

## **Rapid ageing crisis: Reforms needed**

KUALA LUMPUR: As Malaysia undergoes a demographic shift, there is a need to reform its long-term care plan as rapid population ageing has a broad impact on many areas.

The government, experts said, had to mitigate effects on the healthcare and social protection system, besides supporting an age-friendly environment and resolving the long-standing issues of rising cost of care and retirement living.

According to the **Statistics Department**, the percentage of population in Malaysia aged 65 and above had increased from seven per cent in 2020 to 7.4 per cent last year.

The population percentage of those aged 14 and below, meanwhile, had decreased from 23.3 per cent in 2020 to 23 per cent last year. The working age population (aged between 15 and 64) had also seen a decline from 69.7 per cent in 2020 to 69.6 per cent, but this was mainly due to the drop in foreign workers.

MyAgeing senior research officer Chai Sen Tyng of Universiti Putra Malaysia said the country's longterm care for the aged was still underdeveloped as the healthcare system's focus was curative or treatment-centric.

"With the establishment of the Cheras Rehabilitation Hospital, we have made some inroads, but the bulk of long-term care is still driven by the private sector."

He said the Welfare Department's 10 Rumah Sejahtera homes catered only to senior citizens who could manage by themselves (warga emas boleh urus diri), while the two Rumah Ehsan with about 200 beds were for the terminally-ill.

He said this situation reflected the problem of insufficient beds at public hospitals and the growing demand for private nursing homes for step-down or long term care for stroke, post-surgery and dementia patients.

"Our research has shown that the OOP (out-of-pocket) health expenditure is increasing. But the true cost is not in medication and treatment as those are publicly available. It is more on private surgery, nursing care and over-the-counter pharmaceutical costs.

"Without a national health insurance or a long term care insurance, we are forced to fall back on retirement savings like the Employees Provident Fund (EPF) and that is hardly sufficient to meet daily cost of living, let alone medical or healthcare expenditure."

He cited Japan's long-term care insurance and Singapore's Medicaid and Medicare, with a portion of its CPF deductions going to healthcare coverage.

### **NEED FOR DEDICATED FUNDING**

Developed countries had devised dedicated pools of funds for elderly care, with two important elements addressed, namely redistribution and risk-pooling, he said.

"We do not have such mechanisms, unfortunately, and the EPF is particularly guilty for exacerbating the gap between the rich and poor.

"We lack the political will and public appetite for reforms and much-needed improvements to existing healthcare and social protection systems.

"For example, Bantuan Orang Tua (BOT) has been around for a long, long time (federalised in 1973), but minimum tweaks to criteria and progressively higher benefits are about the only significant changes."

Similarly, he said EPF did not embark on any major overhaul or changes, and comparatively, the CPF in Singapore, while sharing the same roots of origin, had undergone significant transformation in contribution ceiling and minimum balance or retirement annuities (CPFLife).

There was also a lack of inter-ministerial and particularly inter-sectoral cooperation, with significant weaknesses in the civil society sector and blind spots by private sector initiatives, he said.

"It is not all bad considering that we have the inter-ministerial committee under the national policy (on Older Persons) setup, although the National Advisory and Consultative Council is too federal-centric.

"This means that policy implementation is not well executed at the state and local government levels, but we hope this will change with more emphasis on the Age-friendly Cities and Communities initiative."

He suggested more devolution of powers so that local authorities could play their part and ensure the setting up of a national household registry to improve targeting and other identification-based solutions.

"We need clear measurable outcomes in process monitoring and independent audits to ensure things perform as they should.

"When we did the first comprehensive assessment of the Welfare Department's financial assistance in 2017, it had proactively addressed many issues, but there are some fundamental policy issues that cannot be resolved without broader reforms."

He said the Private Aged Healthcare Facilities and Services Act was still not in force, and that there were unresolved issues with local authorities on the condition of old folks homes and nursing homes in residential areas, besides addressing the minimum quality of care.

#### LACK OF SAVINGS

Chai said traditionally in Malaysia, the majority of senior citizens did not have access to any formal pension savings or funds, and the burden of care would rest on adult children and members of the family household.

He said researchers used the term "sandwich generation" to describe the quandary of middle aged adults, who were forced to become caretakers of the older and younger generations in their family simultaneously.

"A particular or potential loophole is the personal income tax rebate or deduction for children who care for their aged parents.

"It should be pointed out that this only benefits middle-class households and working individuals, who are eligible for such rebates or deduction ."

He said there was a gap between the poor and middle -income families that did not enjoy government support in caring for their elderly members, who could not qualify for social welfare assistance (including Bantuan Orang Tua, Bantuan Pesakit Terlantar and Bantuan Am).

As their income was below the taxable threshold, they would not be able to enjoy the tax rebates or deductions.

#### OLD-AGE SECURITY

Sociologist Datuk Dr Denison Jayasooria, a honorary professor who is a principal research fellow at the Institute of Ethnic Studies in Universiti Kebangsaan Malaysia, said there should be more employment opportunities for older people as life expectancy had risen in the past decade.

"We need to review old-age care as many families are unable to take care of their elderly members. The services offered by homes and centres may be expensive, which many may not be able to afford.

"There is a need to strengthen family values to nurture a caring society, besides ensuring the availability of public facilities and incentives for the elderly, such as lifts at buildings and discounts for travel, or even dining."

He said the government should ensure that prices of essential items and services such as food, healthcare, public transport and housing were well regulated.

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