Singapore health care:

a model of prudent, pragmatic, public-private partnership

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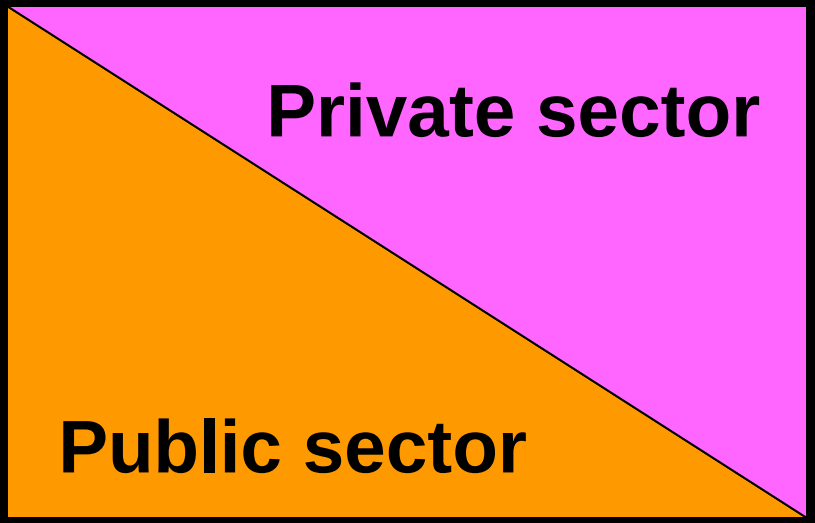
1 .Public-private *partnership*

partnership between government and the private sector for the purpose of more effectively providing services and infrastructure traditionally provided by the public sector

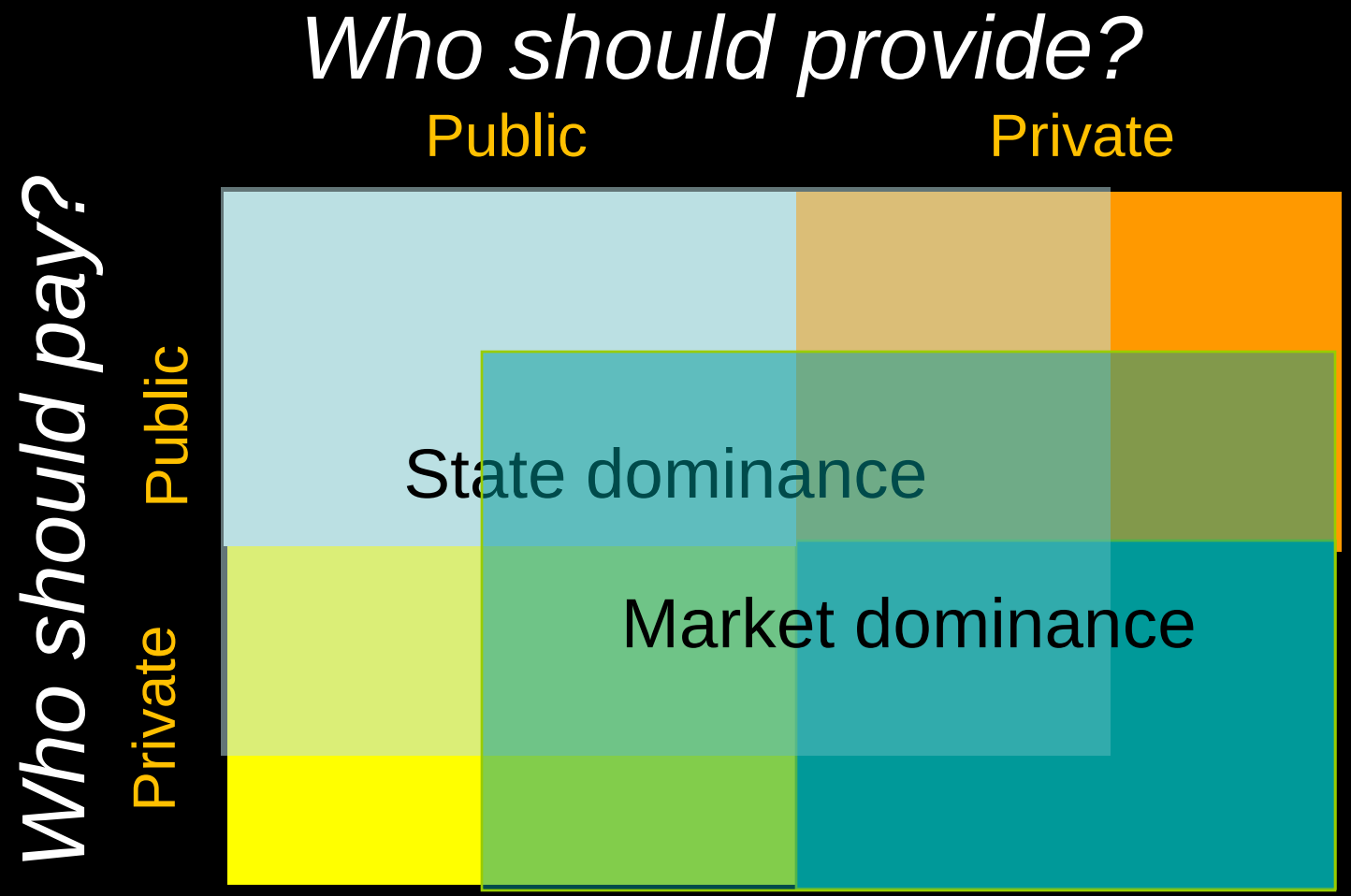
(CBS Interactive Business Network Dictionary)

Basic issue:

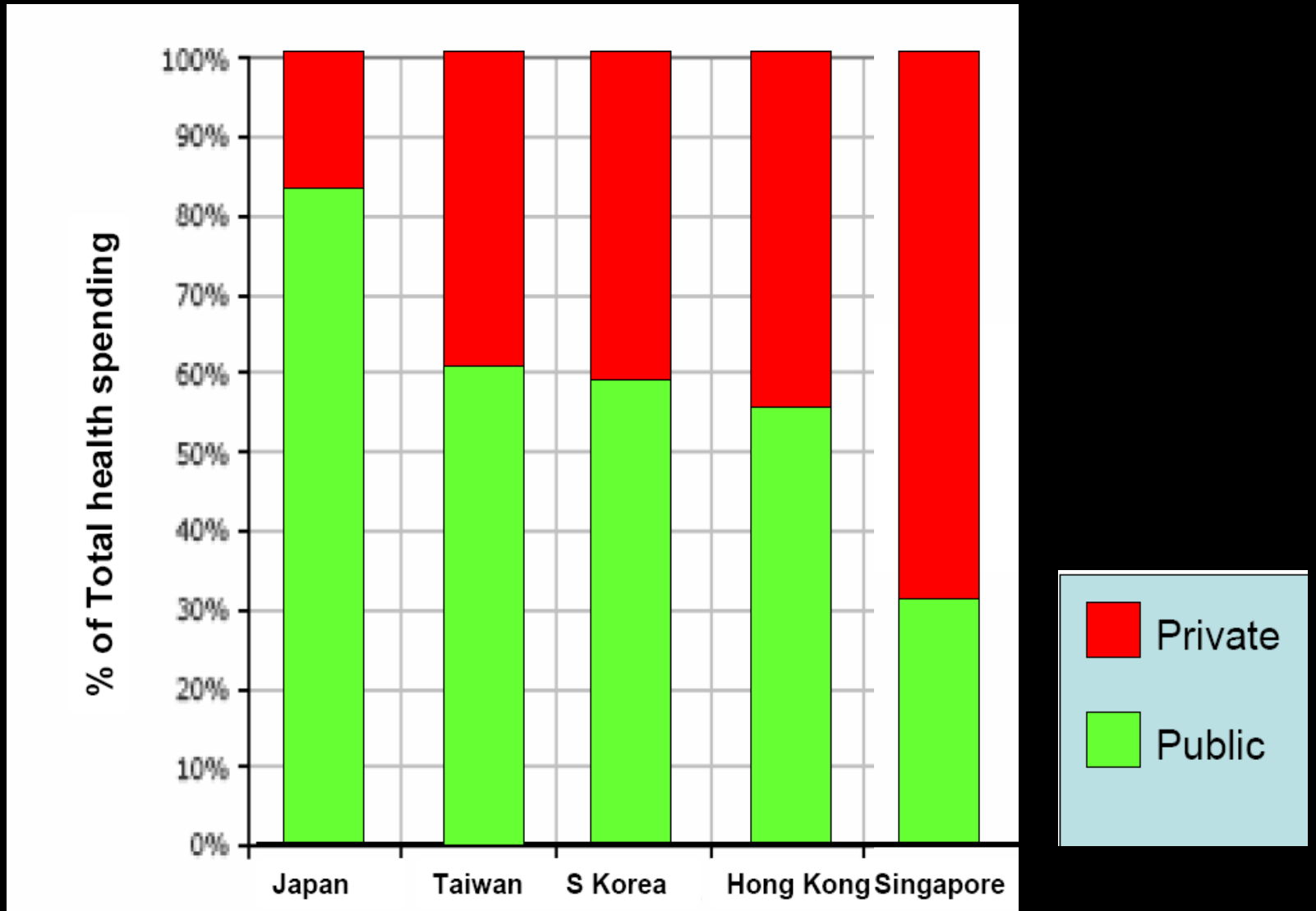


Who can do the job better?
Who <u>should</u> do it?

