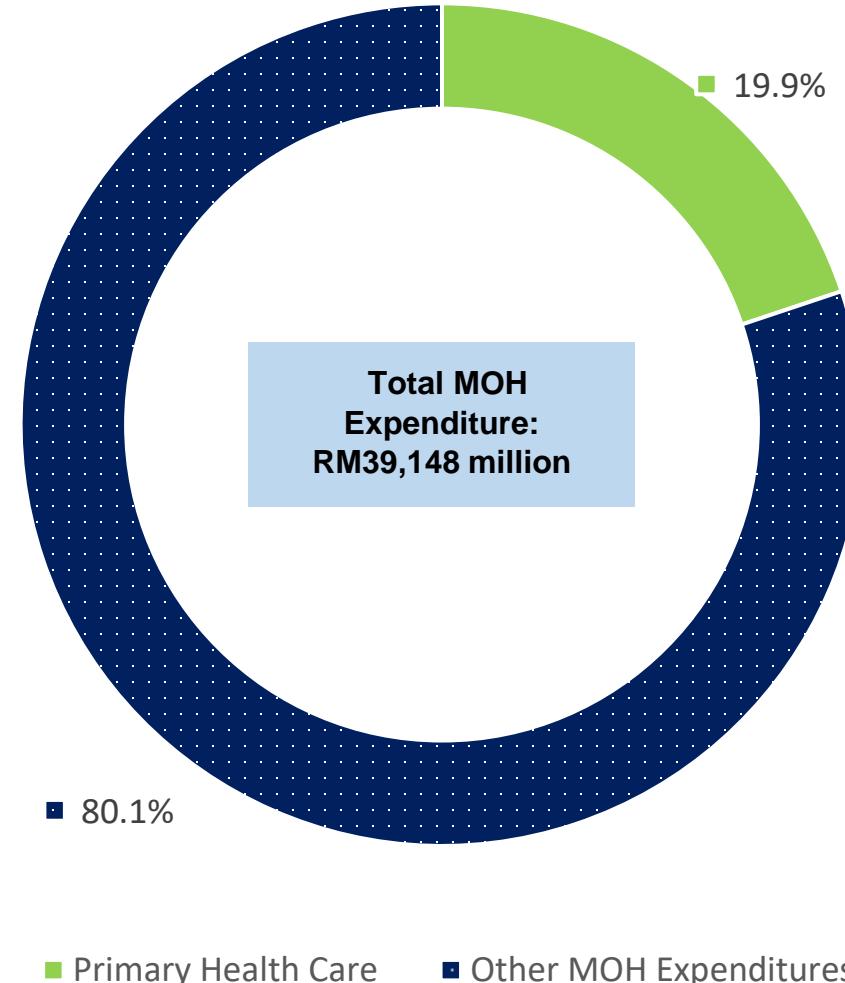


Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public sources (RM Million)	3,130	3,680	4,003	4,438	4,893	5,221	5,655	6,127	6,544	7,178	12,639	8,933	7,585	8,780
Private sources (RM Million)	6,094	6,936	7,739	9,219	9,836	10,356	11,104	12,196	12,117	12,120	13,232	15,110	16,324	17,602

