

Malaysia: Health insurance reform could leave poor in the lurch, warns PSM

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Parti Sosialis Malaysia (PSM) secretary-general A Sivarajan said his party welcomed the government's decision under the new federal budget to provide free critical illness insurance of up to RM8,000 for the B40 group.

However, the party was concerned that current hospital rules could potentially leave recipients in the lurch.

He said that the RM8,000 insurance limit could be reached very quickly in a private hospital, after which a B40 recipient might run into difficulties transferring to a public hospital for the remainder of the treatment.

"When a patient runs out of the RM8,000 coverage and is unable to pay out of their own pocket in a private hospital, they would be referred to a government hospital.

"But the current Fees Act 1951 requires patients referred from private hospitals to be charged the first-class rate in government hospitals.

"This is many times higher than the regular charge. Therefore those who are protected by the insurance may later find themselves burned by charges at first-class rates in a government hospital," he said in a statement today.

As such, Sivarajan urged the government to review the act.

He noted that Putrajaya was giving a 7.8 percent boost for the health sector and urged the government to focus on constructing new hospitals to resolve overcrowding issues.

Minimum wage below recommended threshold

On the new minimum wage of RM1,100 effective next year, Sivarajan said even though it was RM50 higher than initially announced, it was still below the RM1,170 recommended by the national wage technical committee.

Sivarajan said PSM lauded the government's proposed campaign to promote the purchase of local goods, but added that it may be difficult to implement if wages were depressed.

Regarding the sale of state land, Sivarajan noted that the government will be conducting such transactions through open tender instead of direct negotiation.

However, he said those lands should not be sold but instead used to benefit the people, for purposes

such as affordable housing.

He added that the government's measures to provide financial assistance to home-buyers would not be helpful if house prices remain elevated.

He also urged the government to recognise the Orang Asli community's native customary land rights.

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