PPP in health care:



Public-Private in Partnership Healthcare Finance



Source: adapted from World Bank

PPP in Healthcare Provision:

Outpatients: ***80% go to Private***
20% go to Public

Inpatients 20 % go to Private
80% go to Public



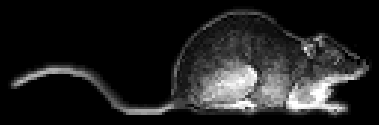

2. Pragmatism

The doctrine that truth is to be tested by the practical consequences of belief

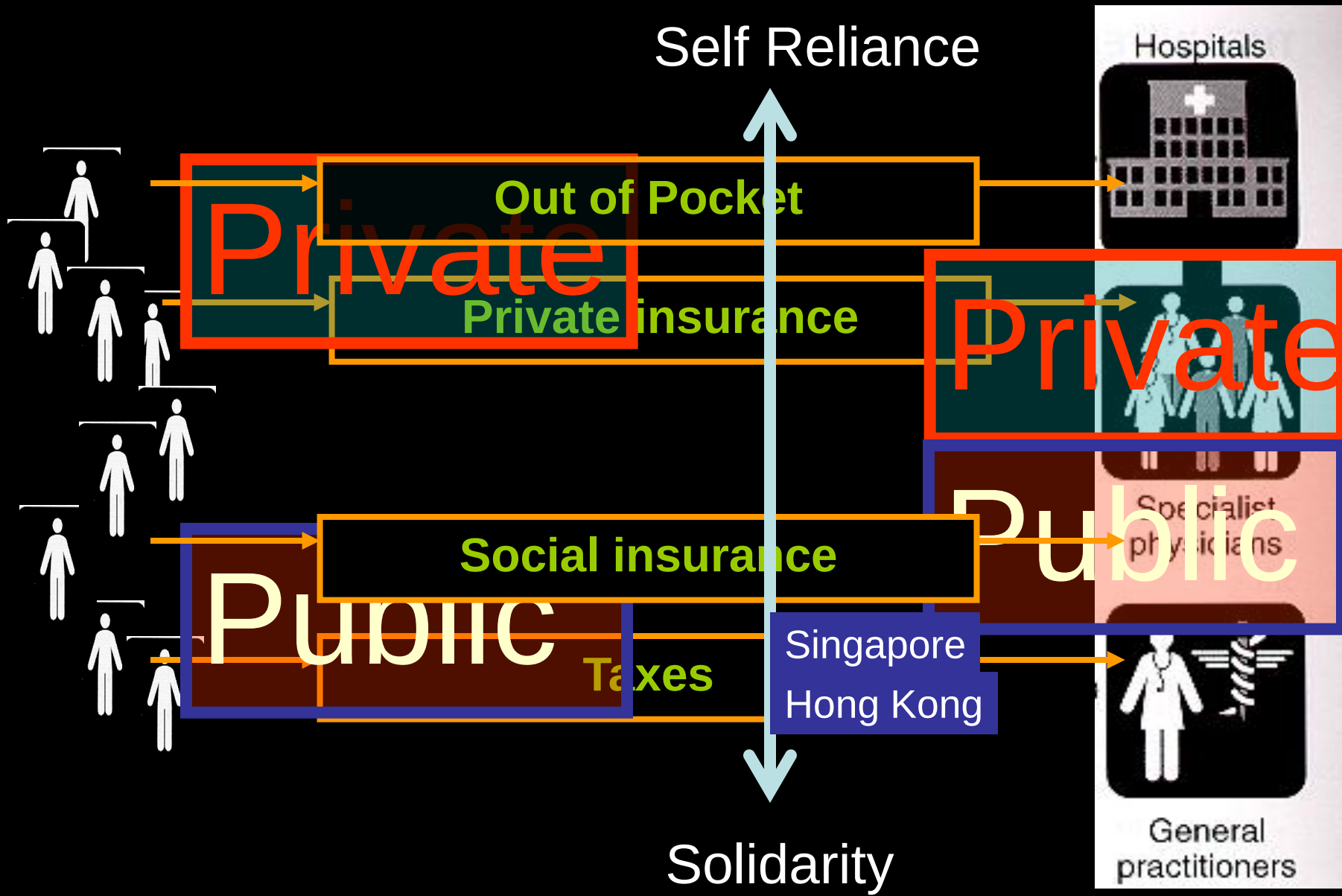
Black or white, *does it matter?*

Public

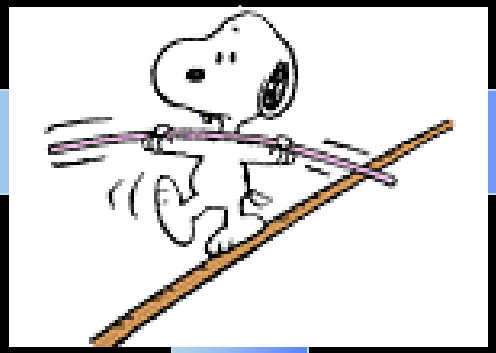
Private



Ways to pay and provide for healthcare



Finding the right balance



Free Market

Individual responsibility

(out of pocket, pte insurance)

e.g. USA

Egalitarianism

State responsibility

(taxes, social insurance)

e.g. UK

Mixed

Shared responsibility

(Taxes + *medical savings accounts* + *catastrophic insurance)*

e.g. Singapore

What do Americans want?

"First, they (Americans) want quality health care, which will cover a wide range of services. Second, they want everyone in the nation, without exception, covered, Third, they want the spiraling costs of health care brought under control
And fourth, they want those physicians and hospitals to be mainly controlled by the private sector."

- 1993 Harris Poll

Common Values & Principles underpinning all EU healthcare systems.

- "The 4 overarching values are **universality, access to high quality care, equity**, and **solidarity**."

  - adopted by EU Ministers of Health, June 2006

In the real world,

Cost **Choice**

Quality **Equity**

Trade-offs must be made

“Singapore believes that welfarism is not viable as it breeds dependency on the government. It has adopted a policy of co-payment to encourage people to assume personal responsibility for their own welfare, though the government does provide subsidies in vital areas like housing, health and education.”

Singapore's philosophy:

- Personal responsibility
- State as payer of last resort

Formula:

Government: *subsidy* + People: *co-payment*

Health System

Source: WHO (adapted)

How essential is public sector involvement in healthcare?