15.8%

MOH Expenditure on Primary Health Care, 2024

2024



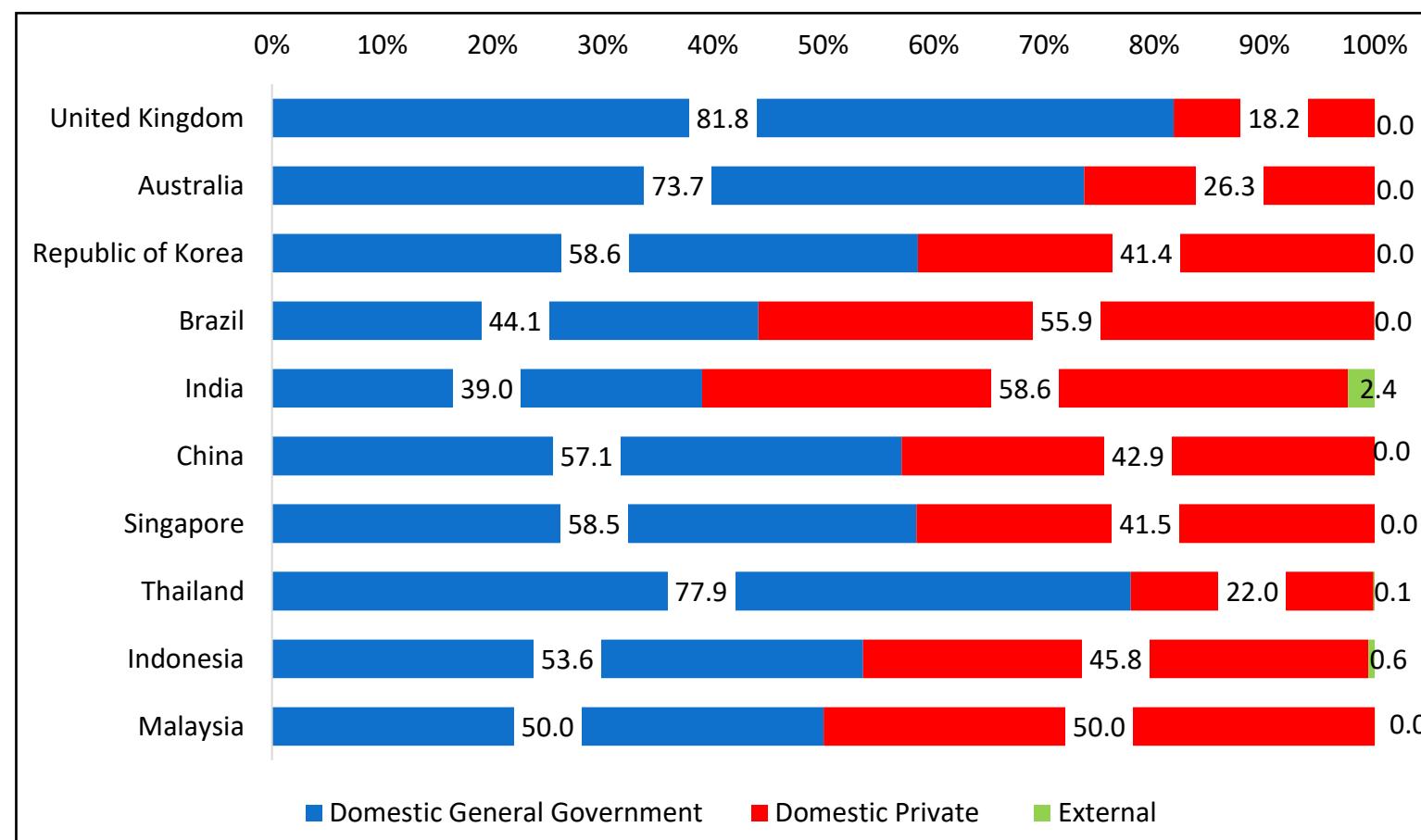
HEALTHCARE SYSTEMS OF OTHER COUNTRIES & INTERNATIONAL DATA

FOLLOW-UP FROM PREVIOUS STEERING COMMITTEE

Healthcare Systems of Other Countries

Group	Country	Income Group	National Health Insurance Scheme
Aspiration	United Kingdom	High	No
	Australia	High	Yes
	South Korea	High	Yes
BRICS	Brazil	Upper middle	No
	India	Lower middle	Yes (for the poor or low-income population)
	China	Upper middle	Yes
ASEAN	Singapore	High	Yes
	Thailand	Upper middle	Yes
	Indonesia	Upper middle	Yes
	Malaysia	Upper middle	No

International Comparison of Domestic Government and Private Health Expenditure, 2023

