

President's Welcome Address

Text by Dr Wong Tien Hua

The rising cost of healthcare continues to be a prominent issue in our quest to deliver a world-class healthcare system for Singaporeans.

Singapore's current healthcare system can be described as good, fast and cheap. We are able to provide good quality and accessible healthcare, achieving the highest rankings in healthcare indices such as life expectancy, while spending only a low percentage of our gross domestic product. In fact, improving the accessibility, quality and affordability of healthcare for Singaporeans is the key element of the Ministry of Health's (MOH) Healthcare 2020 Masterplan.

The challenge that we face now is whether we can continue to maintain this happy state of affairs in the years to come; that is, can our system remain **sustainable**?

SMA was one of the members of the Health Insurance Task Force (HITF), which was set up in February 2016 to

look at the problem of rising insurance premiums for Integrated Shield Plans that currently cover two-thirds of Singapore residents. As you are aware, Integrated Shield Plans supplement MediShield Life by offering policyholders higher coverage for stays in Class B1 and above wards in public hospitals, and medical treatment at private hospitals.

The HITF report essentially noted that over a ten-year period from 2005 to 2015, the healthcare component of the Consumer Price Index (CPI), which includes the cost of medical treatment and health insurance, outstripped general inflation. If the CPI for healthcare continues at this trajectory, healthcare costs will soon become unsustainable.

Many factors are at play. At the population level, the inevitable ageing of our population will lead to an increased demand for healthcare services.

On the insurance side, the way an insurance product is designed affects the way healthcare services are utilised.

Currently, Integrated Shield Plans allow the purchase of riders, which provide 100 per cent cover for private hospital treatments from the first dollar. When policyholders who have purchased such riders are insulated from the cost of their medical bills, they no longer have an interest in looking for the best value in medical treatment. This will eventually translate to higher insurance claims.

Insurance companies that engage third party administrators to manage their medical schemes may also introduce an additional layer of cost.

The HITF report states that hospital bill sizes have been increasing. It shows a "significant contrast" between private and public hospital treatment inflation. The HITF report also noted that "over-charging and inappropriate treatment by healthcare providers not only contribute to increases in medical treatment frequency and charges, but also threaten the patient's well-being".

This is something of concern to SMA.

Firstly, on the issue of overcharging, SMA is no longer able to comment on overcharging, since our Guideline of Fees was nullified a decade ago in 2007 to comply with anti-competition laws.

It is very difficult to determine what constitutes overcharging. Singapore



Back row (from left): Dr Wong Chiang Yin, Dr Ng Chee Kwan, Dr Bertha Woon, Dr Lee Yik Voon, Dr Toh Choon Lai, Dr Tan Yia Swam, Dr Tammy Chan Teng Mui, Dr Chong Yeh Woei, Dr Noorul Fatha As'art, Dr Anantham Devanand, A/Prof Chin Jing Jih, Dr Daniel Lee Hsien Chieh

Front row (from left): Dr Benny Loo Kai Guo, Adj Prof Tan Sze Wee, Dr Chan Sing Kit, Dr Chia Shi-Lu, Mr Chan Heng Kee, Dr Wong Tien Hua, Mr Gan Kim Yong, Dr Lam Pin Min, A/Prof Benjamin Ong, A/Prof Goh Lee Gan, Dr Tan Tze Lee, Dr Lim Kheng Choon

Medical Council (SMC) guidance on this is that the doctor's fees must be "fair and reasonable", commensurate with the work done, and cannot be so high as to bring the profession into disrepute. So far, the most prominent case of overcharging brought before SMC was the case of the doctor who charged \$24 million in 2012.

Many people, including certain journalists, use public hospitals' charges as a benchmark against that of private hospitals. One journalist quoted the HITF report that private hospital bills were about twice that of public hospitals for inpatient treatments, three times more for outpatient treatments, and four times more for day surgeries.

The problem with comparing public hospitals' charges against private hospitals' charges is that it is not comparing apples to apples. Private sector specialists operate in a competitive market, and their charges have to include factors such as rental and property costs, staff salaries, and the costs of ever-increasing malpractice insurance. Obstetricians now pay about \$25,000 a year in malpractice premiums. Private sector specialists also need to factor in the cost of taking annual leave.

Many of our private sector colleagues constantly worry about whether they are pricing themselves out of the market, especially with more and more doctors taking the leap from the public to private sector. Private sector healthcare is a brutally competitive environment, where profits are not guaranteed and the risk of failure is ever present. We have even heard of some specialists going back to the public sector after a stint in the so-called "greener pastures".

SMA has always advocated for fee guidelines as a means to address overcharging. We feel that this initiative is best led by MOH, with input from various practitioners in their fields of expertise to come up with a range of fees based on complexity. SMA will be happy to provide our input as well.

The second point made by the HITF report – that of "inappropriate treatment" – is more worrying. SMA believes that the majority of doctors in Singapore practise with the highest ethical standards and provide our patients with the best of care based on empathy, professionalism and a relationship of trust. Unfortunately, there remain black sheep within our profession who place profits before ethics, personal benefit over patient safety, and short-term gains above long-term investments in the doctor-patient relationship. Being a part of the HITF, I have seen examples of inappropriate treatment, and personally feel saddened that some of our own colleagues resort to such behaviour.

SMA will not be averse to bring such cases of unethical practice to the attention of SMC, especially when patient safety may be compromised. Bringing such behaviours to light is not just the responsibility of SMA; each and every one of us has a part to play as well.

We must not hide behind a wall of silence, or be party to collective ignorance or passive disengagement. This is not considered whistle-blowing or betrayal of a fellow colleague. Instead, let me appeal to your personal interest because it is ultimately about professional self-regulation. If we protect ourselves at the expense of public

interest, the privilege of self-regulation that we hold so dearly may eventually be taken away.

Business practices that put the doctor at risk need to be highlighted as well. One example is the use of "profit guarantees" when medical clinics are bought over by business entities. SMA has previously made a resolution in 1998, stating that profit guarantees place the doctor at risk of unethical behaviour. The financial obligation will pressure the doctor to overcharge or provide inappropriate treatments. The 2016 SMC Handbook on Medical Ethics specifically mentions profit guarantees under the section "Financial conflicts of interest", yet such business practices continue to operate.

All stakeholders have a part to play in managing healthcare costs, and it is in everyone's interest to ensure that our healthcare system does not become unsustainable. As doctors, we have a special duty to ensure that we abide by the highest ethical and professional standards, so that we can continue to enjoy the trust that society bestows on us.

On that note, I would like to thank you for your support of our Association and I wish you an enjoyable evening. ♦

Dr Wong Tien Hua delivering his welcome address

