

Health into two category to either public

Business, Industries



Health is important to an individual.

In the Budget 2017, the Prime Minister Datuk Seri Najib Razak has announced that the government had allocated a total of RM 25 billion to Ministry of Health (MOH) for the use of nation's health expenditure. The allocation given included the use for building and upgrading new hospital also the hospital facilities. While, in Budget 2018, there is an increase of 9.5% or 1.7 billion which is RM 26.58 billion from RM 24.

88 billion in 2017. Plus, government said that they will focus more on healthcare welfare of the poor people, Total health expenditure is the sum of both public and private health expenditure. This expenditure covers the provision of health services for both preventing and curating expenditure, family planning activities, nutrition and emergency aid for health. In some other words, health expenditure is used to help in improving health system. Health system is needed to combat diseases and increase the health status of population. Based on the line chart above, the data explains the upward trend of health expenditure throughout the years.

The data shows that the health expenditure was the lowest during year 1997 with only 2.72% while the highest was 2014 with 4.17%. Based on the line graph above, the highest growth was in 2002 to 2003 with 16.18% growth while the highest dropped was in 2004 to 2005 with 12.

1%. Basically, health expenditure can be divided into two categories to either public or private sector. But, among both, private sector will be allocated more than public sector because private sector is important to attract more medical tourists. So, government will give more focus to the private sector

<https://assignbuster.com/health-into-two-category-to-either-public/>

because it will give higher return in term of number medical tourist than public sector. Plus, public sector will mostly focus on the service for local patients only.

In view of health expenditure, for over the past year, Malaysia have experienced significant improvement in the healthcare system. Plus, health is not only a vital requirement in human need but health is an investment. So, investment in this area is important to stimulate the economic growth of a nation.

The health system in Malaysia is a two-tier system between public and private healthcare system. Public healthcare is accessible to all Malaysian and funded by the government to provide low cost and comprehensive services. In the relation with the large number of ageing population in Malaysia as well as increasing number of population, government started to increase funding in the public healthcare. This is proven by Tang (2007) who studied the relationship between health expenditure and income. He used group population over the age of 65 years old as his variable and found out that the particular group population was positively related to the healthcare expenditure in the long-run. While public healthcare dominated the local industry, over the past years, private healthcare system has seems to be growing tremendously. This is due to the aim that government has to escalate private sector by endorsing more investment on this such as manufacturing of pharmaceutical products, medical devices, clinical research, aged-care services and supporting collaborative efforts between both sector ("Healthcare", n.

d). The increase in invest of private sector can be seen in the amount of money allocated in 2018 Budget which is RM 30 million to help in growing medical tourism industry. Other than that, there were collectively 40 projects announced under the NKEA Healthcare which targeted to create 26,966 job opportunities and generate RM 6.59 billion income as well as RM 4.96 billion of new investment by 2020.

As we were moving closer to 2020, the focus will be more on projects that will change the landscape of Malaysia healthcare industry which will emphasize on innovative solution towards higher quality and affordable healthcare. Plus, the demand for more healthcare solution increase in an era where there are lots of chronic and lifestyle disease and increase in ageing population. So, increase in healthcare expenditure is relatable to the innovative solution and NKEA aims to spur a veritable shift in the delivery of healthcare in the country