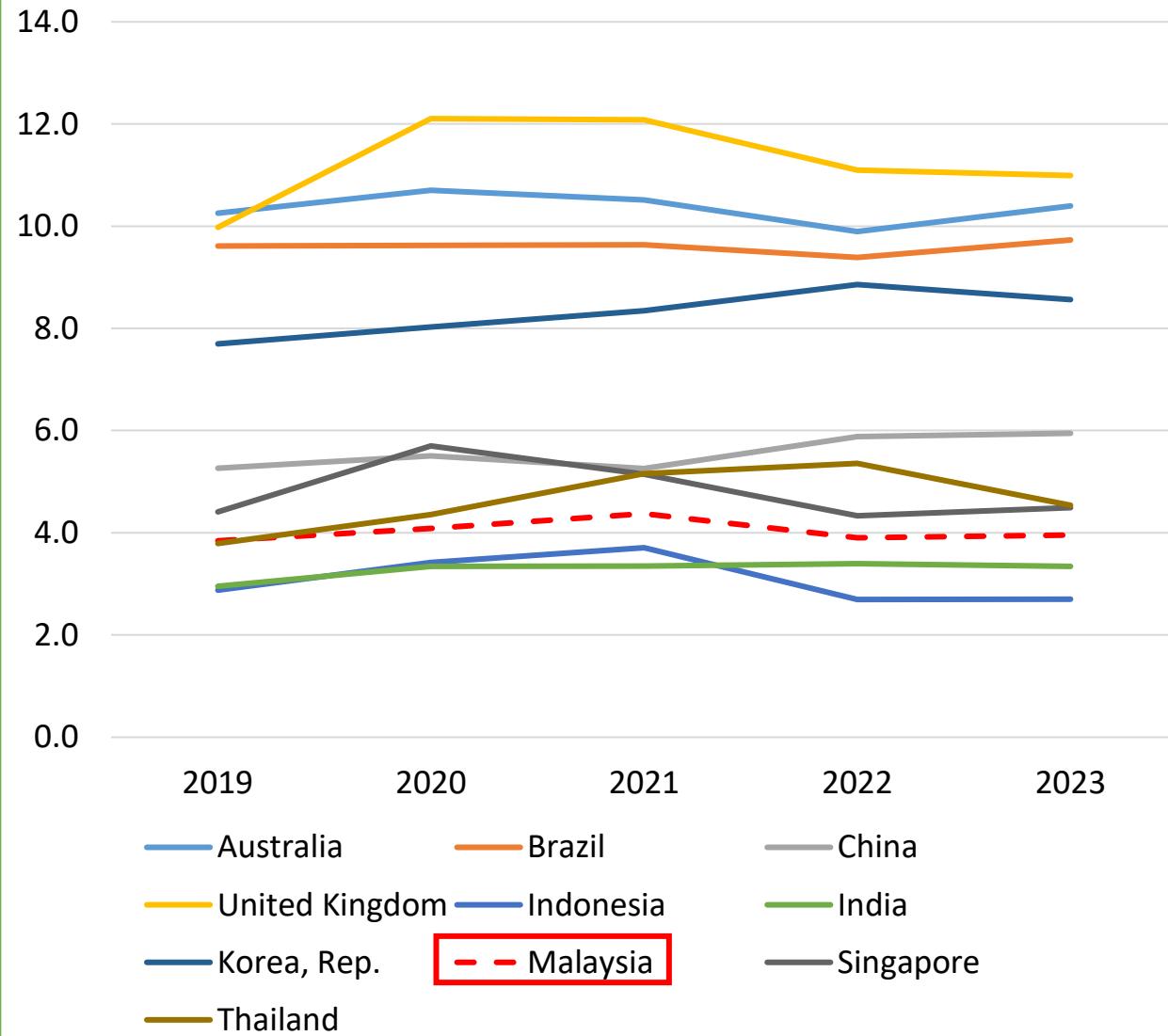


A country's healthcare expenditure trends are heavily influenced by its existing healthcare system