Stewardship

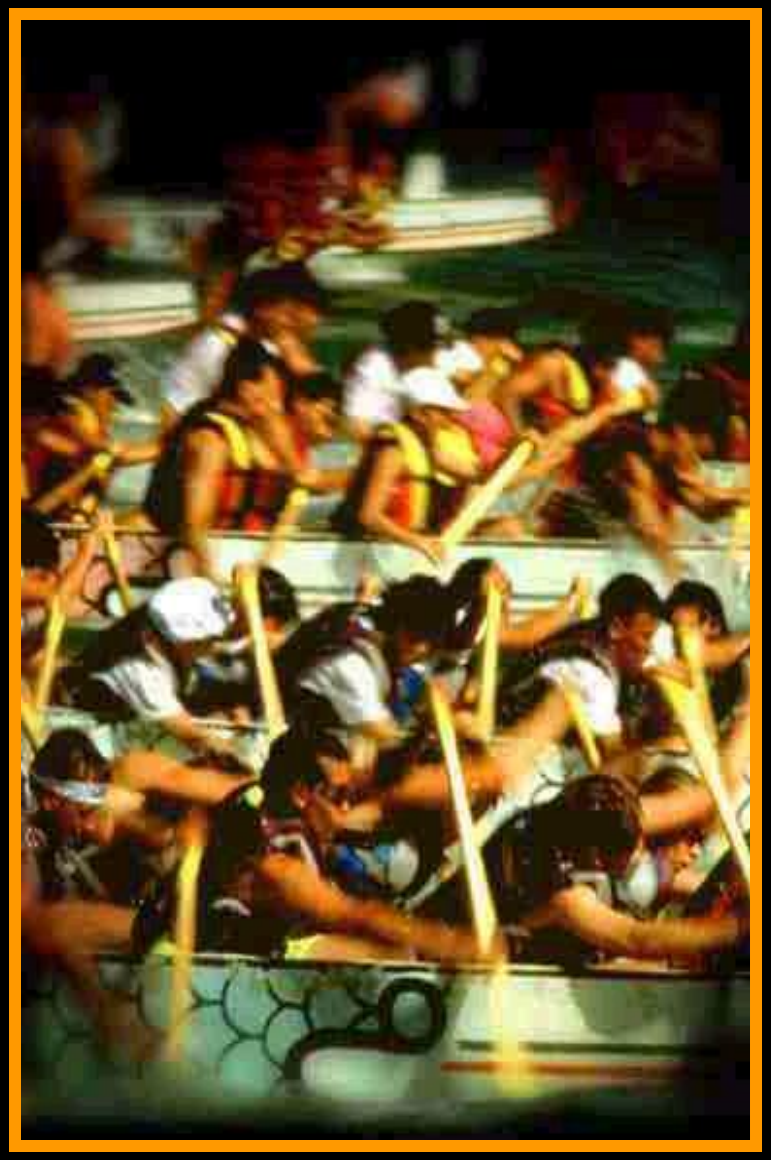
Revenue collection

Fund pooling

Purchasing

Provision

Least essential Most essential



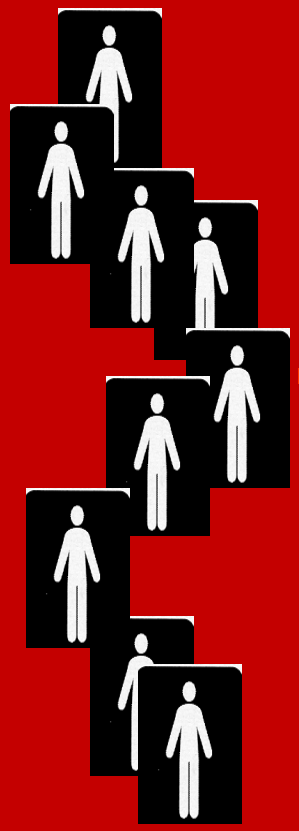
Governments' role:

"Row Less,
Steer More"

3. Prudence

“good judgment in the use of resources”

Prudence in Health care:

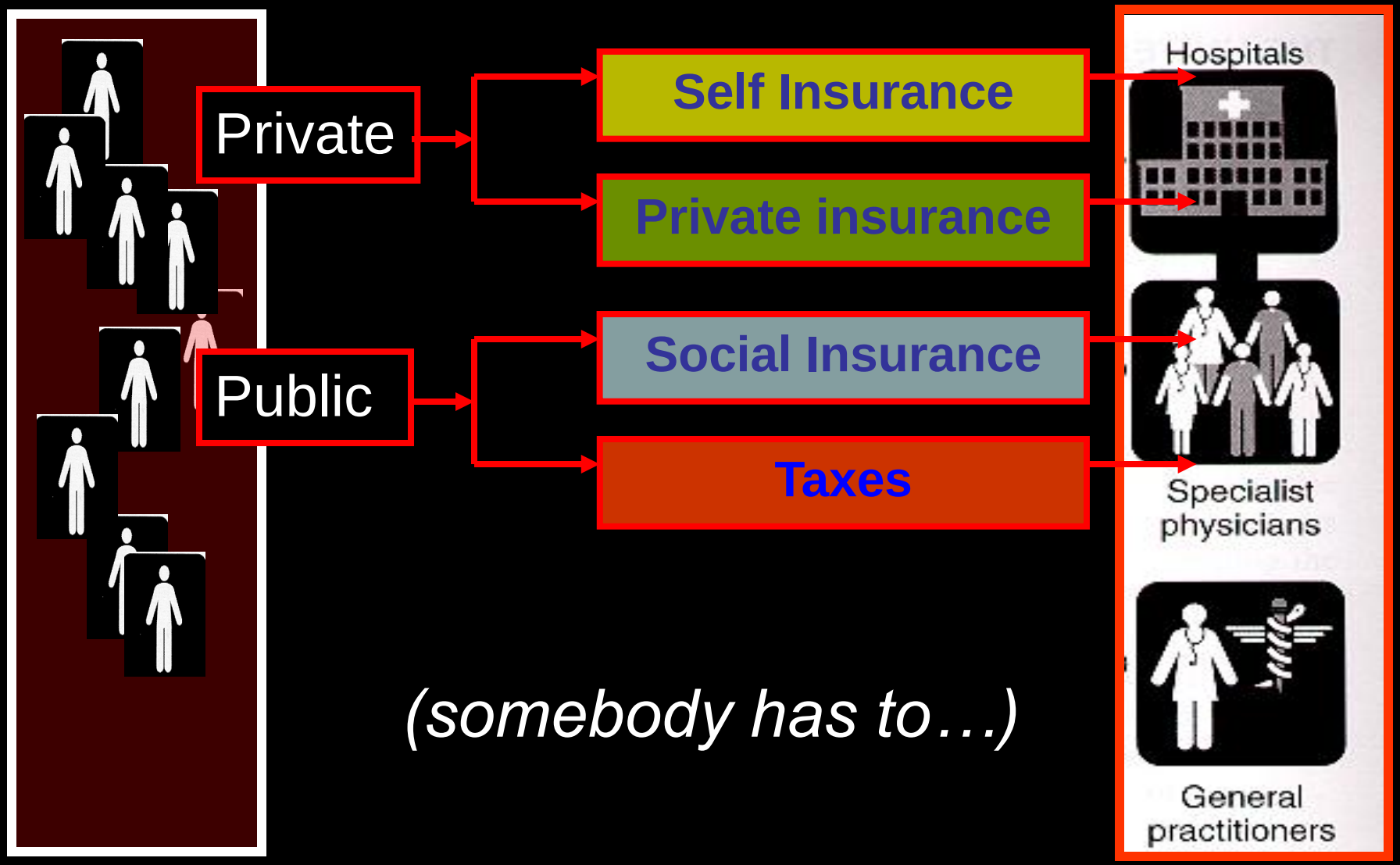


No money, no healthcare

Finite Resources

Infinite Demand

“Who pays” is not the issue

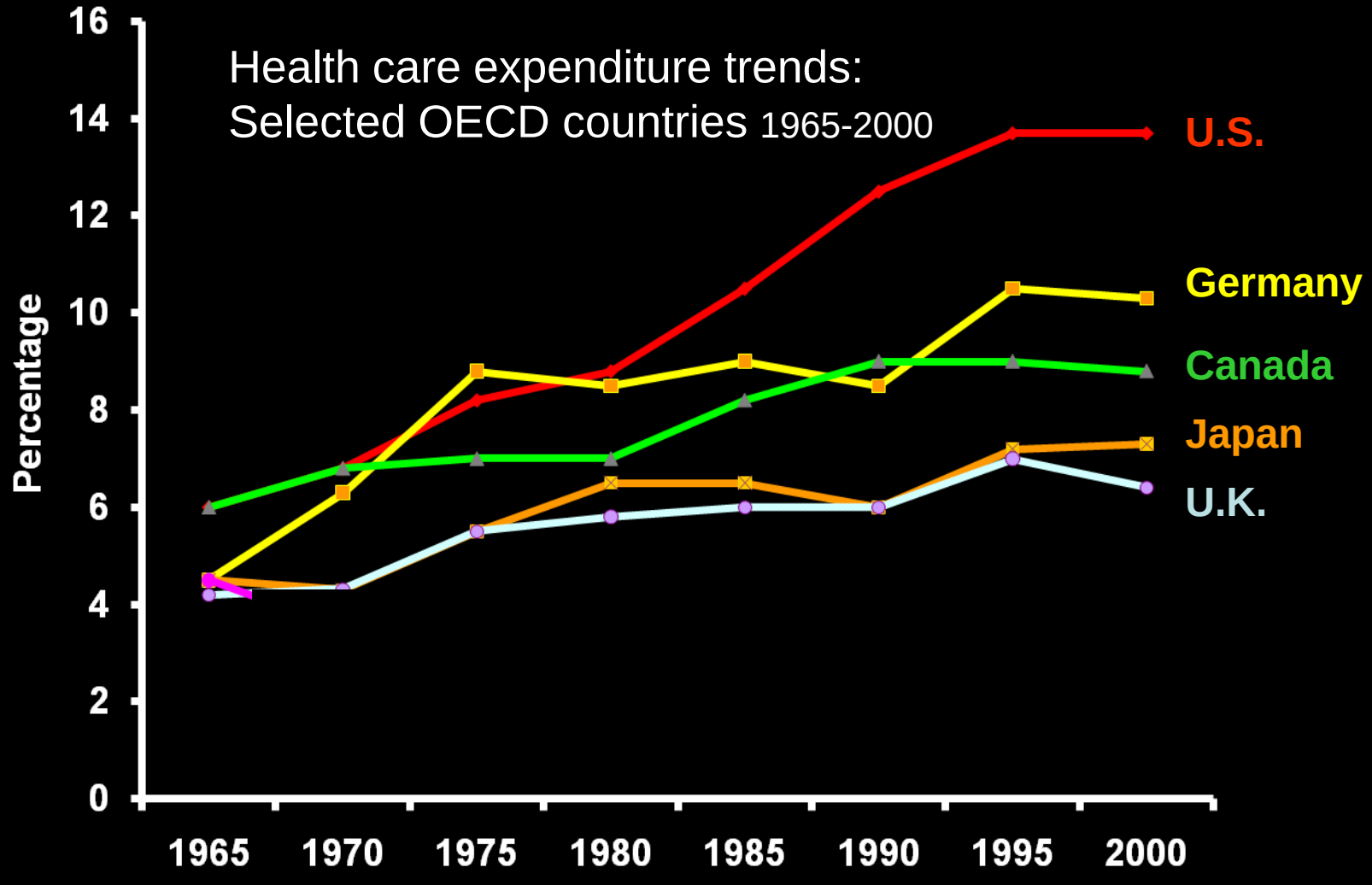


(somebody has to…)

