

# Destination Malaysia for health care

**By Carolyn Hong, Malaysia Bureau Chief**

KUALA LUMPUR: When Ms Lee Fei Li had her first baby in a private hospital two years ago, it cost her RM4,000 (S\$1,700). When her second baby arrived last month, she paid only RM1,000.

The reason: She was allowed to use her husband's Singapore Medisave account to defray the expenses.

'The process was very smooth and easy,' she said.

Ms Lee, 29, a Malaysian software engineer, and her husband - also a Malaysian - both work in Singapore, where they are permanent residents.

Malaysia is now gearing up to woo patients like Ms Lee, after Singapore allowed its residents to use their Medisave to pay for health care in Malaysia.

They can do so at 12 hospitals owned by two Singapore companies.

'We will also run some promotional efforts there (in Singapore) as Singapore has been identified as a market for Malaysian health care,' said Mr Alhadi Harun, assistant secretary of the Malaysian government's Health-care Travel Council.

Medical tourism is becoming a significant contributor to Malaysia's travel industry. Once a laggard, tourism has grown rapidly in the last 10 years to become the second largest foreign exchange earner.

Tourist arrivals leapt fivefold in the last decade to reach a record high of 23 million last year, about half of whom are Singaporeans, earning Malaysia more than RM50 billion.

The government has identified health care as an area with potential, and is eyeing the booming middle classes in the region as a lucrative market. Last year, it set up the Health-care Travel Council, identifying 35 private hospitals for the promotion of medical tourism.

The government has introduced tax breaks for hospitals running such programmes, incentives for the construction or expansion of hospitals, and other incentives like permits to allow hospital vehicles to ferry patients to and from airports or hotels.

The sector has seen sharp growth in recent years. Prime Minister Najib Razak has said the health tourism revenue of the 35 earmarked private hospitals had grown from RM59 billion to RM299 billion in the last five years.

The growth came about with an increase in the number of foreign patients, from 100,000 a year to about 375,000 now - a growth of 30 to 35 per cent a year.

Malaysia's advantage is its relatively low costs, high standards and well-developed infrastructure.

According to the Health Ministry, an angioplasty that can cost US\$57,000 (S\$79,000) in the United States and US\$13,000 in Thailand costs only US\$11,000 in Malaysia.

And a knee replacement procedure which costs US\$40,000 in the US and US\$13,000 in Singapore can be done for just US\$8,000 in Malaysia.

Such savings have no doubt benefited medical centres like the private Pantai Medical Centre, which runs nine hospitals. In five years, it has seen the number of foreign patients double from 20,000 to 40,000.

Its group chief executive, Dr Chan Boon Kheng, told The Straits Times that the majority of patients are from Indonesia, with others also coming from the Middle East and Europe.

'We are also seeing an increasing number who come for advanced radiotherapy and even chemotherapy in our hospitals,' he said.

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