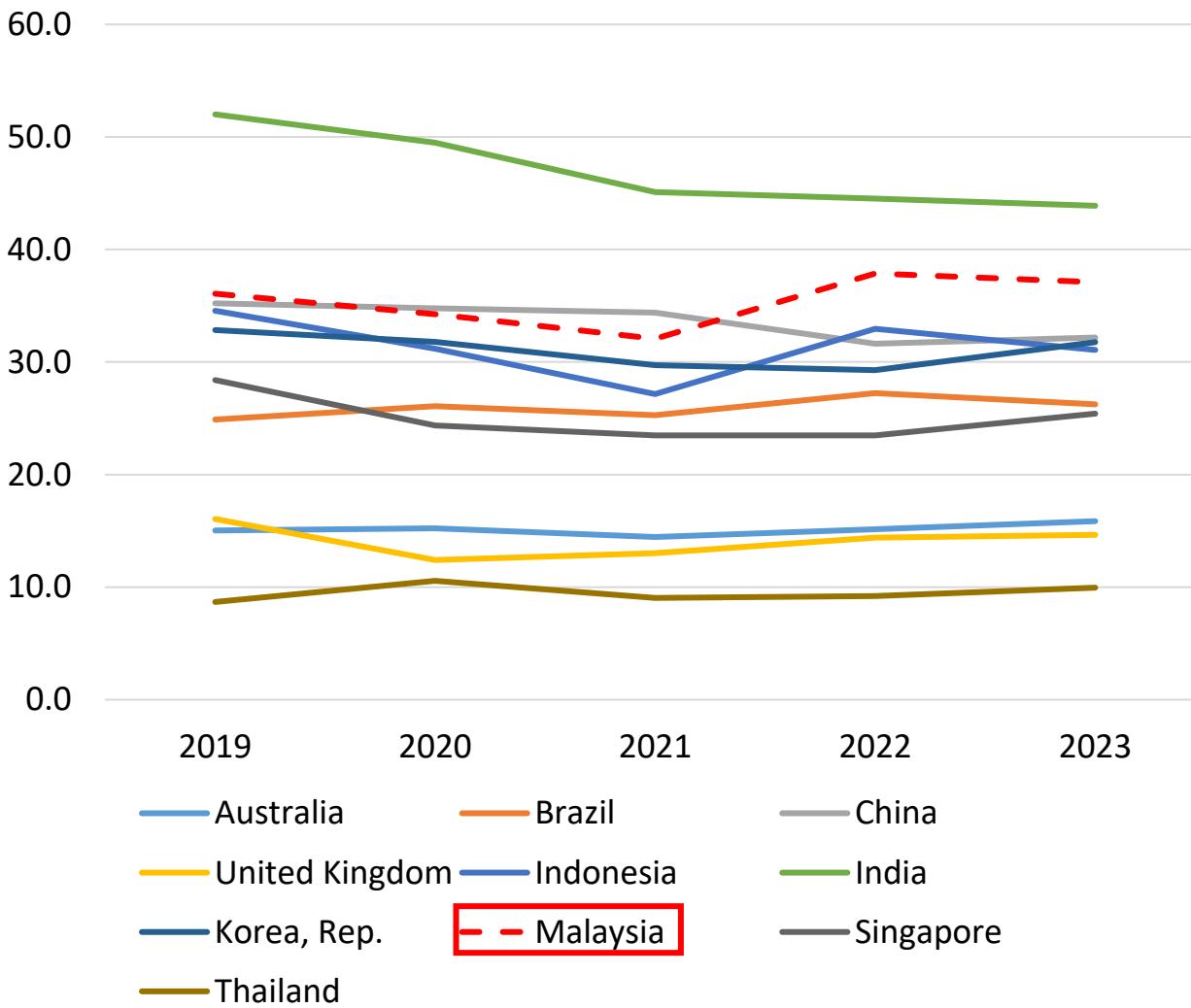
- The Commonwealth Fund (2020). https://www.commonwealthfund.org/sites/default/files/2020-12/International_Profiles_of_Health_Care_Systems_Dec2020.pdf
- Quek, D. & Pantai Holdings Berhad. (2014). The Malaysian health care System: a review. Malaysian Medical Association. <https://www.researchgate.net/publication/237409933>
- EI Tsana, A. V., Alvianty, R. A., Octaviani, P., Syahidah, R., & Riswandy Wasir. (2025). HEALTH SYSTEM TRANSFORMATION IN INDONESIA: IMPLEMENTATION AND CHALLENGES OF SIX POLICY PILLARS
- Global Health Expenditure Database

International Comparison: CHE & OOP

Current Health Expenditure (CHE) as % of GDP



Out-of-pocket (OOP) Spending as % of Current Health Expenditure (CHE)