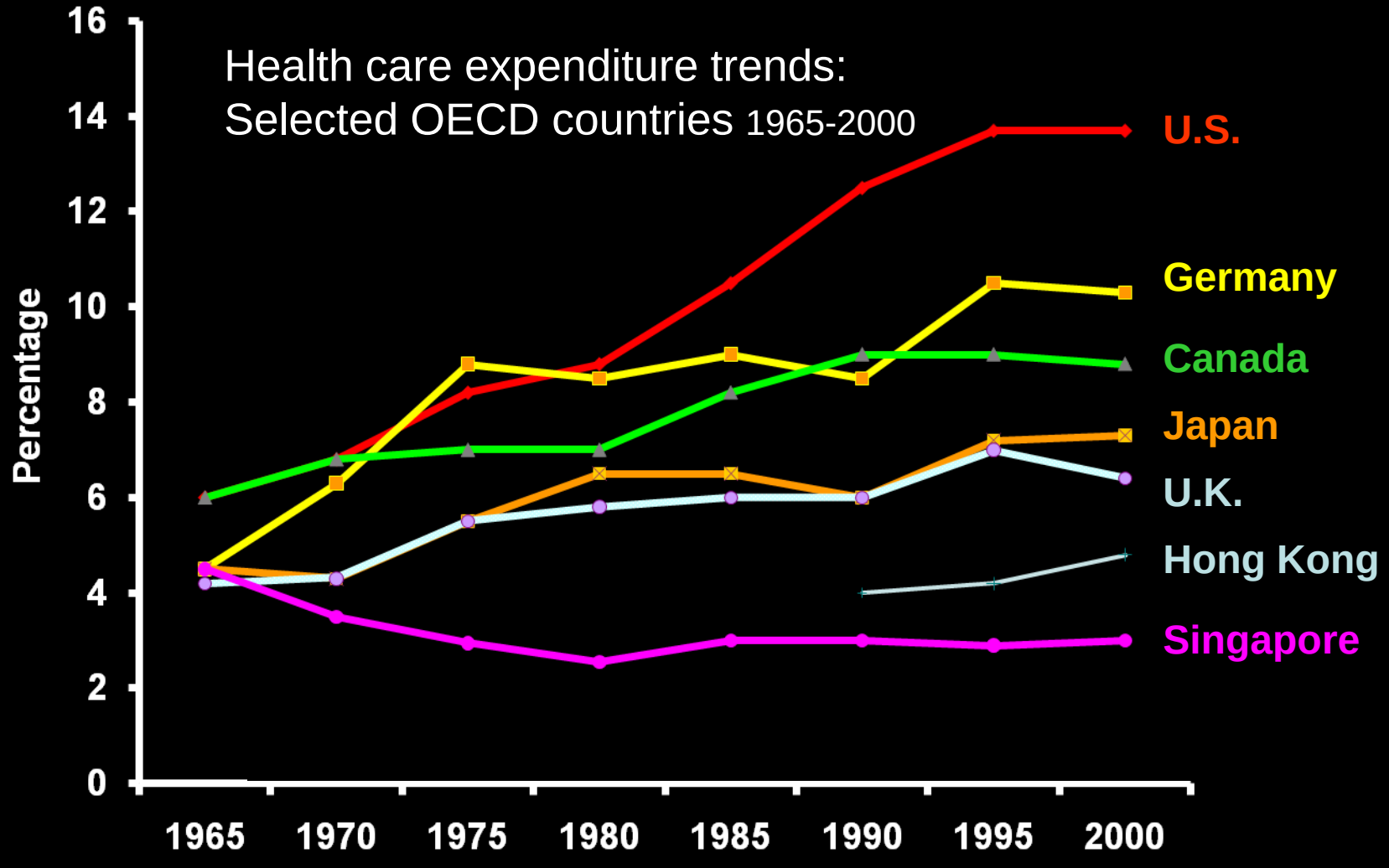
Question is…

Is it *sustainable*?

Healthcare is inherently inflationary:

