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### Finding the medicine for healthcare

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# FINDING THE MEDICINE FOR HEALTHCARE

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Singapore's healthcare system is lauded internationally as a model that has managed to restrain costs while delivering excellent health outcomes. The country spends below four per cent of its GDP on healthcare and was ranked 6<sup>th</sup> out of 191 countries on [overall health system performance](#) by the World Health Organisation in 2000.

Part of its success has been attributed to the ways in which healthcare is financed in the country.

Individuals are required to take responsibility for their own health while targeted subsidies are provided to ensure that the poor will not be deprived of medical attention.

Yet, many middle to lower income Singaporeans have lamented that one can afford to die but not fall sick in the Republic.

At a [Capstone Seminar](#) organised by SMU's [School of Social Sciences](#) [Dr Paul Ananth Tambyah](#), an associate professor of medicine at the National University of Singapore gave his take on how Singapore's healthcare system might evolve in the future.

## **The three elements of a good healthcare system**

Tambyah kicked off the seminar with his thoughts on the three elements that make a good healthcare system: efficiency, excellence and equity. The challenges, he said, lies in balancing all three components simultaneously.

"It's either equitable, efficient, or excellent. You cannot have all three. There's no country anywhere in the world that has all three. You can be efficient and equitable but you are not going to be excellent."

"Cuba is an example. It's very efficient, it's very equitable. Every corner you go to, there's a doctor. Every 100 households in Cuba are assigned a doctor. Everybody has the same medical care in Cuba but it's not very excellent," noted Tambyah.

Then there is the National Health System adopted in the UK which created an equitable and excellent system, but it is inefficient and patients can expect to wait a long time to see their doctors.

How does Singapore's system fare on those three elements? "Nobody really knows where it fits in," he said but added, "I think we are trying very hard to be all things... We are pretty good on the excellence and efficiency but I think we lack the equity. And there's an attempt to do that with the 3Ms."

The 3Ms refer to a triad of schemes - Medisave, Medishield, and Medifund, that the Singapore government had set up to help Singaporeans save up for their medical expenses.

Medisave, introduced in 1984, mandates that every worker has to contribute 7 to 9.5 per cent of his or her monthly income into a savings account. Money from this account can be used to pay directly for hospital expenses incurred by the account holder or immediate family members – with limits placed on daily hospital charges, physicians' fees, and surgical fees.

According to the Ministry of Health's [website](#), as of December 2008, each Singaporean's Medisave account would have, on average, 14,900 SGD (11,900 USD) - enough for about 10-12 subsidised acute hospitalisation episodes.

Medishield, second in the trio, is a catastrophic illness insurance scheme designed to help members meet medical expenses of major illnesses that may not be sufficiently covered by Medisave. Premiums for the insurance plans, including Medishield, can be paid using Medisave accounts.

Medifund, the third part, is an endowment fund set up by the government which uses the interest income from the capital sum to help needy Singaporeans who have exhausted all other means to pay their medical fees.

In 2002, the Singapore government started the Eldersshield scheme to offer private insurance for disabilities that are due to old age.

While one might say these schemes reflect a good amount of foresight on the country's leadership, industry practitioners and observers have increasingly asked that revisions be made to the system to help Singaporeans cope with rising medical costs.

### **Falling through the cracks**

The second speaker at the seminar, Lee Soh Hong, is founder of the website [cancerstory.com](#) which provides support to cancer patients and their caregivers. She said during her presentation that she finds welfare for middle and lower income Singaporeans wanting. These Singaporeans have little savings in their Medisave accounts or spare cash for extra insurance coverage. In cases where dependents' congenital illnesses are not covered under the basic insurance plans, the financial burdens on these individuals can be quite heavy.

A life threatening disease is a "very costly affair" and it can get worse if these patients contract an infection during their stay at hospitals and incur an even higher bill, said Lee.

Her point was that regardless of how one becomes ill; one will still need to pay for all treatments received.

To this end, a seminar participant commented that his father's Medisave account had recently been wiped out paying for his grandmother's illness. Tambyah responded, saying that the 3M system is not without its drawbacks. "It will eventually slowly transform itself into an insurance-based system... The challenge is getting the insurance companies responsive so that they don't do the exclusions etc. I'm an optimist, I think that there will be a solution," he said.

Incidentally, research has shown that the highest risk of getting hospital acquired infections is when a patient has a long hospital stay or if he or she stays in a C-class ward – the cheapest category of hospital wards, Tambyah added, and so social and economic inequalities can have a very real impact on health.

Illustrating how inequalities occur on a global level, Tambyah gave the example of how flu vaccines are distributed. The vaccines are produced through surveillance of flu cases over the world to identify flu strains. However, most of the vaccines are delivered to the wealthy countries in Europe and North America – where the large pharmaceuticals are based.

Nevertheless, the establishment of the Saw Swee Hock School of Public Health at the National University of Singapore last September shows an increasing emphasis on research and development here. Singapore is in a unique position to change this reality at home and in the region, he concluded.