Case Study: Thailand

1995: OOP = 44.9%

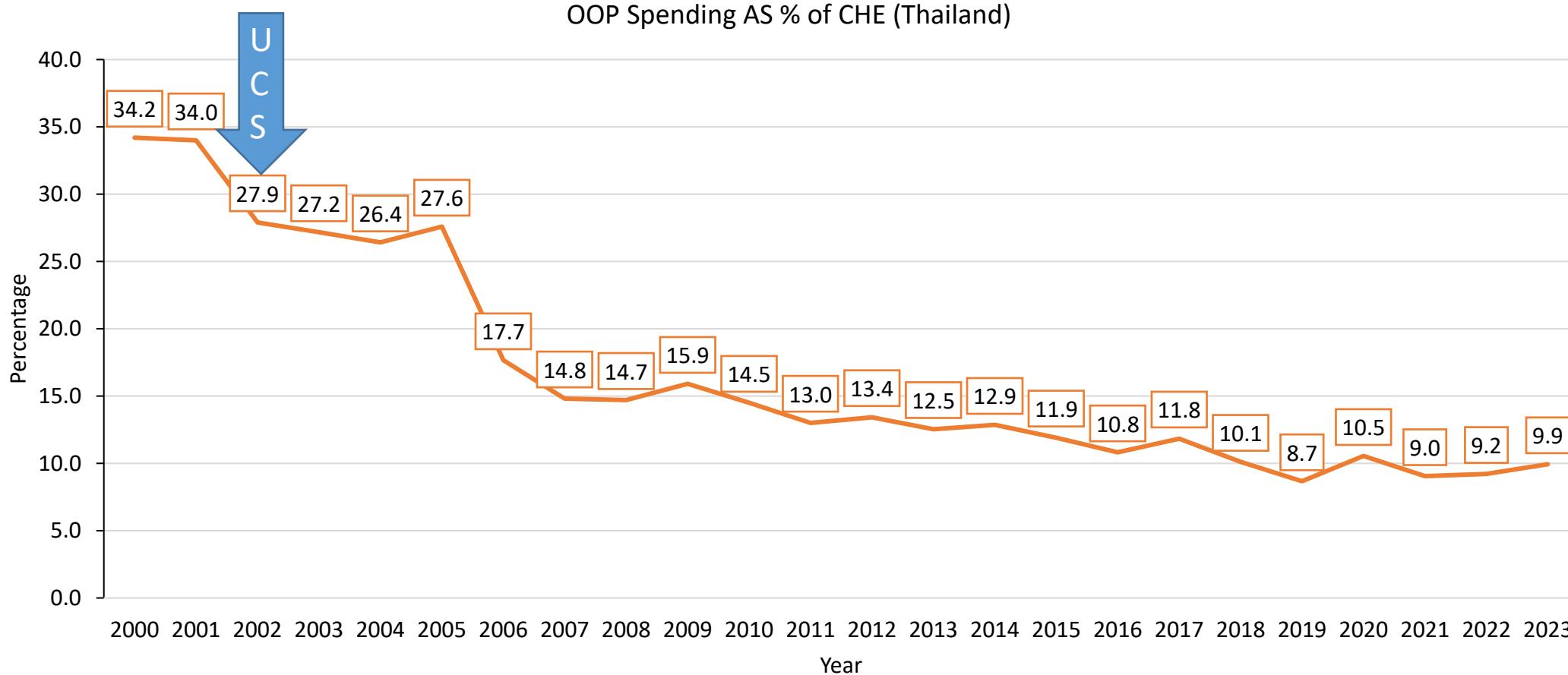
- 1980: Civil Servant Medical Benefit Scheme (CSMBS): ~7% of population
- 1990/1991: Social Health Insurance (SHI): ~18% of population
- 2002: Universal Coverage Scheme (UCS): ~75% of population

Strategies:

Universal Coverage & Tax-Based Financing

Free Access At Point of Service

Controlling System Costs through Purchasing Power



Source:

- Global Health Expenditure Database (WHO). <https://apps.who.int/nha/database>
- WHO (2024) Thailand Health System Review. In V. Tangcharoensathien (Ed.), *Health Systems in Transition*. <https://wkc.who.int/resources/publications/1/item/9789290620457>
- International Health Policy Program (IHPP) & The National Health Security Office (NHSO). (n.d.). Price setting and price regulation in health care: Thailand Universal Coverage Scheme [Case study]. Thailand Universal Coverage Scheme, 221–253. https://extranet.who.int/kobe_centre/sites/default/files/pdf/2_8_Case%20Study_Thailand.pdf

Can Health Budget Be A Fixed Percentage of GDP?



Strategic Benefits

- **Accountability:** Drives commitment toward Universal Health Coverage (UHC).
- **Service Expansion:** Facilitates rapid progress in primary care access.
- **Better Outcomes:** Public financing correlates strongly with improved health outcomes vs. OOP spending.



Limitations & Risks

- Implies that spending on other sectors must decline, which could adversely affect other **social determinants of health**
- **Volatility:** Fixing budgets to GDP creates unstable funding
- In a **recession**, when GDP shrinks, the health budget would be automatically cut, forcing hospitals to close and services to be reduced
- In an **economic boom**, the health ministry might receive a sudden windfall that it cannot spend efficiently or effectively.