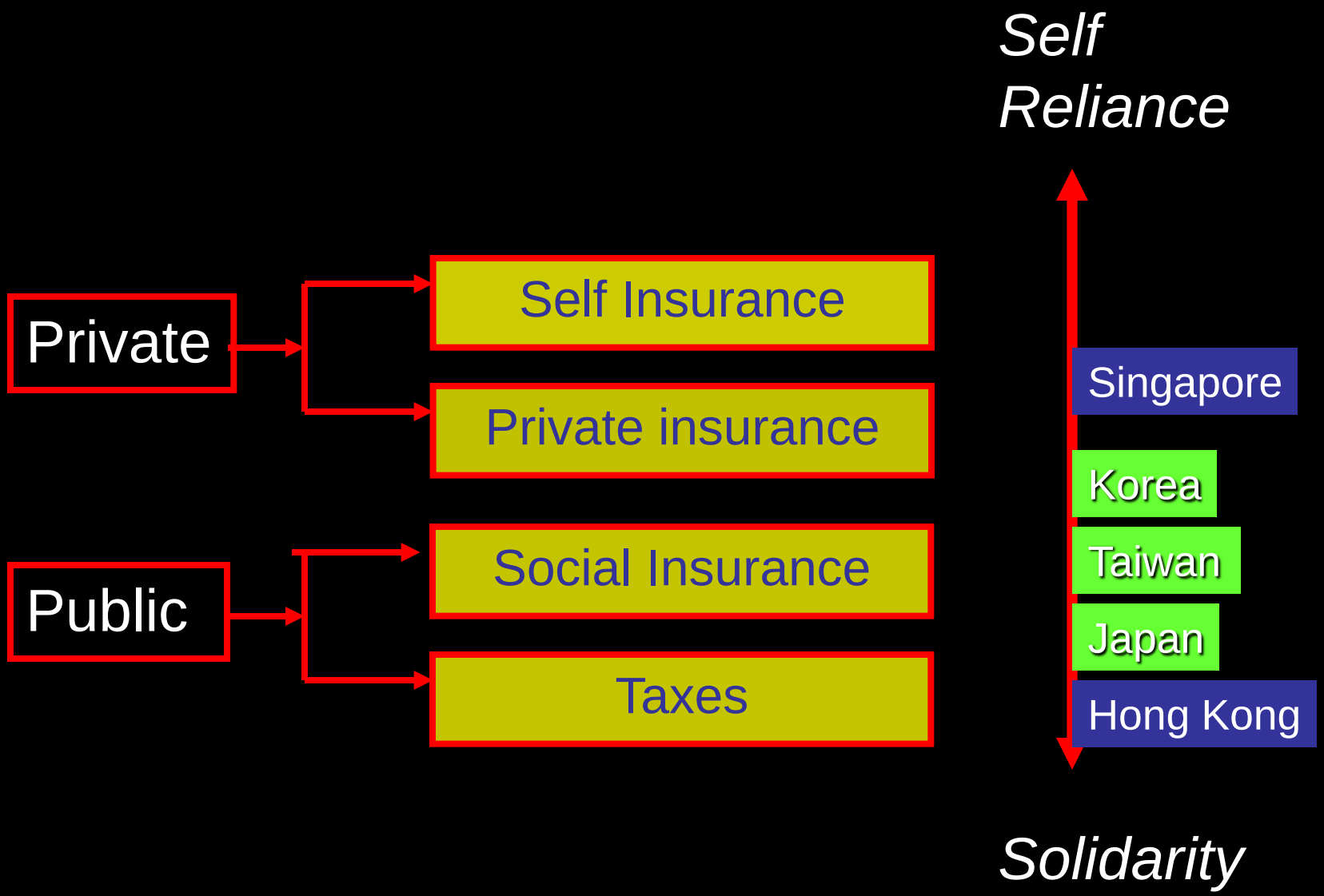


Singapore bucks the trend…

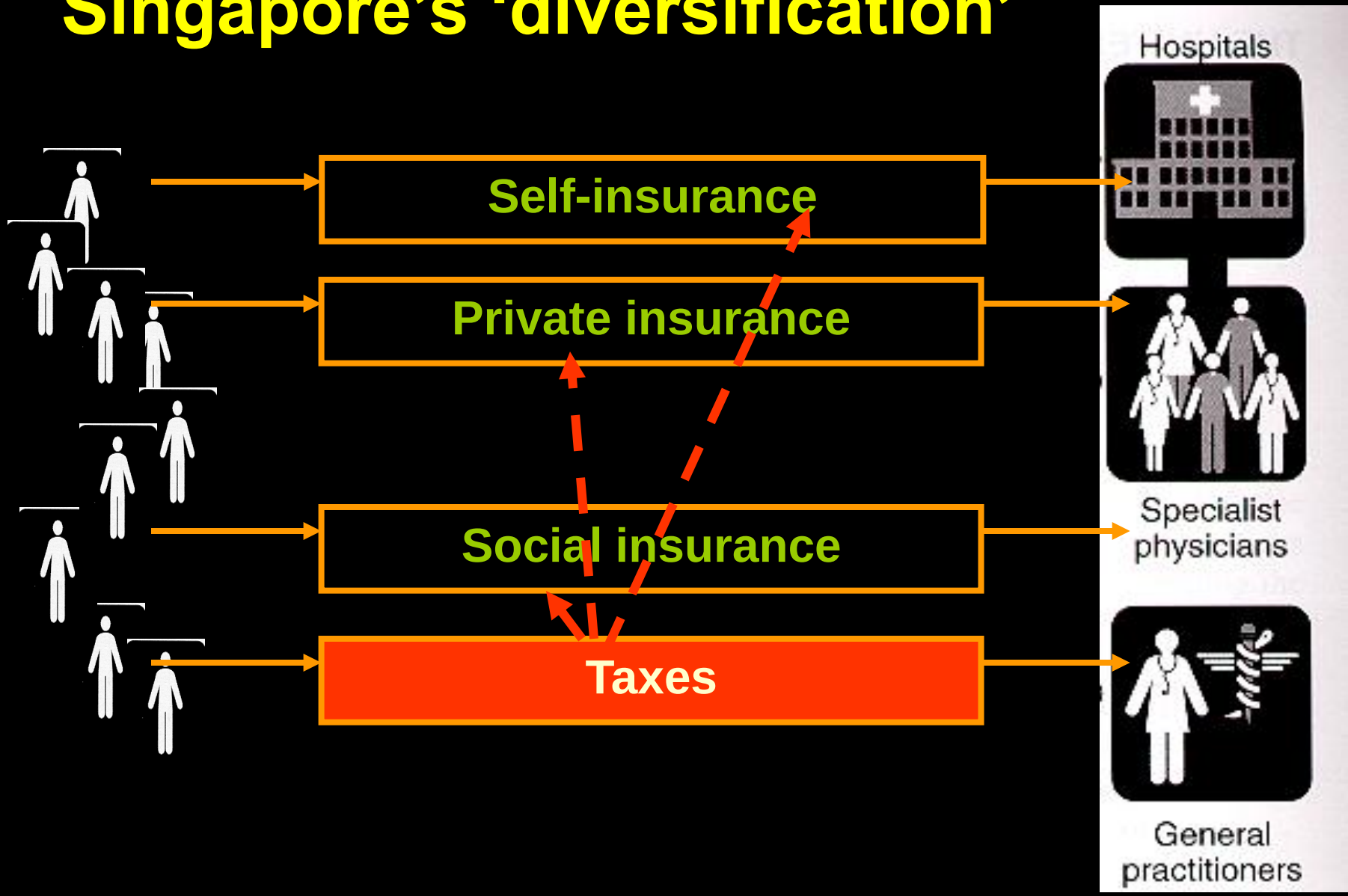



5 million people
700 sq km
Singapore Model

Healthcare Finance:



Singapore's 'diversification'



MEDISAVE:

compulsory savings plan

MEDISHIELD:

catastrophic insurance plan

MEDIFUND:

a health endowment fund

Graded ward subsidy

Class	Subsidy	Difference
A	0%	1-2 bedded, air-conditioned, attached bathroom, TV, Phone, choice of doctor
B1	20%	4- bedded, air-conditioned, attached bathroom, TV, Phone, choice of doctor
B2+	50%	5-bedded, air-conditioned, attached bathroom
B2	65%	6-bedded, no air-condition
C	80%	>6 beds, open ward

Your hospital bill

- Total charges
- Less: Government grant (healthcare subsidies)
- Net amount payable by patient
- Amount claimable from MediShield
- Amount that can be withdrawn from Medisave
- Cash payment

Ward Class	Subsidy
A	0%
B1	20%
B2+	50%
B2	65%
C	80%

Medishield

Benefits	(Basic plan)	Plan B	Plus Plan A
Room and board	$150 per day	$375 per day	$625 per day
Surgical operation	$120 - $900	$360 - $6,400	$480 - $7,200
Deductible (per policy per year)	$1,000 (B2 Class & above)	$2,500	$4,000
Co-insurance	20%	20%	20%

Medisave

Medifund

Framework for financing healthcare

Medisave: + ElderSave?

MediShield: + ElderShield

Medifund: + ElderCare Fund

“No one will be denied needed health care because of lack of funds” - Prime Minister Goh, 1993

Efficiency of healthcare systems:
WHO Rankings 2000

	Health spending as % of GDP	*Per capita spending*
1. France	9.8%	$2,369
2. Italy	9.3%	$1,855
3. San Marino	7.5%	$2,257
4. Andorra	7.5%	$1,368
5. Malta	6.3%	$551
6. Singapore	3.1%	$876
7. Spain	8.0%	$1,071
8. Oman	3.9%	$370
9. Austria	9.0%	$2,277
10. Japan	7.1%	$2,373
37. U.S.A.	13.7%	$4,187

Hospital Restructuring

1985 National University Hospital Pte Ltd
1988 National Skin Centre Pte Ltd
1989 Singapore General Hospital Pte Ltd
1990 Kandang Kerbau Hospital Pte Ltd
1990 Toa Payoh Hospital Pte Ltd
1990 Singapore National Eye Centre Pte Ltd
1992 Tan Tock Seng Hospital Pte Ltd
1993 Ang Mo Kio Community Hospital Pte Ltd
1997 National Dental Centre Pte Ltd
1998 National Heart Centre Pte Ltd
1998 National Cancer Centre Pte Ltd
1999 National Neuroscience Institute Pte Ltd
2000 Institute of Mental Health Pte Ltd
2000 Alexandra Hospital Pte Ltd

2000: “Clustering”

Western Cluster

Tertia

Regio

Polyclinics

National Healthcare Group

Eastern Cluster

SingHealth

l

tals

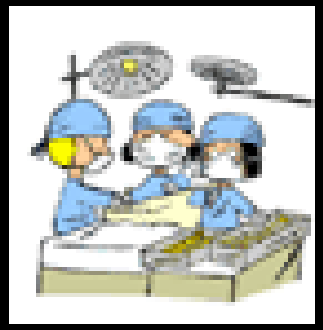
Polyclinics

Singapore's hospital restructuring:

- **Autonomy** - free from civil service constraints.
- **Integration** – seamless healthcare
- **Accountability** – cost and quality indicators
- **Competition** - clusters

Focus on value for money:

Consistent with values?



Getting value for money?

