



# PERSEKUTUAN PERSATUAN DOKTOR PERUBATAN SWASTA MALAYSIA FEDERATION OF PRIVATE MEDICAL PRACTITIONERS' ASSOCIATIONS, MALAYSIA

Unit 1.6, Level 1, Enterprise 3B, Technology Park Malaysia (TPM), Jalan Inovasi 1  
Lebuhraya Puchong – Sungei Besi, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan  
Tel : (603) 8996 0700, 8996 1700, 8996 2700 Fax : (603) 8996 4700 Email : secretariat@fmpam.org

## (OPEN LETTER)

Date: 16<sup>th</sup> September 2023

YAB Dato' Seri Anwar bin Ibrahim  
The Right Honourable Prime Minister of Malaysia

Yang Amat Berhormat

### **Government must regulate the Managed Care Organisations to safeguard patient safety and ensure quality of care**

#### **Introduction**

Third-Party Administrators (TPAs) and Insurance-owned Employees' Benefits Companies are middlemen in the business of healthcare for employees in the private sector through administrating the procurement of medical care and employing cost-containment measures.

Under the Private Healthcare Facilities and Services (PHFSA) 1998, these entities are defined collectively as **Managed Care Organizations** (MCOs).

The MCOs' role in Employee Medical Benefits for employers in Malaysia has been that of a third-party administrator (TPA)-that arranges with the doctors (registered medical practitioners (RMPs)) to treat clients' patients utilizing cost-containment measures while claiming to maintain quality health care and efficiency. On the contrary, the cost-containment measures have resulted in rationed and restricted care. The downstream implications of these restrictions would adversely affect the health of the nation's workforce.

In our opinion, the current MCOs' business practice model is likely to result in serious breaches of relevant laws, including the Medical Act, PHFSA 1998 and Regulations 2006, the MMC Code of Professional Conduct, the Guidelines on Good Medical Practice and others, thereby undermining the quality of medical care for the patient and the *rakyat*.

We, humbly present the concerns, findings and the recommendations of the Private Practitioners' Forum on the MCOs held on 16<sup>th</sup> September 2023 for the urgent attention, consideration and action of Yang Amat Berhormat..

1: Some of the specific issues resulting from the imposition of terms and conditions (Quasi-Regulations (QRs)) by the MCOs are contrary to compliance with existing laws and regulations.

These QRs were unilaterally determined by the MCOs without due consultation with the Ministry of Health (MOH), private doctors and medical professional bodies, resulting in unfair contracts that are contrary to optimal treatment for patients and fair reimbursement for the RMPs.



## PERSEKUTUAN PERSATUAN DOKTOR PERUBATAN SWASTA MALAYSIA FEDERATION OF PRIVATE MEDICAL PRACTITIONERS' ASSOCIATIONS, MALAYSIA

Unit 1.6, Level 1, Enterprise 3B, Technology Park Malaysia (TPM), Jalan Inovasi 1  
Lebuhraya Puchong – Sungei Besi, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan  
Tel : (603) 8996 0700, 8996 1700, 8996 2700 Fax : (603) 8996 4700 Email : secretariat@fpmpam.org

- 2: QRs restrict patients' right of choice of doctors, limited to those registered with the MCOs. The existing patient-doctor relationship is also compromised as the MCOs determine the clinics they appoint. With a change of the MCOs, patients are forced to start over with a new healthcare provider.
- 3: The MCOs have imposed QRs on doctors' right of choice of medicines and duration of treatment per visit leading to difficulty in providing optimum evidence-based healthcare to the patients.
- 4: Of late, some MCOs have issued QRs requiring that their patients should only consult the doctors and are then directed to collect their medications from specific pharmacies. They are then asked to repeat their medications without the need for subsequent follow-up care and supervision by the primary doctors. This specific QR is tantamount to dispensing separation and is contrary to the process of continuity of care for the patient. It will jeopardise patient safety.
- 5: There is also a QR that specifies what medical conditions that doctors are allowed to treat and to be reimbursed for. This is an interference with the medical management of a patient and thus is a contravention of specific provisions of the PHFSA 1998 and Regulations 2006.
- 6: Furthermore, there are also QRs that reject payment for specific medications even though they are NPRA-registered medications and prescribed by the attending doctor for medical treatment. This is interfering with the statutory right of the doctor to prescribe. This QR is unlawful in Malaysia as has been affirmed in the recent Court of Appeal judgement [. \(https://www.malaymail.com/news/malaysia/2023/08/25/in-covid-era-case-court-of-appeal-rules-doctors-can-dispense-ivermectin-to-patients-for-medical-treatment/87193\)](https://www.malaymail.com/news/malaysia/2023/08/25/in-covid-era-case-court-of-appeal-rules-doctors-can-dispense-ivermectin-to-patients-for-medical-treatment/87193)

