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Budget 2021: Time to Over-Invest in Health

The Malaysian Health Coalition calls for the 2021 Federal Budget to commit at least 4% of national GDP to the public healthcare system. This is higher than the current range of 2.0-2.5% of GDP, and will partially make up for years of under-spending while bringing Malaysia closer to international standards.

In particular, we recommend the following:

1. Invest heavily in the public healthcare system

There are four main areas for investment. One, Budget 2021 must focus on the development of human capital. The government must appropriately recognise the frontline and support healthcare workers who have served the country during the pandemic by providing them with more permanent posts and appropriate allowances and incentives. Please refer to our statement on [14 September 2020](#).

Two, Budget 2021 must focus on infrastructure building, especially in rural areas and East Malaysian states. We note that the Ministry of Health (MOH) received a larger allocation for development expenditure in Budget 2020 compared to previous years ([as reported on 16 October 2019](#)). This trend must continue especially considering the impact of Covid-19 in hard-hit Sabah, where the needs are greatest.

Three, additional funds must be allocated to the public health system, especially for pandemic response and preparedness. This pandemic has demonstrated the importance of disease surveillance, contact tracing and public health preventive measures. These areas require additional investment to strengthen coordination and improve use of analytics. There must also be an ear-marked allocation for purchases of vaccines, personal protective equipment, consumables and fixed assets needed to fight Covid-19.

We note that Malaysia's teaching hospitals (under the Ministry of Higher Education) and military medical service (under the Ministry of Defense) have played significant roles in managing Covid-19. We believe that non-MOH health services must also have adequate funding for education, research & development, service delivery and pandemic preparedness.

2. Strengthen routine and preventive care

There are three main non-Covid-19 areas for investment. One, more resources must be provided for comprehensive public health and preventive measures to help Malaysians lead healthy lives. The results of the recent [National Health and Morbidity Survey \(NHMS\) 2019](#) should inspire urgent and innovative policies for preventive care such as sin taxes for soft drinks and sugar, subsidising nutritious meals for school-going children from low-income households, and encourage exercise.

Two, more resources should be provided to building a future-proof architecture for mental health. NHMS 2019 highlighted the importance of strengthening mental health services in the country, especially for children. The government must provide more mental health services and access to care for frontliners, children who have undergone prolonged isolation, and adults who have experienced job loss, on top of those already at risk of mental health issues.

Three, the government must account for social and environmental determinants of health, such as water pollution, air pollution and climate change. These affect the Rakyat's health and can undo healthcare gains. The upcoming Budget must make bold moves such as create tax incentives for solar-generated electricity, sustainable waste management solutions and enforcement against pollution.

Not all determinants of health and public health policies fall under the purview of MOH. Therefore, these measures may not necessarily be included in the health allocation of the Budget, but they are important measures for the long-term health of the Rakyat.

3. Invest in long-term, durable policies to strengthen health system and governance

The leadership and governance of Malaysia's healthcare system needs deep reforms in several ways. One, the government must invest in an independent commission for health reforms, designed to be a permanent vehicle to build a reform strategy and supervise its implementation. This commission must consider ways to govern the human capital within the MOH system, potentially complementary to the Public Service Division. Two, the government must move toward universal health coverage through multi-year reforms in sustainable healthcare financing. Three, the government must invest in appropriate public-private integration and partnerships, from clinical services to vaccine manufacturing. Four, the government must invest in digital health, including a meaningful portable electronic health record (EHR) system, hospital information system (HIS) and a telemedicine framework. Five, the government must invest in mechanisms and human resources needed to provide oversight and accountability for the vastly increased spending of the MOH, to eliminate corruption, wastage, fraud, leakages and abuse.

All above measures are in line with global health strategies for achieving universal health coverage, addressing health emergencies and promoting healthier populations. Covid-19 has been a jolt to our health system, highlighting both its strengths and weaknesses. Budget 2021 must tackle these weaknesses, support our healthcare professionals on the frontline, and carve out a clear plan for improving the health of all Malaysians.

BERKHIDMAT UNTUK NEGARA.

Malaysian Health Coalition

49 organisations and 19 individuals

Full Signature List on myhealthcoalition.org.

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