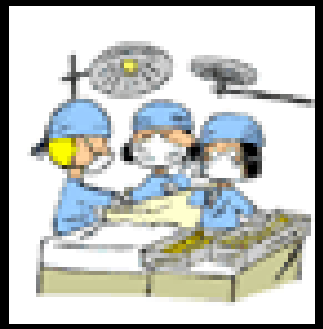
Measure outcomes

$

$

$

$

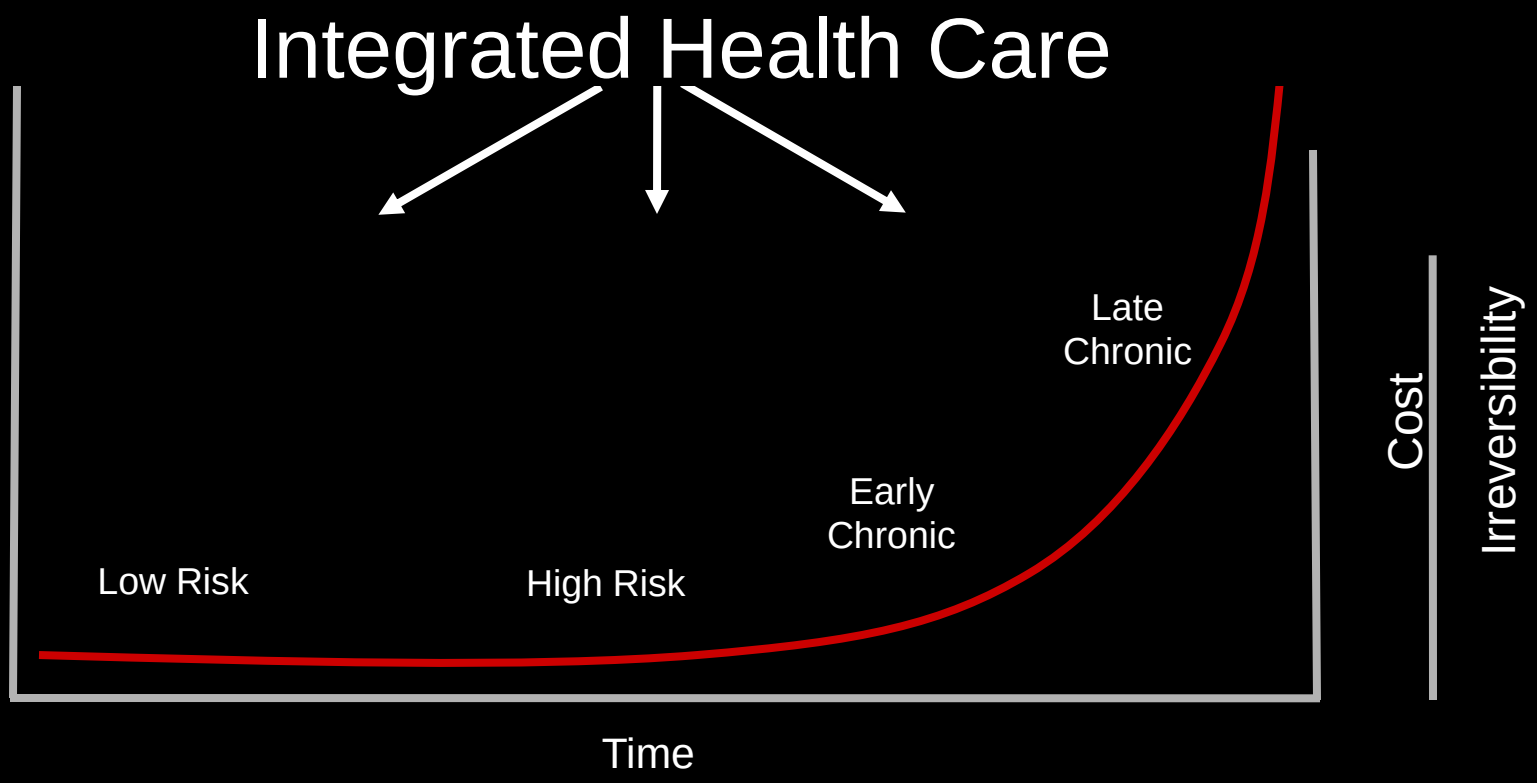


Value for money?

Quality & safe?

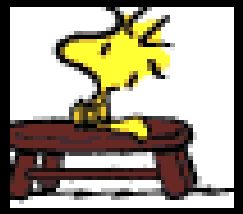
What might happen…

Change the way Medicine is practiced



Towards a tri-partite system of checks and balances

- informed consumers choose healthcare providers on the basis of the quality (and price) of care provided.



Patient

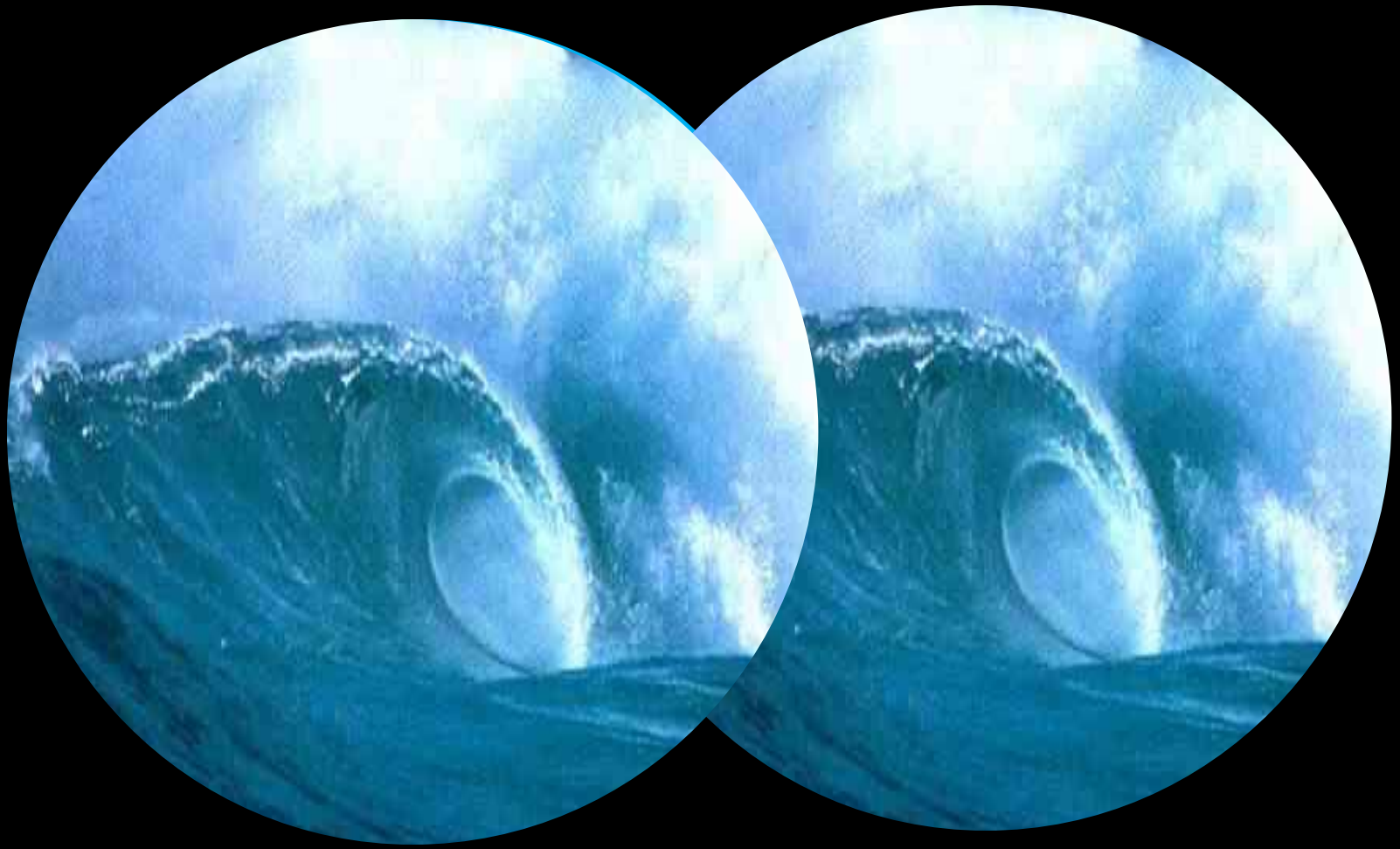
Provider
(public/private)

