

# Rising overheads forcing private clinics to close

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The Malaysian Medical Association (MMA) estimates that more than 500 private clinics have closed over the past four years. AFP

**PETALING JAYA:** Escalating costs are forcing more and more private medical practitioners, including specialists, to close down their clinics.

The Malaysian Medical Association (MMA) estimates that more than 500 private clinics have closed over the past four years.

Expressing concern over this trend, MMA president Dr Ashok Zachariah Philip said while some new clinics have opened, more have closed down.

"This can be a bleak trend for private doctors now and in the future if things do not change for the better," he said.

According to Ashok and other private medical practitioners *theSun* spoke to, the high number of clinic closures is due to several factors, including:

- » overhead cost of setting up a clinic, which has increased 10-fold from RM20,000-RM30,000 to RM100,000-RM200,000;
- » increasing cost of medical equipment and supplies;
- » increasing cost of medicines due to the GST;
- » patients moving away from private clinics to 1Malaysia clinics and government health clinics and hospitals;
- » increase in the minimum wage for employees;
- » costs related medical indemnity requirements by insurance companies, the Personal Data Protection Act and annual licensing fee.

Dr Ashok said many doctors are now reluctant to open new clinics due to the higher cost they would have to incur for renovation works to comply with the requirements of the Private Healthcare Facilities and Services Act 1998.

He said, in the past, the overhead cost to set up a clinic was between RM20,000 and RM30,000, but it

has now shot up to between RM100,000 and RM200,000, taking into account also the cost of purchasing equipment and supplies.

The escalating cost of medicine has also forced private clinics to increase their fees, but this does not go down well with patients.

He said although many medicines are zero-rated, there are many, especially those used by specialists, that incur the GST.

"When private clinics charge more, patients get treatment from public hospitals and clinics instead," he added.

Dr Ashok said when clinics close, there will be a surplus of doctors in the country, with many becoming unemployed, including those who graduated and completed their compulsory housemanship in government hospitals.

"There are far too many doctors being produced by the medical universities every year, and this is not good if there are not enough postings in government hospitals and clinics," he added.

He said the government should look into the matter as it is affecting the industry, and do the needful before a bigger number of doctors become jobless.

"There is a need to have more postings to cater to demand and sadly, these are not expanding accordingly," he added.

Dr Ashok expressed concern that this trend might result in experienced doctors, especially specialists, as well as fresh graduates leaving the country for better prospects.

He said the MMA has been in discussion with the Health Ministry on this issue over the past few years but little has changed.

"I hope they can change their attitude in their approach on the matter," he said.

Meanwhile, speaking in his capacity as an ordinary doctor, a former MMA president, Dr H. Krishna Kumar, said some of those who have closed their clinics are specialists with 40 to 50 years of experience.

"It is sad to see clinics closed due to increasing costs," he said.