

MMA raises concerns over ‘unregulated’ third-party administrators

Malaysian Medical Association president Dr R Muruga Raj says the issues raised since 2015 have gone unheeded by the health ministry.

[FMT Reporters](#) - 05 Aug 2023, 1:55pm



Some third-party administrators charge GPs up to RM5,000 in registration fees just to be appointed as a panel clinic. (File pic)

PETALING JAYA: The Malaysian Medical Association (MMA) has urged the health ministry and other relevant bodies to look into the alleged unethical and unregulated practices of third-party administrators (TPA) or managed care organisations.

MMA president Dr R Muruga Raj said specific issues concerning TPAs have been brought to the attention of the health ministry since 2015, but there had been no remedial action taken so far.

“Regrettably, there has been no change in the practices of TPAs since 2015, and they remain unregulated,” he said in a statement today.

He added that these TPAs act as middlemen in managing employee benefits for employers, adding that there are more than 30 such companies registered with the health ministry.

According to Muruga Raj, some of these administrators would charge private general practitioner (GP) clinics up to RM5,000 in registration fees just to be appointed as a panel clinic.

He also claimed that TPAs were generating revenue by fee-splitting, whether by reducing consultation fees or claiming a portion of the fees from the final settlement of a medical bill, adding that this was an illegal practice.

“Some TPAs take 10% to 15% off the total bill, which can potentially compromise patient care.”

Muruga Raj said there was also a lack of monitoring on these TPAs' practice of outsourcing the prescription of long-term medications to pharmacists via e-prescriptions.

He warned that this allows for the potential abuse of medications and runs the risk of medical complications such as end-stage renal failure.

Furthermore, this disregard for proper healthcare monitoring is not in line with the management of chronic health diseases, especially non-communicable diseases (NCD), he said.

Muruga Raj added that TPAs also have the habit of delaying claims payments, causing many panel clinics to struggle financially as they rely on these settlements to sustain their practice.