

CMAAO 2025 – Country Report: Malaysia

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Overview of Malaysia's Healthcare System

Dual-Tier Structure

Malaysia's healthcare features a dual-tier system: a government-subsidized public sector offering affordable care to most, and a private sector providing specialized services with shorter wait times for those who can afford it or have insurance.

Key Challenges

The system faces workforce shortages, especially in rural areas, and rising non-communicable diseases like diabetes and heart conditions. Ongoing reforms focus on improving efficiency, equity, and quality across both sectors.



Key Healthcare Statistics (2025)

Expenditure & Workforce

- Total healthcare expenditure: RM90.76 billion, representing 4.93% of Malaysia's GDP
- Approximately 450,000 healthcare professionals nationwide
- Of these, 300,000 are Malaysian Ministry of Health (MOH) employees
- Physician density: 1.9 doctors per 1,000 population
- Nurse density: 3.5 nurses per 1,000 population

Facilities

- 373 hospitals, including 140 public and 233 private institutions
- Approximately 14,000 government and private clinics combined
- 6,000 dental clinics providing oral healthcare nationwide
- 3,000 licensed community and hospital pharmacies
- Over 1,200 rural health posts and mobile clinics serving underserved areas

Human Resource Challenges

Challenges

Doctor Ratio and Distribution

2.4 doctors per 1,000 population, with significant disparities between urban and rural areas impacting access to care

Workforce Shortages and Retention

- High resignation rates due to workload stress and limited career advancement opportunities
- 6,896 nursing vacancies reported in 2023, creating staffing gaps in hospitals and clinics
- Urgent need for structured promotion pathways and improved retention strategies to sustain workforce capacity

Non-Communicable Diseases (NCDs) Crisis

Prevalence of NCDs in Malaysia (2025)

- Diabetes affects 17.5% of adults aged 18 and above, with rates rising in urban areas
- Hypertension prevalence reaches 29.3%, driven by lifestyle and dietary factors
- More than half of the adult population (54.4%) is classified as overweight or obese, increasing risk for NCD complications

Economic Impact of NCDs

Direct healthcare costs related to NCD treatment reached RM100.79 billion in 2023, representing 5.81% of Malaysia's GDP.

Indirect costs, including lost productivity from disability and premature mortality, are estimated to further strain the economy significantly.

The burden on healthcare resources underscores the urgent need for enhanced prevention programs and management strategies across both public and private sectors.

Aging Population and Healthcare Demand

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Demographic Trends

Malaysia's population aged 65+ expected to reach 14.5% by 2044, up from 7.4% in 2023, driven by longer life expectancy and declining birth rates.

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Healthcare Implications

- Rising demand for geriatric services including chronic disease management
- Strain on existing healthcare infrastructure and workforce shortages
- Need for integrated elderly care models combining hospital, community, and home care

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Policy Response

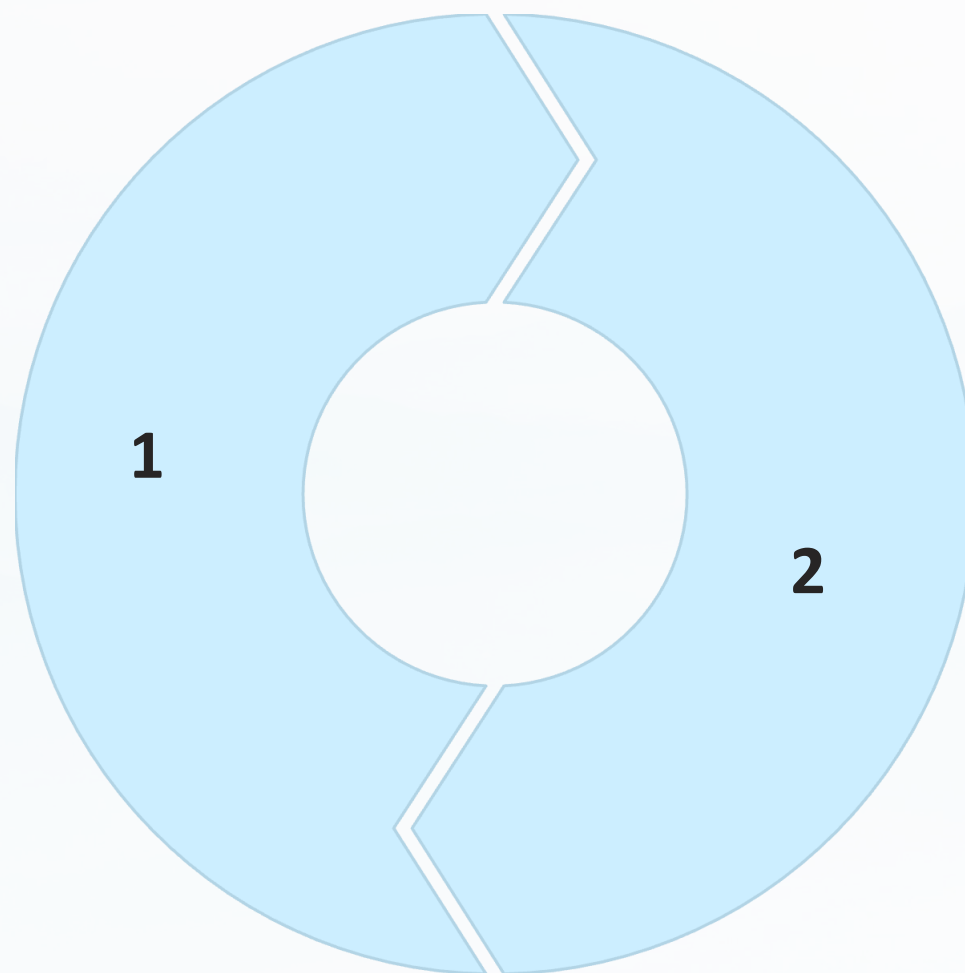
Government initiatives focus on expanding geriatric care capacity, enhancing digital health for elderly monitoring, and creating subsidies to support aging in place.



