



IMPLEMENTATION OF E-INVOICE IN MALAYSIA
FREQUENTLY ASKED QUESTIONS (FAQs) FOR HEALTHCARE INDUSTRY
 (UPDATED ON 14 JUNE 2024)

No	Question	Response
1	<p>Currently, the issuance of invoices / bills by hospitals can vary depending on the party making payment for the medical services:</p> <ul style="list-style-type: none"> • Issuance of invoice / bill directly to self-paying patients; • Issuance of invoice / bill to patients as the buyer, with third party administrator (TPA) and Managed Care Organisation (MCO) as the payer; • Issuance of invoice / bill to patients covered under insurance claim as the buyer, with insurance company as the payer; • Issuance of invoice / bill to corporate bodies or companies as the payer for medical services provided to their employees; • Issuance of invoice / bill to the patients as the buyer, with the guardian (parent or children of the patient) as the payer. <p>Upon the implementation of e-Invoice, will the same invoicing arrangement continue to apply or will the hospital be required to modify its current processes?</p>	<p>For the scenarios mentioned herein, Buyer refers to the patient.</p> <p>In the event the patient is a minor (below 18 years of age), the Buyer's details should be the details of the parent / guardian / any other relevant parties, as the case may be.</p>

No	Question	Response
2	<p>Will hospital be allowed to issue consolidated e-Invoice to record the income generated from medical services provided to individual end consumers (i.e., self-paying patients) who do not require e-Invoice?</p>	<p>Yes, hospital is allowed to issue consolidated e-Invoice for transactions where patients do not require an e-Invoice.</p>
3	<p>Generally, the hospital would issue a proforma bill to the insurance company for the request of Final Guarantee Letter (FGL).</p> <p>In this regard, when should an e-Invoice be issued and submitted to IRBM for validation?</p>	<p>Hospital is allowed to follow the current billing arrangement.</p> <p>Where required, the hospital may issue draft / proforma invoices to insurance company for the request of FGL.</p> <p>Where the Buyer requests for an e-Invoice to be issued, the hospital is required to issue the e-Invoice upon finalisation of the medical services billing (e.g., upon discharging of patients).</p> <p>Where the Buyer does not request for an e-Invoice, the hospital may issue a normal invoice / bill as per current practice upon finalisation of the medical services billing and thereafter, aggregate these invoices / bills on a monthly basis and issue a consolidated e-Invoice to IRBM within seven (7) calendar days after the month end.</p>

No	Question	Response
4	<p>Currently, independent consultants are engaged by the hospitals to provide medical consultancy services via two (2) arrangements:</p> <p>(1) Co-provision of medical services</p> <p>Under this arrangement, the hospital will issue a bill to patients for the hospital services, and the independent consultant will issue another bill to patients for the professional fees.</p> <p>The hospital will issue a monthly statement to the independent consultant, providing a summary of the services provided by the said independent consultant.</p> <p>(2) Outsourcing arrangement</p> <p>Currently, independent consultants will bill the hospital by issuing invoices for the total professional fees incurred during the month.</p> <p>When the hospital issues invoices to the patients, the consultants' fees are already included in the invoice.</p> <p>Upon the implementation of e-Invoice, will the same invoicing arrangement continue to apply or will the hospital be required to modify its current processes?</p>	<p>For e-Invoice purposes, hospital is allowed to follow the current billing arrangement as follows:</p> <p>(1) Co-provision of medical services</p> <ul style="list-style-type: none"> Hospital and independent consultant will each issue a separate e-Invoices to the patient. Collection of payment, whether done together or separately, should not impact the issuance of e-Invoice. <p>(2) Outsourcing arrangement</p> <p><i>(a) Between hospitals and patients</i></p> <ul style="list-style-type: none"> Hospitals will issue an e-Invoice to patients covering both hospital services and consultant services as a single service provider. <p><i>(b) Between hospitals and independent consultants</i></p> <ul style="list-style-type: none"> If the contract for service is between the hospital and the independent consultant, the independent consultant will issue an e-Invoice to the hospital for services provided. If the contract for service is between the hospital and the company representing the independent consultants, the company representing the independent consultants will issue an e-Invoice to the hospital for services provided.

