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## Doctors Hold Historic Protest Against KPDN's Jurisdiction Over Drug Price Display

## By Alifah Zainuddin | 6 May 2025

In an historic rally, over 700 doctors protested against KPDN's jurisdiction over drug price display under Act 723, saying that the order should be under Act 586 instead under MOH's jurisdiction. Doctors' groups maintain support for price transparency.



Doctors gather at a rally in Putrajaya on May 6, 2025, to protest the Domestic Trade and Cost of Living Ministry's (KPDN) jurisdiction over mandatory drug price display under the Price Control and Anti-Profiteering Act 2011 (Act 723). Photo by Sam Tham for CodeBlue.

**PUTRAJAYA, May 6** — More than 700 doctors held an historic demonstration today against the Domestic Trade and Cost of Living Ministry's (KPDN) jurisdiction over a medicine price display mandate.

The first-ever rally by private sector doctors in Malaysian history – which saw general practitioners (GPs) and specialists from across the peninsula descending to Putrajaya – objected to the gazettement of the drug price display order under the Price Control and Anti-Profiteering Act 2011 (Act 723).

Rally organisers – including the Malaysian Medical Association (MMA) and the Organisation of Malaysian Muslim Doctors (Perdim) – maintained their support for the price transparency policy, calling instead for the display of medicine prices to be mandated under the Private Healthcare Facilities & Services Act 1998 (Act 586) that is under the jurisdiction of the Ministry of Health (MOH).

"While the medical associations fully support the principle of transparency in medicine pricing, we strongly object to how the Price Control and Anti-Profiteering (Price Marking for Drug) Order 2025 is being enforced on private clinics under Act 723 without consultation and engagement with the affected medical fraternity, especially GPs," 11 medical groups said in a joint memorandum submitted to the Prime Minister's Office (PMO).

"More importantly, doctors, clinics and the medical associations strongly argue that the regulation of medicine transparency and display in private clinics must fall under the Private Healthcare Facilities and Services Act 1998 (Act 586) – not the Price Control and Anti-Profiteering Act 2011 (Act 723), which is inappropriate for regulating clinical service environments.

"Act 586 was specifically enacted to regulate private health care facilities, ensuring a balance between clinical governance, patient safety, and fair pricing."

"Enforcing a pricing display under a commercial law designed for price control by traders is ill-suited to the nuanced needs of patient care and could lead to unintended consequences, such as patients making decisions based on price alone, rather than professional medical advice."

Lawyer Manmohan S Dhillon, a partner at P.S. Ranjan & Co., <u>previously told</u> *CodeBlue* that a drug price display mandate cannot be issued under Act 586 because that law only provides for a fee schedule, but not for the display of drug prices.

The Price Control and Anti-Profiteering (Price Marking for Drug) Order 2025 – which compels private health care facilities and community pharmacies to display medicine prices – was made under Section 10 of Act 723 that empowers the minister to gazette orders to require "price marking" for any goods or services which are to be supplied.

Medical Inflation Happening In Private Hospitals, Not GP Clinics



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In a <u>speech at the rally</u>, MMA president-elect Dr R. Arasu noted that nearly 80 per cent of private medical clinics in the country are run by solo practitioners.

He explained that private medical clinics have four revenue streams: consultation, procedures, investigations, and drug dispensation. Consultation and procedure fees are capped under Act 586.

"Most of the income is from consultations and medicines. The gross profits from medicine are used to cover clinic operating costs, including doctor and staff salaries, regulatory compliance as we are regulated by many Acts, as well as premise rental and electricity bills that go up every year," Arasu told the crowd.

He also claimed that medical inflation is not occurring among GP clinics, but private hospitals.

"If the government wants to implement Act 723, do it for private hospitals. But for medical clinics, we want the government to review and use Act 586," he added. "We really do support transparency."

<u>Perdim president Dr Boi Saidi Abd Razak told the rally</u> that medical clinics have no problem displaying drug prices, as they only take issue with the jurisdiction of the mandate under Act 723.

"We don't want two Acts controlling us — Act 586 and Act 723. This will burden private clinics," he said, adding that Act 723 is unsuitable for use in the private health care sector as clinics are not "retail stores".



Malaysian Medical Association president-elect Dr R. Arasu speaks at a rally in Putrajaya on May 6, 2025, to protest the Domestic Trade and Cost of Living Ministry's (KPDN) jurisdiction over mandatory drug price display under the Price Control and Anti-Profiteering Act 2011 (Act 723). Photo by Sam Tham for CodeBlue.

At a press conference, Dr Arasu said doctors' groups will further study comments by lawyers – as reported by *CodeBlue* – that the <u>MOH lacks the legal authority ("punca kuasa"</u>) to enforce the drug price display order under Act 723.

Three lawyers from P.S. Ranjan & Co., GS Nijar Advocates and RDS Partnership said Domestic Trade and Cost of Living Minister Armizan Mohd Ali, who gazetted the Order, cannot transfer his power bestowed under Section 3 of Act 723 to Health Minister Dzulkefly Ahmad. They also said the MOH can only lend "technical assistance" to KPDN officers enforcing the drug price display order.