Targets & Trends

- **Global Benchmark Recommendation:** ≥5% of GDP and \$86 per capita (McIntyre et al.).
- **India (2017):** Targeting increase health expenditure by government to 2.5% of GDP by 2025.
- **Abuja Declaration (2001):** African Union (AU) members pledged 15% of annual budget to the improvement of the health sector (Met by S. Africa & Cabo Verde).

Political Reality: Healthcare budgets are typically determined through a complex annual political process that considers the previous year's spending, population health needs, inflation, and the government's priorities

Source:

- McIntyre, D., Meheus, F., & Rottingen, J.-A. (2017). <https://doi.org/10.1017/S174433116000414>
- International Budget Partnership. (2023, March 28). <https://internationalbudget.org/do-we-need-sectoral-budget-targets-yes-or-no-er-well-its-complicated/>
- Ganti, A. (2024, August 1). **Procylic:** Overview and examples in Economics. Investopedia. <https://www.investopedia.com/terms/p/procylical.asp>
- India's National Health Policy (2017) <https://health.vikaspedia.in/viewcontent/health/nhmp/national-health-policies/national-health-policy-2017>
- WHO: <https://www.afro.who.int/publications/who-african-region-health-expenditure-atlas-2023>

DISCUSSION

Growth Rates in Health Expenditures (2011-2024)

	Compound Annual Growth Rate (CAGR)	Average Year-on-year Growth Rate (AYoY)	Average YoY		
			Pre-Pandemic (2011-2020)	Pandemic (2021-2022)	Post-Pandemic (2023-2024)
Gross Domestic Product (GDP)	5.9%	6.1%	5.1%	12.5%	3.8%
Total Expenditure on Health (TEH)	7.3%	7.4%	7.4%	7.1%	7.4%
MOH Source of financing	6.9%	7.2%	7.4%	6.0%	7.5%
OOP Source of financing	8.9%	9.0%	8.4%	9.6%	10.8%

*Positive and higher growth rate indicates a stronger growth trajectory

Health expenditure is growing faster than economic growth

TEH CAGR (7.3%) > GDP CAGR (5.9%), with consistent higher TEH over GDP Year-on year growth rate

Indicates rising priority for healthcare, rising healthcare costs, with increasing demand and utilization for healthcare services

Potential sustainability concerns

OOP expenditure is growing faster than government spending for health

OOP CAGR (8.9%) > MOH CAGR (6.9%), with consistent higher OOP over TEH & MOH Year-on year growth rate

Indicates need to increase public financing for health

Household face increasing financial burden, as OOP are absorbing more of the growth than the government

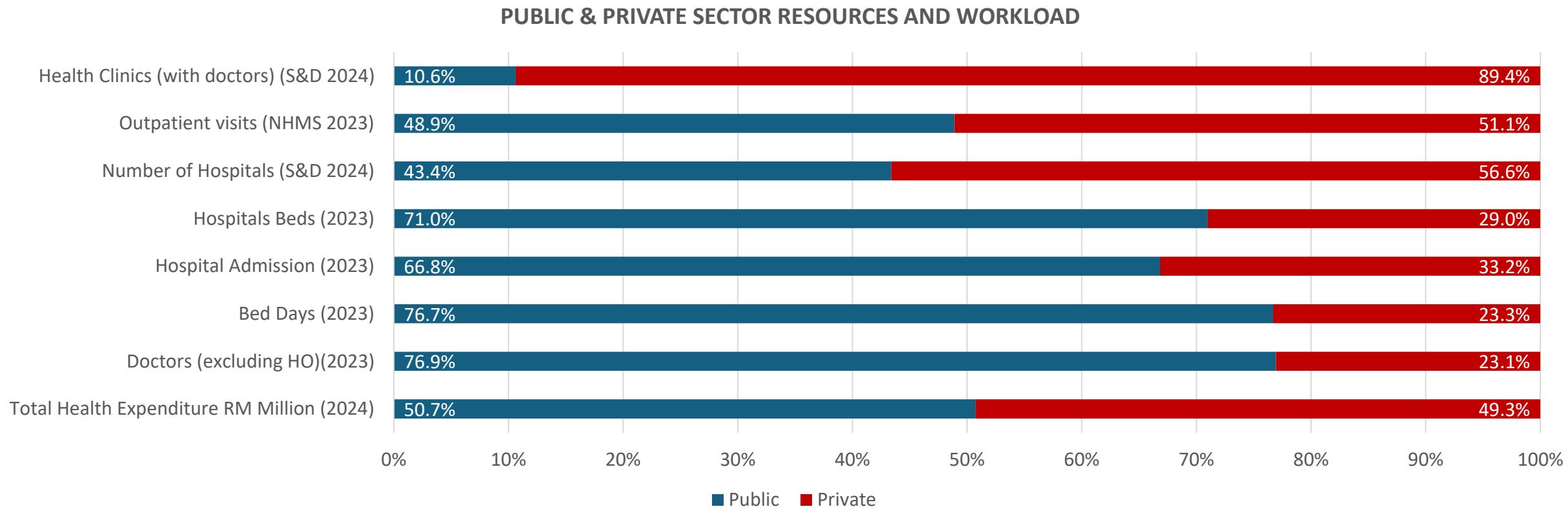
Deteriorating financial protection post-pandemic era