No	Question	Response
5	<p>Hospitals engage locum doctors and nurses to fulfill temporary resource needs to maintain continuous high-quality patient care.</p> <p>Do hospitals need to issue e-Invoices in respect of the payments made to these locum doctors and nurses for their services?</p>	<p>Where the locum doctors and nurses have entered into contracts for service with hospitals, the respective locum doctors and nurses are required to issue e-Invoice to the hospitals.</p> <p>Where the agency representing the locum doctors and nurses has entered into contract for service with hospitals, the agency is required to issue e-Invoice to the hospitals.</p> <p>Where the locum doctors and nurses have entered into a contract of service with hospitals, the fees are considered as part of employment income. Currently, this is being exempted from issuance of e-Invoice as per the e-Invoice Guideline. Kindly note that the exemptions are subject to periodic review and updates.</p>

No	Question	Response
6	<p>Is the following treatment of e-Invoice acceptable for cases where a patient is referred to a sister company or a private hospital and gets discharged at the referred hospital?</p> <p>Scenario 1</p> <p>Ali is first admitted to Hospital A and undergoes medical treatment there. After that, Ali is referred to Hospital B for subsequent medical treatment.</p> <p>Before Ali is admitted to Hospital B, Hospital A will discharge Ali and issue a bill accordingly.</p> <p>Subsequently, upon completion of the medical treatment at Hospital B, Ali will be discharged and billed by Hospital B.</p> <p>Hospital A and Hospital B will each issue e-Invoice to Ali, in accordance with the timing of issuance mentioned in Question 3 of this FAQ.</p>	<p>The proposed e-Invoice treatment as mentioned in Scenario 1 and 2 are acceptable.</p>

No	Question	Response
	<p>Scenario 2</p> <p>Billy is first admitted to Hospital C and receives medical treatment. After that, Billy is referred to Hospital D for further treatment.</p> <p>Note that at the time of transfer to Hospital D, Hospital C has yet to issue any bill to Billy.</p> <p>Billy continues treatment at Hospital D and, upon completion, is transferred back to Hospital C.</p> <p>Subsequently, Hospital C discharges Billy and issues a bill for all medical services provided, including those received from Hospital D.</p> <p>Hospital D then bills Hospital C for the medical services rendered to Billy.</p> <p>The timing of issuance of e-Invoice for the abovementioned scenario will be as follows:</p> <ul style="list-style-type: none"> • Hospital C will issue e-Invoice to Billy, in accordance with the timing of issuance mentioned in Question 3 of this FAQ; and • Hospital D will issue e-Invoice to Hospital C upon conclusion of the transaction. 	

No	Question	Response
7	<p>Currently, hospitals charge:</p> <ul style="list-style-type: none"> • independent consultants for services provided, such as rental of space, management fees; and • convenience stores and cafes for space rental. <p>Upon the implementation of e-Invoice, will the same invoicing arrangement continue to apply or will the hospitals be required to modify their current processes?</p>	<p>Hospitals are required to issue an e-Invoice to the respective parties for services provided, in accordance with the current practice of periodic billing cycles.</p>
8	<p>Generally, there are two (2) types of bills that would be prepared by the hospital to the patient:</p> <ol style="list-style-type: none"> i. Summary Bill; or ii. Detailed Bill (i.e., detailed breakdown of charges incurred) <p>In this regard, which type of bill should be submitted for IRBM's validation?</p>	<p>For the purposes of e-Invoice, the hospital would be required to issue the e-Invoice based on the 'Detailed Bill' as per hospital's current invoicing practice.</p>
9	<p>Would it be mandatory for consultants to implement e-Invoice in Phase 1 if the hospital's annual turnover reaches RM100 million, given that the hospital will provide invoices to the patients?</p>	<p>The compliance obligation of e-Invoice should be from the issuance perspective. The consultants and the hospital would have to follow their respective thresholds for the implementation of e-Invoice.</p>
10	<p>What is the e-Invoice treatment for collection of deposits upon admission to hospitals?</p>	<p>Where the deposit is refundable, an e-Invoice should not be required upon receipt of the said deposit.</p> <p>However, if the deposit collected is non-refundable, an e-Invoice is required to be issued. The hospital may also follow the consolidated e-Invoice treatment for Buyers who do not require an e-Invoice.</p>

No	Question	Response
11	Currently, hospital will issue invoice for staff medical paid by hospital to document the expense. Upon the implementation of e-Invoice, will the same arrangement continue to apply or will the hospital be required to modify its current processes?	<p>Hospital is allowed to follow the current billing arrangement.</p> <p>If the hospital currently issues an invoice for the provision of free services to staff, hospital may continue as per current invoicing arrangement by issuing an e-Invoice with a nil amount.</p> <p>Otherwise, where there is no such practice, hospitals are not required to issue an e-Invoice for these transactions.</p>