The Forum wishes to bring to YAB's attention to the following:

- i. The right to quality and appropriate care and the interest of patients must be paramount at all times;
- ii. Hence, it is mandatory for all MCO contracts to be compliant with all relevant laws, the MMC's Code of Conduct and guidelines on Duties of a Doctor, comprising Good Medical Practice and Doctor-Patient confidentiality and all other applicable MMC guidelines;
- iii. RMPs are not privy to the fact that MCO's contracts with Employers and the MCO's prescribed level of care may be in breach of relevant provisions and guidelines of the above-mentioned laws and regulations.
- iv. The unilateral contracts between the MCOs' and the Employers have vested too much power on the MCOs' issuing QRs whereby the "business of medicine", which is presently unregulated, determines the "practice of medicine" which on the other hand is highly regulated.

### **Conclusion**

The continuation of this scenario of unregulated MCOs is untenable for the doctors committed to providing affordable, quality and compassionate care.

The current MCO provisions in the PHFSA 1998 regulate only the professional relationships of healthcare facilities with the MCOs. It does not regulate the MCOs.



**PERSEKUTUAN PERSATUAN DOKTOR PERUBATAN SWASTA MALAYSIA  
FEDERATION OF PRIVATE MEDICAL PRACTITIONERS' ASSOCIATIONS, MALAYSIA**

---

Unit 1.6, Level 1, Enterprise 3B, Technology Park Malaysia (TPM), Jalan Innovasi 1  
Lebuhraya Puchong – Sungei Besi, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan  
Tel : (603) 8996 0700, 8996 1700, 8996 2700 Fax : (603) 8996 4700 Email : secretariat@fpmpam.org

The current provisions in the PHFSA 1998 were an interim measure to safeguard the quality of care to patients while an MCO Act was being drafted. The legislation process has been stalled after a preliminary draft was produced in 1999.

After almost 25 years, the provisions have not been effective in restraining the MCOs from laying down terms and conditions on healthcare facilities that affect the professionalism of doctors and the provision of quality care to patients.

**We strongly urge YAB to immediately:**

a) Expedite the enactment of the long overdue MCO Act and ensuing regulations to regulate the practice of managed care and the code of conduct of MCOs in the interest of good medical practice.

This is in line with practices in many developed countries that have managed care legislation to protect patients and doctors from unscrupulous business practice.

Legislation should include provisions to make the MCOs liable as a result of imposing undue constraints on doctors resulting in adverse outcomes for patients.

b) Direct the relevant Ministry(ies) to immediately vet all MCO contracts to ensure consistency, fairness to all concerned and compliance with mandatory standards which the MCOs are obliged to meet as required by law.

c) Empower the relevant Minister/ Bank Negara to protect the MCOs'/Insurer-MCOs enrollees'/patients' right to appropriate quality and choice of care.

d) Establish statutory responsibilities of the MCOs towards the patients, enrollees and the RMPs, the contracted providers.

Yours faithfully

Dr. Steven KW Chow  
Chairman, PP Forum 2023/FPMPAM

Dr. Shanmuganathan TV Ganesan  
President, FPMPAM



## **PERSEKUTUAN PERSATUAN DOKTOR PERUBATAN SWASTA MALAYSIA FEDERATION OF PRIVATE MEDICAL PRACTITIONERS' ASSOCIATIONS, MALAYSIA**

---

Unit 1.6, Level 1, Enterprise 3B, Technology Park Malaysia (TPM), Jalan Inovasi 1  
Lebuhraya Puchong – Sungei Besi, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan  
Tel : (603) 8996 0700, 8996 1700, 8996 2700 Fax : (603) 8996 4700 Email : [secretariat@fmpam.org](mailto:secretariat@fmpam.org)

On behalf of:

1. Academy of Medicine of Malaysia (AMM)
2. Academy of Family Physicians of Malaysia (AFPM)
3. Association of Specialists in Private Medical Practice (ASPMP)
4. Pertubuhan Doktor-Doktor Islam Malaysia (PERDIM)
5. Medical Practitioners Coalition Association of Malaysia (MPCAM)
6. Penang Medical Practitioners' Society
7. Perak Medical Practitioners' Society
8. Private Medical Practitioners' Association of Selangor & Kuala Lumpur
9. Private Medical Practitioners' Society, Kedah/Perlis
10. Association of Private Practitioners' Sabah
11. Private Practitioners' Society Sarawak
12. Malaysian Medical Association, Sarawak Branch