Digital Health and Sustainability Initiatives

National Digital Transformation

Implementation of a nationwide Electronic Medical Records (EMR) system connecting all public hospitals to ensure seamless patient data continuity and improve healthcare delivery efficiency by 2025.



Green Sustainability Goals

- 148 public hospitals aiming for Green Building Index certification by end of 2025
- Commitment to achieving carbon-neutral healthcare facilities across Malaysia by 2045 through energy efficiency and renewable energy adoption

Key Issues Facing Malaysia's Primary Care Sector



7th Fee Schedule

GP consultation fees were recently revised after being unchanged for 33 years.



Mandatory Price Display

GPs fear price display policies may reduce clinics to retail outlets, risking patient trust due to variable charges.



Regulations and Enforcement

Lack of monitoring and clear guidelines on e-prescriptions and telemedicine may lead to misdiagnoses and misuse.



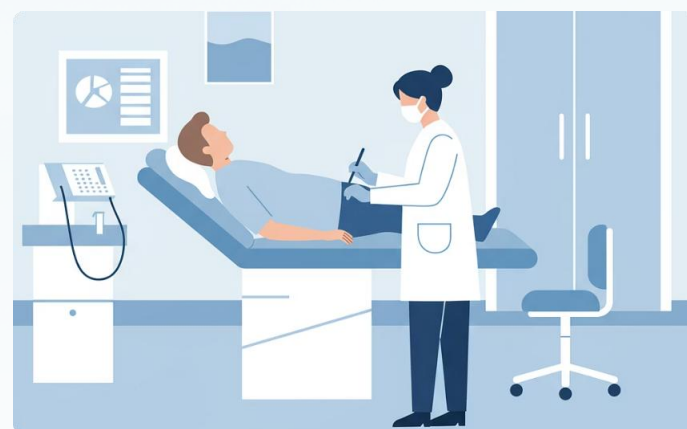
TPA Regulation Needed

TPAs and MCOs charge admin fees and control medication supply, but remain unregulated.



DRG System Challenges

Complex ecosystem, outdated fees, and facility variability hinder DRG system implementation.



Unlicensed Operators

Unregulated services like aesthetics and blood tests outside clinics pose risks to patient care.



Long-term Medication Issues

Poor chronic condition management leads to irregular monitoring and adverse long-term health effects.

Challenges Faced by Government Doctors

Placement & Promotions

Opaque promotion criteria and limited advancement opportunities hinder career growth, causing frustration among doctors seeking clear and merit-based pathways.

Allowances & Workload

On-call allowance rates have remained stagnant despite rising living costs; uneven workload distribution results in high burnout and diminished morale.

Workplace Culture

Prevalence of bullying and harassment in some hospitals contributes to a toxic environment, leading to less effective training and reduced intake of medical trainees.

Doctor Exodus

Ongoing decline in new government doctors entering the workforce exacerbates existing shortages; urgent appeals have been made to the Health Service Commission to address retention and recruitment challenges.



MMA's Role and Advocacy



7th Fee Schedule Implementation

Advocating for fairer compensation to address stagnating income among General Practitioners in public and private sectors.



Policy Clarification on Medication Pricing

Promoting mandatory transparent pricing for medications to protect patients and support ethical pharmacy practices nationwide.



Regulation Advocacy for Healthcare Providers

Engaging with authorities to regulate Third-Party Administrators (TPAs), Managed Care Organizations (MCOs), telemedicine providers, and curb unlicensed practitioners ensuring patient safety and quality care.



MMA EXCO 2025/2026



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Conclusion and Recommendations

Policy Reforms

- Implement transparent processes for doctor placements and clear promotion pathways to address workforce morale and retention
- Increase on-call allowances to reflect rising workloads and reduce burnout among government doctors
- Promote equitable distribution of healthcare workers to underserved and rural areas through incentives and monitoring

Training & Oversight

- Expand specialist training programs to meet the growing demand for geriatric and chronic disease management
- Remove scholarship restrictions hindering doctors' career advancement and mobility within the public sector
- Establish an independent Health Service Commission to ensure transparent oversight, fair recruitment, and address workplace cultural issues

Future-Proofing

- Enhance nationwide digital health infrastructure by fully implementing Electronic Medical Records (EMR) for seamless patient care continuity
- Accelerate sustainability initiatives by prioritizing Green Building Index certification for all public hospitals and adopting renewable energy sources

Thank You

