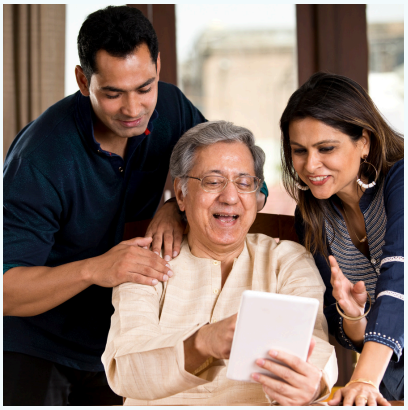







Base MHIT Plan

Widening Healthcare Access and Choice

What is the base MHIT plan?

The base medical and health insurance/takaful (MHIT) plan is a key initiative under the **RESET Strategy** that aims to transform private health insurance and takaful offerings in the market.

1 A voluntary protection plan that helps pay for private healthcare services

It is designed to provide meaningful protection at affordable premiums* for Malaysians against costly healthcare expenses. It expands choice for all Malaysians, especially those who are currently uninsured and those who may want to switch from their current plans due to repricing or changes in their financial circumstances.



2 Complements, does not replace, public healthcare

The public healthcare system will continue to provide universal access to healthcare for all Malaysians. The base MHIT plan improves access to additional healthcare options for Malaysians who can sustainably afford private healthcare coverage.

3 Promotes value-based healthcare

It aligns incentives and strengthens the focus on healthcare quality while keeping costs under control, so that patients get consistent, high-standard care without unnecessary out-of-pocket expenses.

*includes takaful contributions

What are the features of the base MHIT plan?



Standardised benefits

The base MHIT plan offers a standardised package of benefits across participating insurers and takaful operators (ITOs). Benefits include coverage for costs associated with:

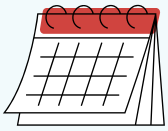
- Hospital room and board
- Surgical procedures
- Hospital supplies, services and medication
- Day surgeries and certain outpatient treatments*
- Pre- and post-hospitalisation services

*dengue, influenza A and B, bronchitis and pneumonia/bronchopneumonia



Standalone product

The base MHIT plan will be offered as a standalone medical protection plan. It will **not** be linked to investment products.



Annual limits based on needs

An annual limit of RM100,000 will apply. This limit will increase to RM150,000 for individuals aged above 60 years old to allow for more frequent and costly claims at older ages.

The limits are sufficient to cover 99% of treatment costs for common medical conditions based on recent medical claims trends.

There will also be an option to buy a standard-plus plan that offers a higher annual limit of RM300,000 for the same benefits coverage with a higher deductible. Premiums will be lower for this plan which pays for claims that exceed the deductible amount (see ‘Greater premium stability’).

What are the features of the base MHIT plan?



Tiered co-payments

Tiered co-payments will apply under the base MHIT plan to control overutilisation and encourage both patients and providers to prioritise efficient, quality care. This serves as a key lever to keep claims manageable and premiums affordable.

Lower co-payments will apply to hospitals that demonstrate the efficient use of resources aligned with clinical standards ('in-network' hospitals). Such hospitals must also be able to provide good service and cost transparency.



Coverage up to age 85

Individuals up to age 70 may purchase the plan, with protection provided up to age 85. Premiums will reflect an individual's age, gender and health status to achieve affordable, fair and more stable premiums for the insured pool over time (see 'Greater premium stability').



Access to optional wellness and preventive care

Individuals with the base MHIT plan can make use of wellness and preventive care services at **discounted** rates as an optional purchase.

These services include selected vaccinations, health screening and other wellness packages designed to encourage early detection and promote healthier lifestyles.

What are the features of the base MHIT plan?

Greater premium stability

Premiums will be set by authorities based on sound actuarial principles and rating approaches to ensure fair and affordable premiums, especially for more vulnerable groups.

Standardisation of the plan enables broader risk pooling across participating ITOs. This helps to reduce the claims volatility of the pool and supports more stable premiums for the base MHIT plan over time compared to current MHIT products offered in the market. Appropriate limits on relative premiums charged to older lives and higher health risks will also apply.

Here are **indicative target monthly premium** ranges for the standard and standard-plus base MHIT plans:

	31-35 years	61-65 years	Above 75
			
Standard plan:	RM80 - RM120	RM280 - RM350	RM500 - RM780
Standard-plus plan:	RM50 - RM70	RM220 - RM280	RM400 - RM660

The finalised premiums for the base MHIT plan will be announced closer to its launch in 2027. Thereafter, premiums will be subject to periodic reviews to ensure that premiums collected are sufficient to pay claims in the future. Adjustments to the premium levels will take into account the claims experience of the risk pool, medical inflation as well as any revisions to the benefits covered.

To keep premiums affordable over time, effective controls over the unnecessary use of expensive and less efficient healthcare services will be crucial. Such controls form an important part of the base MHIT plan and include the use of co-payments and progressive adoption of DRG-based payments* to better manage healthcare costs without compromising health outcomes.

*Diagnosis-Related Group (DRG). Under this payment system, hospitals receive a fixed payment per patient episode based on standard diagnosis and treatment codes

Frequently Asked Questions (FAQs)

1 How does the base MHIT plan differ from existing MHIT products?

Like existing MHIT products on the market, the base MHIT plan is a voluntary protection plan offered by ITOs.

However, the base MHIT plan differs in several respects.

- It is designed to be more transparent and easier to understand. It will be offered as standalone product. The package of benefits will be standardised, regardless of ITO.
- It also has features that support more stable premiums over time.

2 How can I buy the product?

The base MHIT plan is set to be available for purchase in early 2027. The list of participating ITOs will be announced in due course.

3 Is the product a social insurance scheme?

The base MHIT plan is not a social insurance scheme. It is a voluntary plan intended to help Malaysians who desire and can afford private healthcare coverage to better protect themselves against large healthcare expenses. It does not replace the public healthcare system which will continue to provide universal access to healthcare for all Malaysians.

4 I am an existing MHIT policyholder. Can I switch to the base MHIT plan?

Yes. Existing policyholders can switch to the base MHIT plan with the same ITO without re-underwriting and waiting periods. Further information for existing policyholders will be communicated by your ITO closer to the launch of the base MHIT plan in 2027.

Frequently Asked Questions (FAQs)

5 What if I want more coverage?

The base MHIT plan is designed to be simple and covers most common procedures.

Those who require higher coverage will be able to purchase higher plans offered by ITOs. Such products will offer at least the same meaningful benefits of the base MHIT plan, plus additional benefits. As these products will vary between ITOs, individuals may shop around for products that best suit their needs and affordability.

6 I recently received a repricing letter for my existing MHIT policy. What should I do?

As announced in December 2024, ITOs will implement interim measures to limit yearly premium adjustments due to medical claims inflation to no more than 10% for most policyholders. This measure remains in place until the end of 2026.

Existing policyholders are encouraged to maintain their policies until the base MHIT plan is available. This will enable them to switch seamlessly to the base MHIT plan if they choose to do so.





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The base MHIT plan is a key component of the RESET strategy, a collaborative effort by the Ministry of Health, Ministry of Finance, Bank Negara Malaysia and key stakeholders to address medical inflation and strengthen Malaysia's healthcare system.

Enquiries and feedback on the Base MHIT Plan can be addressed to mhit@bnm.gov.my