The gap between OOP and MOH growth rates widens in 2020–2024, driven by OOP rising sharply to 10.8%

Health system may be becoming less financially protective for patients

Potentially leads to more catastrophic and impoverishing health expenditures

Health Expenditure with Utilization Data



- The **public** sector handles the majority of hospital beds (71%), hospital admissions (67%), and bed days (77%), reflecting its crucial role in inpatient care.
- Nevertheless, the **private** sector dominates outpatient services, with 89% of clinics managing 51% of total outpatients visits.
- Despite managing a larger patient load, public healthcare spending is nearly equal to private expenditure.

✓ SUMMARY OF 2024

TEH

Total Expenditure on Health

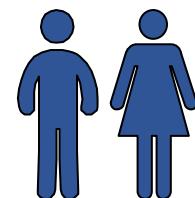
RM 89,827 m



TEH as % of GDP

Total Expenditure on Health as percentage of Gross Domestic Product

4.7 %



TEH Per-Capita

Total Expenditure on Health per capita

RM2,637



OOP % of TEH

Out of pocket percentage per Total Expenditure on Health

38.8%

Who paid for it?

SOURCE

Public
50.7%
RM45,580million

MOH 43.6%

Other Government Agencies

Private
49.3%
RM44,247million

OOP 38.8%

Other Private Agencies

Where was it spent?

PROVIDER

Hospital
54.2%
RM48,721million

MOH+ Non-MOH 55.7%

Private 44.3%

Ambulatory Providers

Other Providers

What was it spent on?

