

# Risk-Based Licensing Framework for More Effective Healthcare Regulation

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The Ministry of Health (MOH) will be implementing a risk-based licensing framework to incentivise licensees to be compliant with licensing requirements. Healthcare institutions (HCIs) that are compliant will be licensed for a longer period of time, thereby requiring fewer inspection visits, which will translate to lower licensing costs. This will also allow MOH to focus its regulatory resources on poorer performers to ensure that they comply with licensing requirements.

Currently, licences issued to HCIs under the Private Hospitals and Medical Clinics Act are valid for two years. It does not distinguish HCIs that, on the basis of the nature of their operations and their compliance history, require closer regulatory monitoring from those that may be

monitored less frequently.

Under the new framework, all HCIs will be categorised into three categories – “high-risk”, “moderate-risk” and “low-risk” – based on the nature of services they provide and their compliant record with licensing requirements. A demerit point system will be developed to quantify HCIs’ non-compliances for risk assessment. A “default category” licensing period would also exist for HCIs which are precluded from the five-year licensing period (eg, all hospitals, nursing homes, laboratories, medical clinics providing special care/specialised procedures).

The risk assessment will determine the HCIs’ eligibility for the licence renewal period. New HCIs will be given a licence for two years in the first instance.

## Risk categories and licence renewal period

Category	Licence period	HCIs
Low-risk	Can opt for five years	<ul style="list-style-type: none"> <li>Medical clinics providing general GP services and all dental clinics with cumulative demerit points below a pre-determined threshold (&lt; “X” points)</li> </ul>
Moderate-risk or default category	Two years	<p><b>Moderate risk</b></p> <ul style="list-style-type: none"> <li>Medical clinics providing general GP services and dental clinics with cumulative demerit points exceeding a pre-determined threshold (<math>\geq</math> “X” points) but not exceeding a higher threshold (&lt; “Y” points)</li> </ul> <p><b>Default category</b></p> <ul style="list-style-type: none"> <li>All hospitals</li> <li>All nursing homes</li> <li>All medical clinics providing special care services including liposuction and/or specialised procedures</li> <li>All laboratories</li> </ul>
High-risk	One year	<ul style="list-style-type: none"> <li>Medical clinics providing List B aesthetic procedures</li> <li>All HCIs with poor compliance records, eg,               <ul style="list-style-type: none"> <li>– licensee/manager was suspended for professional misconduct by SMC’s Disciplinary Committee; and/or</li> <li>– cumulative demerit points exceeding a pre-determined higher threshold (<math>\geq</math> “Y” points)</li> </ul> </li> </ul>

With this new framework, we estimate that 84% of existing licensed clinics will likely be categorised as “low-risk” and given the option for a five-year licence, 11% as “moderate-risk” with a two-year licence, and 5% as “high-risk” with a licence of one year.

However, to ensure that medical clinics issued with a five-year licence remain compliant with the licensing terms

and conditions, the clinics will be randomly selected for audit within the five-year period.

MOH is still refining the fees for the different categories of licence and thresholds of demerit points. The new licensing framework is expected to be completed by the fourth quarter of 2012. For enquiries and clarifications, please email [moh\\_ela\\_info@moh.gov.sg](mailto:moh_ela_info@moh.gov.sg). **SMA**