MOH officials have announced plans to "enforce" the drug price display mandate without KPDN after a three-month grace period from last May 1.

"For our association members, we tell them to abide by the law. But of course if somebody charges them, we'll tell them not to plead guilty. That's what some of the lawyers have advised us for the time-being," Dr Arasu told reporters, when asked if MMA would advise doctors to file suit if the MOH attempts to enforce price display.

"We are not here to pressure or demand anything. We strongly believe that the government understands the importance of primary care and we believe they will do the right thing."

Placards Aplenty: 'Pekerja Kesihatan Bukan Hamba'



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Today's demonstration under the hot morning sun – which organisers voluntarily converted into a gathering at Laman Perdana instead of the initially planned march from the MOH's headquarters to PMO – saw doctors dressed in black and holding various colourful signs and placards, some of whom had arrived by bus.

Many participants wore stethoscopes around their neck too.

The placards read: "*Pekerja kesihatan bukan hamba*" (Health care workers are not slaves), "Unfair fees & policies keep current & future doctors away", "GPs are on your side", as well as "GPs support price transparency, no to Act 723".

Other signs compared the price of fish (RM16/kg) and chicken (RM10.30) to the "priceless" value of one getting cured of illness, as well as the 80 per cent rise in the price of a packet of nasi lemak since 2011 compared to GPs' consultation fees that have stagnated for 33 years at a maximum RM35.

GPs' consultation fee of RM35 is also lower than service charges by locksmiths (RM200) and plumbers (RM150).

Memo: Revise GP Consultation Fees, Regulate TPAs, Foreign Equity Concerns



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In their memo to PMO – which was accepted by Aznur Hafeez Kaswuri (senior political secretary to Prime Minister Anwar Ibrahim) and Mohd Khalil Zaiyany Sumiran (director of PMO) – doctors' groups also highlighted unrevised private GP consultation fees since 1992 that are stuck at between RM10 and RM35 under Schedule 7 of Act 586 for over three decades.

"These rates have not reflected the realities of rising operational costs, inflation, increasing staff salaries, technology adoption, regulatory requirements and the escalating expectations for documentation and digitalisation," they said.

"General practitioners play a pivotal role as frontliners in community health care, especially in providing health care services. Yet, it remains the only professional sector in Malaysia whose fees have been frozen for more than three decades. This long-standing neglect has eroded morale and threatens the sustainability of the clinics, particularly those in rural and semi-urban areas.

"Despite years of appeals by the medical associations, there has been no implementation of a revised fee schedule. This is unjust and places an unfair burden on private practitioners who continue to serve the rakyat diligently."



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Doctors' associations urged the government to regulate third-party administrators (TPAs) that they accused of placing "enormous strain" on the private health care sector. There is no specific legislation or regulatory framework that governs TPAs.

"These entities act as intermediaries between employers/insurers and GPs, and for years: Arbitrarily impose high administrative fees on clinics; Fix low consultation rates, often towards the lower end of the Schedule 7 rate of RM 10-35; Cause delays in payment of claims, affecting clinic cash flow and operational sustainability; And now, more alarmingly, have begun outsourcing long-term medication prescriptions to third-party pharmacies via e-prescriptions, bypassing the attending doctors."

"This last practice is especially troubling. It is not aligned with evidence-based clinical management and threatens patient safety by removing continuity and exposing patients to increased rates of complications of non-communicable diseases," said doctors.



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Lastly, doctors' groups raised concern about the increasing foreign equity ownership in Malaysia's health care sector, noting that foreign-owned private facilities often target medical tourists and high-income patients.

This, they claimed, potentially diverts resources from the local population and inflates health care costs.

"The medical profession stands ready to engage with the Ministry of Health to do what is best for patients' rights, including price transparency, under Act 586," said doctors' groups.



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The signatories of the memo are as follows:

- 1. Dr Kalwinder Singh Khaira (president, Malaysian Medical Association [MMA])
- 2. Assoc Prof Dr Hazian Hamzah (president, Academy of Family Physicians of Malaysia [AFPM])
- 3. Dr Shanmuganathan Ganeson (president, Federation of Private Medical Practitioners Associations, Malaysia [FPMPAM])
- 4. Dr Paramjit Kaur (president, Malaysian Association of Advancement of Functional and Interdisciplinary Medicine [MAAFIM])
- 5. Dr Jayaseel Ramachandran Piillai (president, Malaysian Private Dental Practitioners Association [MPDPA])
- 6. Dr Soo Tai Kang (president, Medical Practitioners Coalition Association of Malaysia [MPCAM])
- 7. Dr Boi Saidi Abd Razak (president, Organisation of Malaysian Muslim Doctors [Perdim])
- 8. Dr Liew Shan Fap (president, Society of Private Medical Practitioners Sarawak [SPMPS])
- 9. Dr Devadas Ramankutty (president, Association of Private Practitioners Sabah [APPS])
- 10. Dr Pearl Leong Yuet Mae (president, Private Medical Practitioners Association of Selangor and Kuala Lumpur [PMPASKL])
- 11. Dr Suresh Rajoo (president, Society for the Advancement of Hormones and Healthy Aging Medicine [SAHAMM])

Boo Su-Lyn contributed to this report.