FUNCTION

Curative Care
63.0%
RM56,554million

Inpatient 48.6%

Outpatient 44.4%

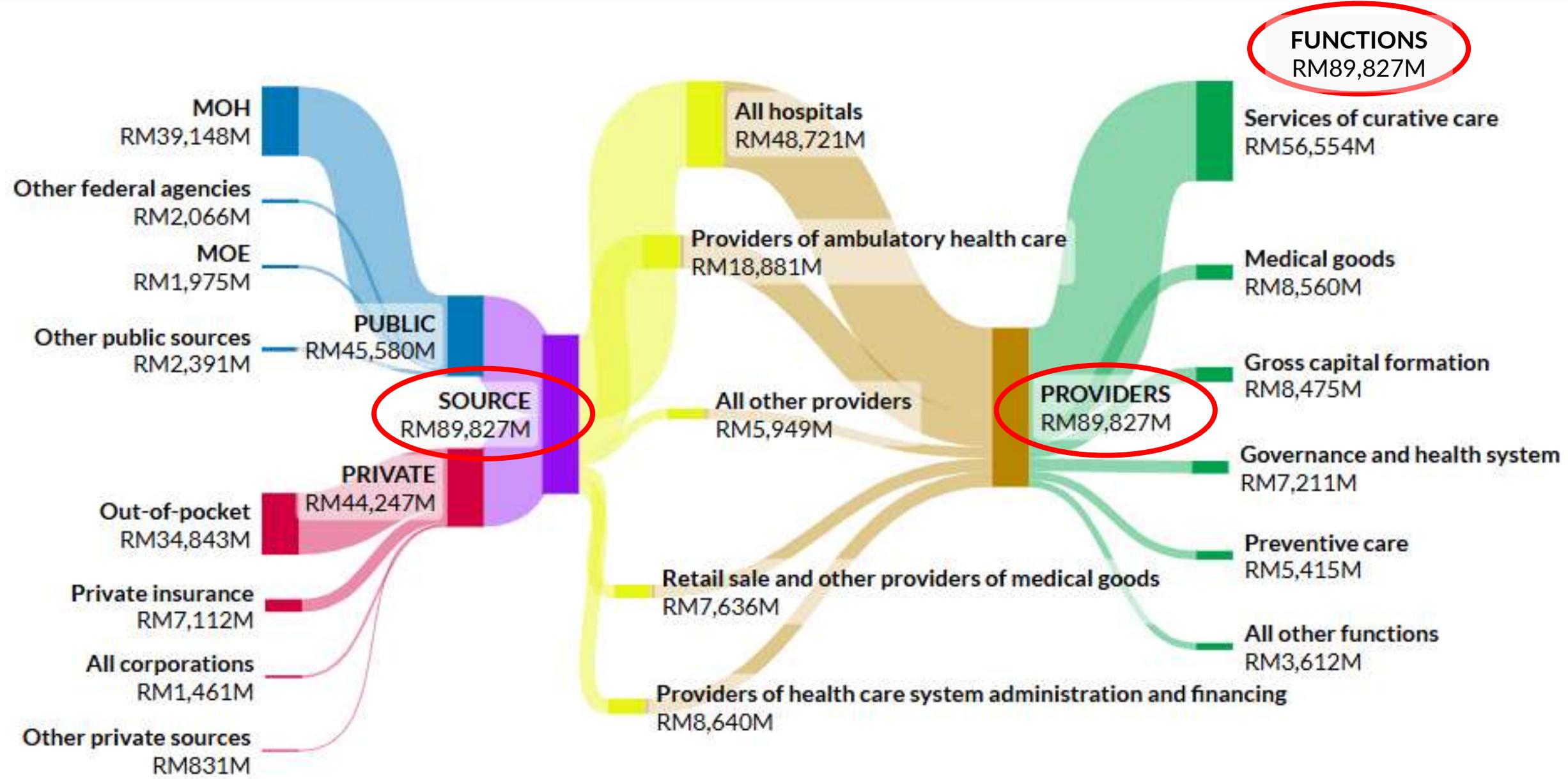
Day care 7.0%

Other Functions

KEY NUMBERS

TEH	RM89,827 million
CHE	RM77,896 million
TEH as % of GDP	4.7%
CHE as % of GDP	4.0%
Per Capita Expenditure on Health	RM2,637
TEH by Public Sources of Financing	RM45,580 million or 50.7% of TEH
TEH by Private Sources of Financing	RM44,247 million or 49.3% of TEH
MOH expenditure on Health	RM39,148 million or 43.6% of TEH
All hospitals expenditure on health was highest for TEH by Providers of Healthcare	RM48,721 million or 54.2% of TEH
Curative care services expenditure on health was highest for TEH by Functions of Healthcare	RM56,554 million or 63.0% of TEH
Private household out-of-pocket expenditures (OOP)	RM34,843 million or 38.8% of TEH
OOP expenditure was highest at private hospitals for OOP by Providers of Healthcare	RM16,028 million or 46.0% of total OOP expenditure
OOP expenditure was highest for outpatient service for OOP by Functions of Healthcare	RM14,187 million or 40.7% of total OOP expenditure

FLOW OF HEALTH FUNDS



ACTION

Endorsement From
Steering Committee Members Regarding
MNHA National Health Expenditure
2011-2024

HAL-HAL LAIN

OOP Expenditure as Health Indicator in RMK-13 (2026-2030)



CAUSES OF HIGH OOP IN MALAYSIA

Rising public expectations - demand for better amenities, provider choice, shorter waiting times

High medical inflation - 15% vs. regional average 11%

Private health insurance - Limited coverage with increasing unaffordability

Lack of price regulation and transparency in private sector charges



RECOMMENDATIONS TO REDUCE OOP PAYMENT

Strengthen public health system - increasing funding, improving distribution & accessibility, expanding public financing

Expand insurance coverage with affordable premiums through private insurers or a publicly managed health insurance scheme

Improve health literacy to promote prevention and reduce avoidable healthcare needs

Prioritize and strengthen primary health care (PHC)

Regulate & standardize prices in Private Sector

Strengthen pharmaceutical price controls

Expand Public-Private Partnership (PPP) for service delivery

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Thank you

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