

EXECUTIVE SUMMARY

Title	:	PHPN Initiative: Implementation of Diagnosis-Related Group (DRG) for Private Healthcare in Malaysia and baseline study on standard pricing for selected services provided by Private Hospitals.
Objectives	:	<ul style="list-style-type: none"> ▪ To gather inputs from stakeholders in order to come up with the universal DRG that can be used by public and private healthcare in Malaysia ▪ To prepare a baseline study on standard pricing for selected services in Private Hospital.
Expected Output	:	<ul style="list-style-type: none"> ▪ A comprehensive input and recommendation to expedite the processing of payment to the hospital by eliminating lengthy inquiries by insurance companies on the treatment and services given by the doctor to its patients. ▪ A baseline study on standard pricing for selected services in Private Hospital
Total Cost	:	RM49,600.00
Budget	:	SPN: Private Healthcare Productivity Nexus
Recommended By	:	
Comment/ Signature by PCT	:	

PERBADANAN PRODUKTIVITI MALAYSIA (MPC)
PROPOSAL FOR BOARD OF MANAGEMENT

1.0 Purpose

The purpose of this paper is to request for Board of Management (BOM) to approve budget for PHPN Initiatives on Implementation Diagnosis-Related Group (DRG) for Private Healthcare in Malaysia and baseline study on standard pricing for selected services provided by Private Hospitals.

2.0 Background

- 2.1 Diagnosis-related group (DRG) is a patient classification system that standardizes prospective payment to hospitals. By considering the disease of the patient and the procedure and treatment done to the patient, the cost will be paid to the hospital. This is done by the government in its cost containment initiatives.
- 2.2 The advantages of the DRG payment system are reflected in the increased efficiency and transparency and reduced average length of stay. DRG which is currently being used in 102 out of 146 public hospitals are being planned to be implemented in private hospitals.
- 2.3 The system can be used to expedite the processing of payment to the hospital by eliminating lengthy inquiries by insurance companies on the treatment and services given by the doctor to its patients.
- 2.4 The baseline study on the standard pricing can be used by Ministry of Health to guide on the Public Private Partnership Initiative (eg. transferring patients from public hospital to private hospital).

3.0 Objective

- 3.1 To gather inputs from stakeholders in order to come up with the universal DRG that can be used by public and private healthcare institution.

3.2 To prepare baseline study on standard pricing for selected services in Private Hospital.

4.0 Duration

October – December 2020

5.0 Expected Output

5.1 A comprehensive input and recommendation to MOH on the benefits of implementing the DRG in Malaysia. It will expedite the processing of payment to the hospital by eliminating lengthy inquiries by insurance companies on the treatment and services given by the doctor to its patients.

5.2 A baseline study on standard pricing for selected services for the Government to plan to send patients to Private hospitals.

6.0 Estimated Cost

No	Items	Breakdown	Budget (RM)
1.	Expert Fee/Technical Expert/Facilitator for Baseline Study <ul style="list-style-type: none"> Phase 1 – Facilitate discussion and design of data collection instruments Phase 2 - Data collection, analyse findings, present the findings and facilitate discussion to come out with standard pricing Phase 3 - Prepare and submit a baseline study 	RM 2,000 x 9 mandays	18,000
2.	Expert Fee/ Technical Expert/ Facilitator for DRG	RM 2,000 x 6 sessions (Facilitator) RM 500 x 20 experts (Technical Experts)	12,000.00 10,000.00
2.	Virtual Workshop/Meeting <ul style="list-style-type: none"> i. LIAM/ Insurance companies, ii. representatives from the fraternity of doctors (Association of 	4 Sessions	

	Specialists in Private Practice) iii. Hospital administrators		
3.	Physical Workshop/Meeting i. MOH ii. Patients/ NGOs that are looking at universal issues & Other Stakeholders	i. 20 Pax x RM 200	4,000.00
4.	Publication and Editorial ▪ Rapporteur/ Write-up / Proofread / Press and Media Release	Virtual: 4 sessions x RM750 Physical: 2 Sessions x RM 1,000 Press and Media Release: 3 pages x RM 200	3,000.00 2,000.00 600.00
5.	Total		49,600.00

8.0 Approval from BOM

The approval of the Board of Management (BOM) on the budget of **RM49,600.00** is sought upon.

Prepared by:

Approved by:

Safarwan Mohd Suhaimi
Assistant Manager
Secretariat PHPN

Nur Syafina Anuar
Manager
Secretariat PHPN