

Fee splitting

***Tan Sri Dato' Seri Dr. Hj. Mohd. Ismail Merican,
President, Malaysian Medical Council & Director- General of Health, Malaysia***

Press Statement 2 April 2010

1. In reference to the previous press statement on Ministry of Health's (Ministry) stand on fee-splitting dated 3rd April 2008 which was published in mainstream newspapers on the 4th of April 2008, the Ministry would like to reaffirm that the practice of fee-splitting is a breach of the Private Healthcare Facilities and Services Act 1998 [Act 586] and its Regulations. It is also unethical and is considered as a form of serious professional misconduct by the Malaysian Medical Council.
2. Fee-splitting is defined under the Regulations of Act 586 as any form of kickbacks or arrangements made between practitioners, healthcare facilities, organisations or individuals as an inducement to refer or receive a patient to or from another practitioner, healthcare facility, organisation or individual. The term 'organisation' here includes any insurance company or corporate body.
3. Currently, Ministry is in the midst of amending the Regulations. In the proposed amendment, the prohibition instead will be restricted to any form of kickbacks or arrangements of professional fees involving practitioners, which is deemed as a form of inducement to refer or receive patients from the interested parties. This proposal is subjected to agreement from all relevant stakeholders in healthcare.
4. In light of the dispute relating to discounts, the Ministry wishes to reiterate that it has no objection on direct dealing between a private healthcare facility and any organisation or individual that allows discount to be given for charges other than the professional fees as long as the discount is not deemed to be a form of kickback or arrangement as an inducement to refer or receive patients.
5. Similarly, a practitioner, at his own discretion, may exempt or reduce his professional fees and adhere to the written policies on the quantum of fees to be charged drawn up by the private healthcare facility based on the Fee Schedule and agreed upon by the Medical and Dental Advisory Committee (MDAC), representing all practitioners. Simultaneously, practitioners should also be conferred with to give consensus on any special arrangement made that affects their practice. At the same time, all practitioners and relevant stakeholders are urged to comply with the Fee Schedule and refrain from fragmenting or unbundling the procedure fees.

6. In relation to issues on Managed Care Organisations (MCOs), Ministry would like to remind all the relevant stakeholders; the public as the policyholders, the healthcare facilities including the practitioners as the healthcare providers and the Managed Care Organisations as the third party to be well informed and understand on the stated terms and conditions before agreeing on the contractual agreement to ensure all the parties involved benefit from such agreement.
7. In view of our concern and priority for patient safety and quality of healthcare, all private healthcare facilities and MCOs are again advised to take heed of the Ministry's stand on fee-splitting.