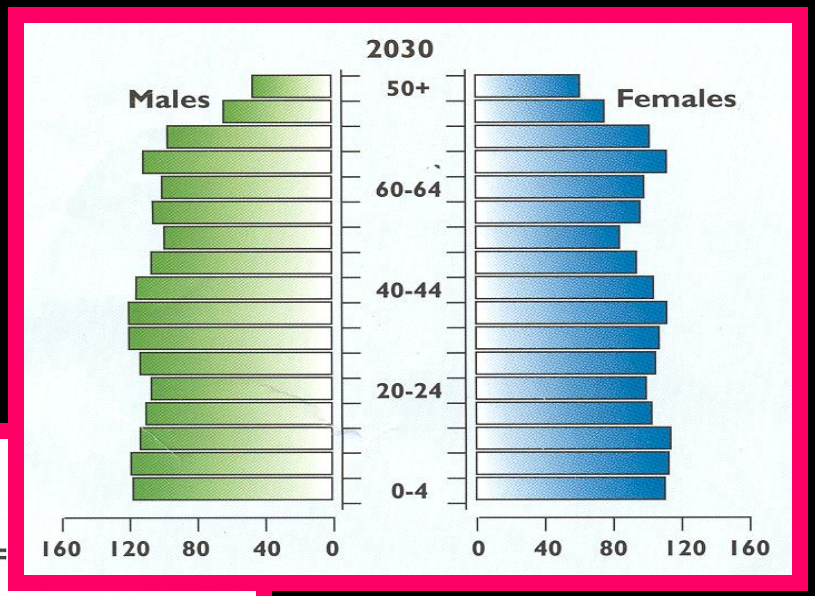
PQ

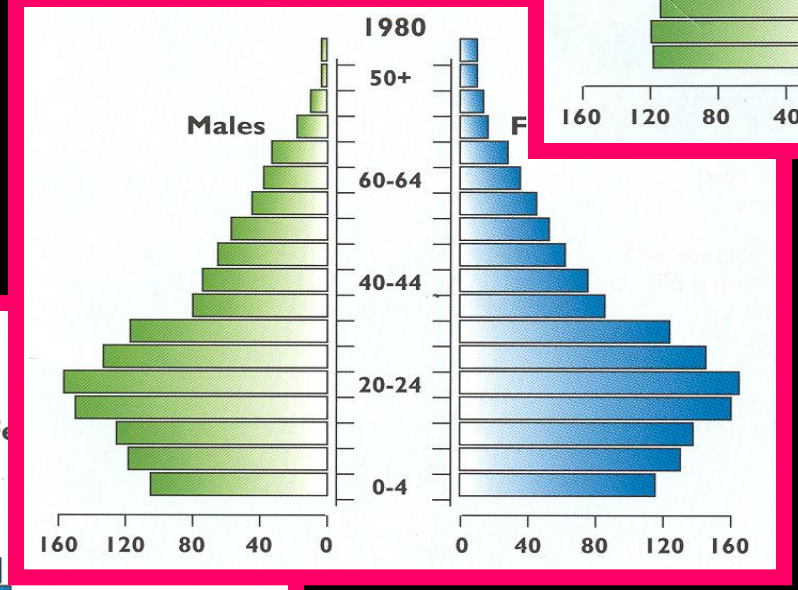
Regulator

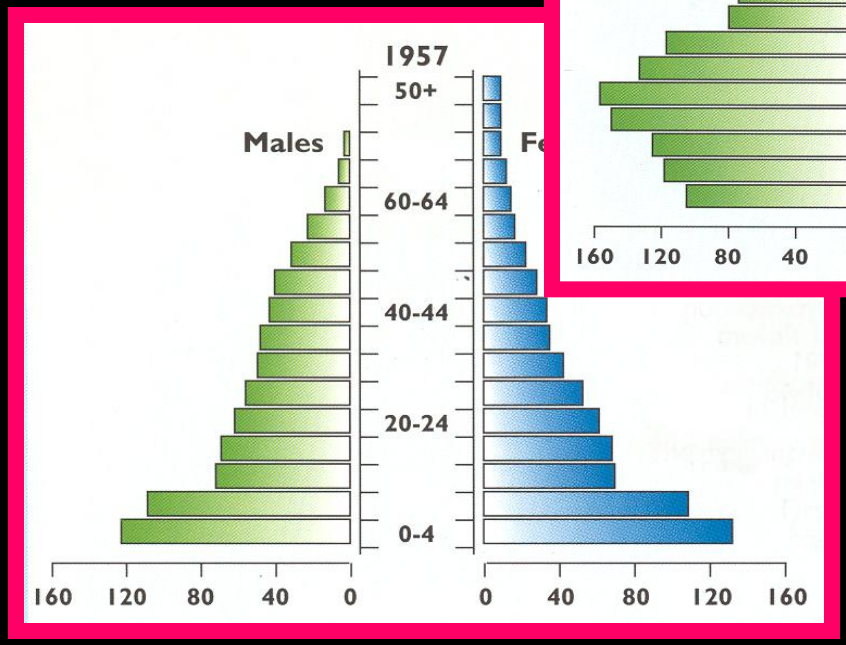
Looking ahead:

The Coming Silver-haired Tsunami





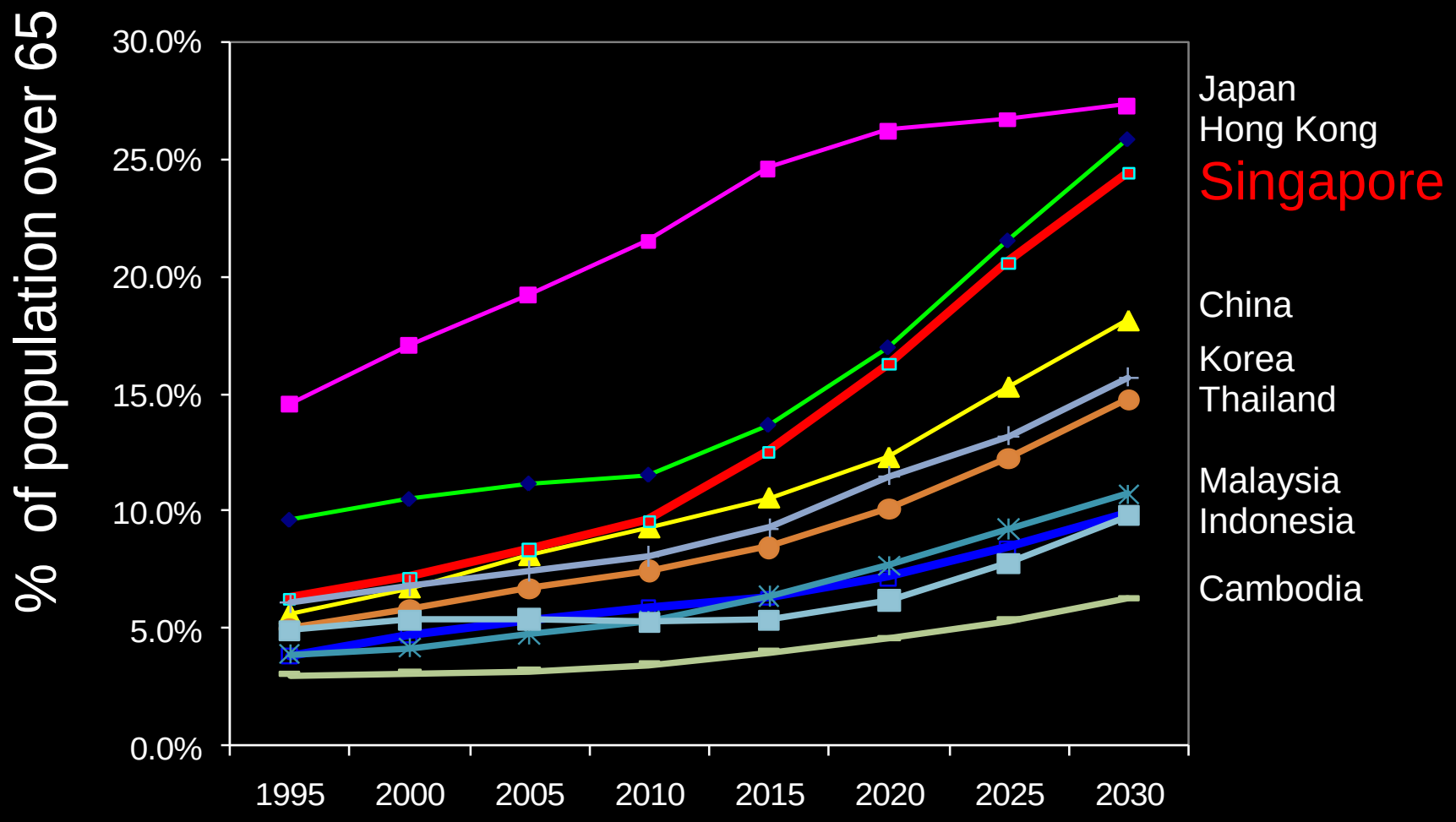




By year 2030:

