

PRESS STATEMENT

MANAGED CARE ORGANISATION (MCO)

MCO is defined in the Private Healthcare Facilities and Services Act 1998 (*Act 586*) as any organisation or body with whom a private healthcare facility or service provider has an arrangement or contract to provide healthcare services within an agreed financing system.

A statement was made by the previous Minister of Health on the needs of all MCOs to be registered with the Ministry of Health (MOH) by the end March 2008. To date only 6 MCO has registered. We have reasons to believe that there are another estimated 50 MCO that has yet to register with MOH. This has caused much concern to Ministry because various issues had been raised by many parties affected by these dealings and we find it difficult to intervene to resolve these issues raised and faced by all parties concerned. As patients' healthcare interest is our paramount responsibility the MOH wishes to respond to these issues as follows;

- (a) MCO to be licenced under Act 586
All MCOs who provides any health related service shall be licenced under Act 586 so as to effectively regulate their activities in their dealings with other private healthcare facilities or service providers. This requirement shall be specified by the Minister of Health pursuant to section 3(k) of Act 586 and to be notified in the Gazette.
- (b) Fee Splitting
Fee splitting is prohibited under both the Private healthcare Facilities and Services Regulations of 2006. MOH is clear that any form of arrangement made by any parties which intended to induce either party to refer or receive a patient from each other will amount to fee splitting.

In light of the dispute relating to this fee splitting among the interested parties, MOH wishes to reiterate its view that any form of discount on **professional fee** can be construed as intention to induce that doctor to compromise his professional judgment for financial gain much to the detriment of his patient. This view is inline with the Code of Professional Conduct for Practitioner of the Malaysian Medical Council on "fees splitting" and may subject the practitioner to disciplinary punishment under the Medical Act 1971.

Having stated as above, MOH will not interfere with dealings that allows discount on any other charges including hospital administrative charges.

With the above clarification, MOH urges all MCOs that have yet to register to do so immediately. All private healthcare facility or service provider are advised to take heed of MOH's stand on fee splitting and to deal only with registered MCOs.

TAN SRI DATUK DR HJ MOHD ISMAIL MERICAN

Director General of Health Malaysia

3 April 2008