GP Clinics: Engine of Growth in Private Healthcare

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The private primary care practice in Malaysia has tremendously increased, from 6,589 in 2011, to 6,801 at present. It is distributed well demographically and the number of doctors practicing within, have also increased in numbers by a whopping 36.3% over the years.

With this trend, I believe, there will be a surge in the private sector in a couple of years to come. How is the private sector, especially the private primary care, going to handle this surge?

The operating hours range from 9 – 24 hours a day, and opens employment for more than 7,000 general practitioners (GPs), hundreds of locum doctors as well as an estimate of 35,000 support staff, which consist of SPM leavers, nursing diploma holders, technicians, radiographers, physiotherapists and not forgetting pharmacy technologist with diploma certificates.

It is estimated to register eight million visits a year. Out of these, almost 50% are patients who adopt cashless payment method, while the remaining 50% are cash paying patients. Out of the estimated four million cash paying patients, an average of 70% claim from their employers, while the remaining 30% pay is from their own pockets.

There are spillovers from this industry, from the pharmaceutical area, medical devices, disposable medical products, biological waste management, banking services including usage of credit cards facilities in the clinic premises and software systems. It is also estimated that outpatient care expenditure at clinics is around RM3.2 billion.

Business Monitor Research estimated the value of Malaysian pharmaceutical market to be at RM8.46 billion in 2013. These pharmaceutical products are distributed via the Government (31% or RM2.6 billion), community pharmacies (18% or RM1.5 billion), clinics (15% or RM1.3 billion), private hospitals (13% or RM1.11 billion) and another 23% or RM1.95 billion from the local generic manufacturers and generic imports. Are the big corporate companies eyeing for the estimated RM1.7 billion of GP market share, should certain policies be implemented?

Not to forget the contractors who help to set up the facility whose cost, excluding medical devices necessary, may range from RM130k – RM170k.

Today we have more than 23 Managed Care Organisations (MCOs) or Third Party Administrators (TPAs) benefitting from this GP industry. With these MCO/TPAs, how much of employment is being created as such.

This private medical practice is a real value for money professional service, as not only is it affordable but also convenient and accessible while maintaining high-quality care, more so with the stringent Private Healthcare Facilities & Services Act and Malaysian Medical Council's Code of Professional Conduct. This unique system has been in existence since independence without any subsidies from the Government.

While spillovers from the GP industry have benefitted many sectors, the doctors themselves are being pushed to the corner as big corporate companies take advantage of the not so business savvy doctors.

It is high time, we, the doctors, realise our own strength and resist these bullies by staying united through various networking, the biggest and the oldest being Malaysia Medical Association.

Source: MNHA, Health Facts MOH, EDGE