1 in 4 >age 65

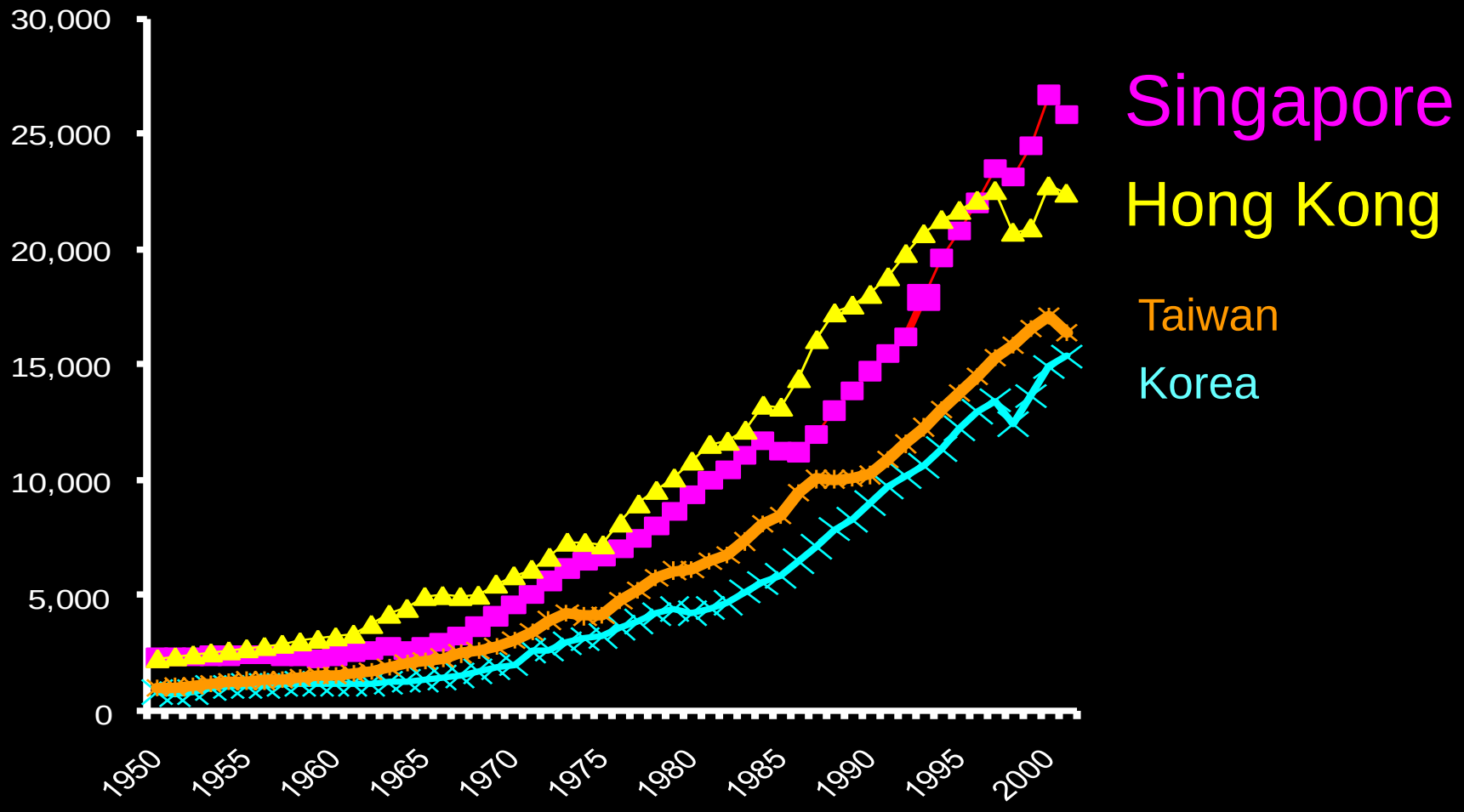
Megatrend: aging Asia



Can Asia's aging tigers rise to challenges?

Economic miracle: Asian “Tigers”

Real income per capita (PPP), Four Asian Tigers 1950-2001



British colonies

Singapore

140 yrs

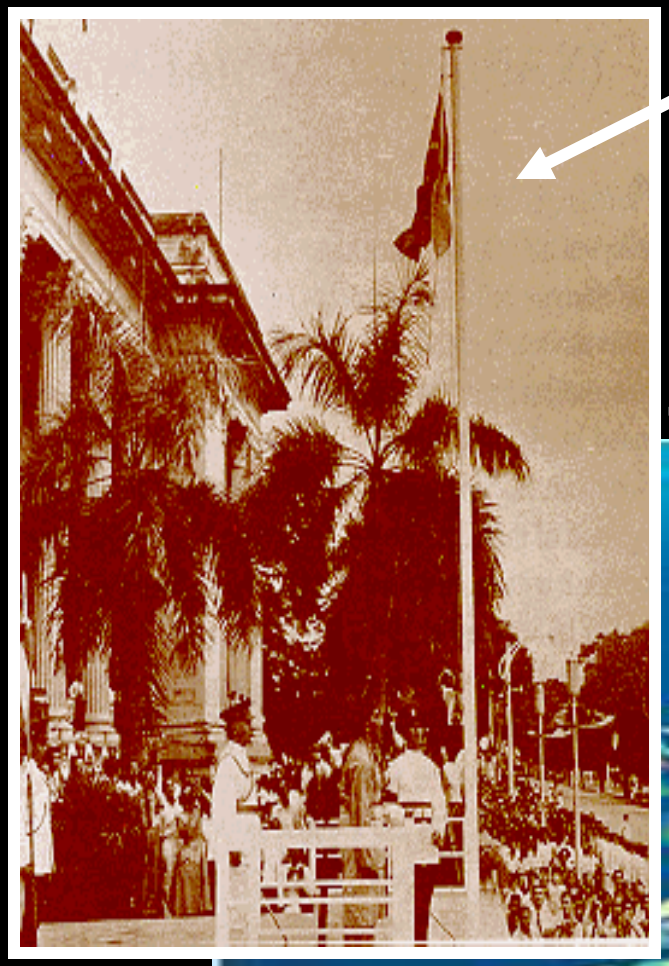
Hong Kong

155 yrs

Healthcare systems:
Why different paths?

Singapore
Mixed

Hong Kong
Tax-based



32 year lead time

Sovereignty

1965 **1997**

Contrasting styles of Government

Intervention

laissez-faire

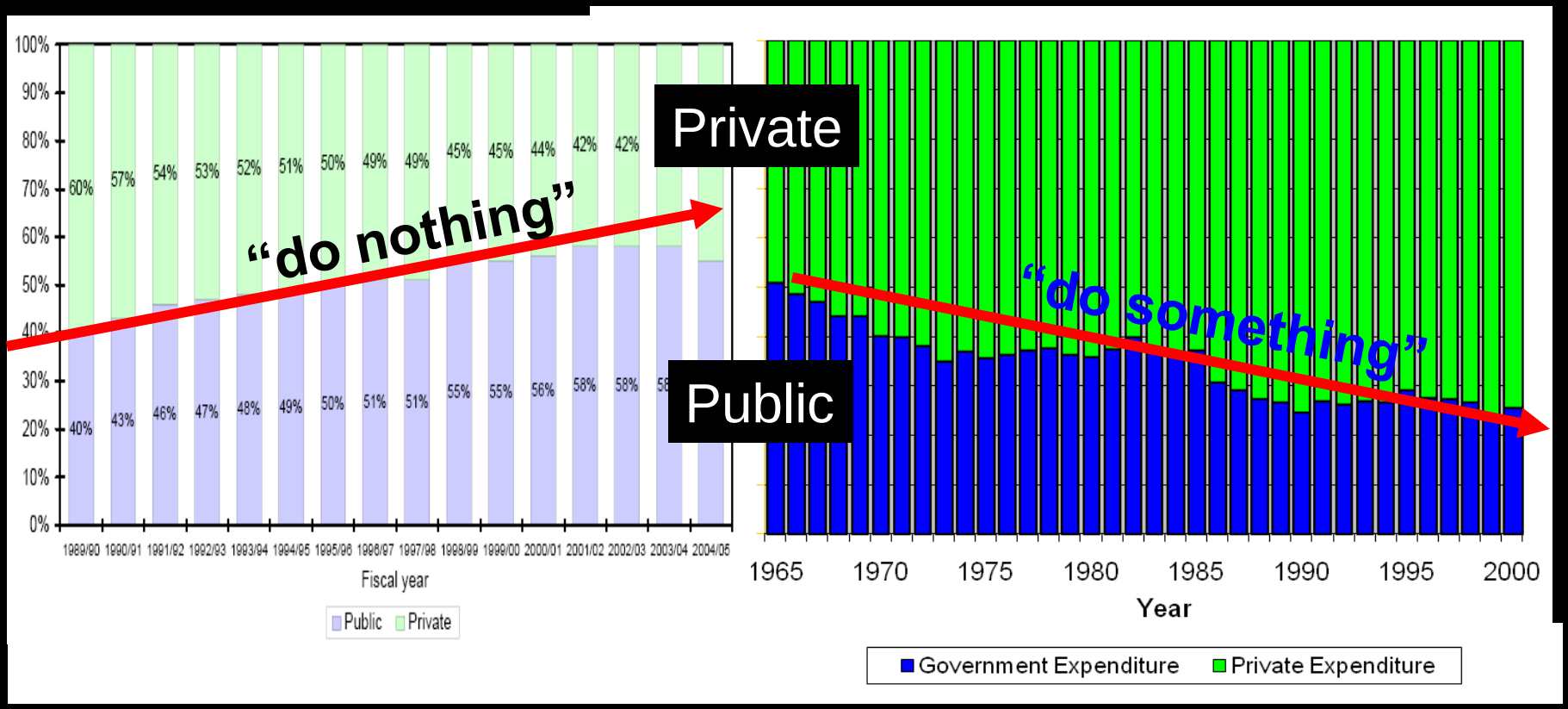
Solve problems before they arise!

Why fix something not broken?

Policy consequences

Public and Private share of Total Health Expenditure

Hong Kong (1989-2005) Singapore (1965-2000)



Summary: Singapore's advantages:

- Strong economy: GDP (PPP) per capita of US$50,299 (World Bank 2007)

- Efficient healthcare system: 6th out of 191 countries in overall health systems performance (WHO 2000).

- No "entitlement" culture - population conditioned to cost-sharing,

- Policies encourage demand-side responsibility while discouraging supply- side waste

- Strong, stable government (since 1959) – continuity in policymaking; willing to make hard decisions;

Partnership

Pragmatism
Prudence


Thank you!