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SMA NEWS

The Medical Profession Acts on WTO

By A/Prof Cheong Pak Yean

What has the WTO (World Trade Organisation) and the free trade movement got to do with the practice of medicine? Information gathered by the MASEAN (Medical Associations of South East Asian Nations) taskforce studying this subject indicated that many ASEAN countries have already made specific commitments to WTO on the liberalisation of medical, health-related, social and health insurance services. Further, the 6th ASEAN Summit in 1998 mandated a new round of negotiations for AFAS (ASEAN Framework Agreement on Services) beginning 1999 to be concluded ending 2001 to include healthcare services.

These developments have to do with the registration of doctors and regulations of medical services. It also encompasses areas such as the ownership and operation of healthcare services, pharmaceutical, and health insurance.

FROM WHO TO WTO

Globalisation of trade has changed the context of co-operation in health. The World Bank (WB), the International Monetary Fund (IMF) and the World Trade Organisation (WTO) are the three agencies promoting globalisation. The World Health Organisation (WHO) has hitherto lost its pivotal leadership role in health policies around the world. This change in leadership from health to finance may have an adverse impact on world health. The concepts of social justice and equity in healthcare services are at stake.

WTO is a multilateral trade organisation that was established on the 1st of January 1995 with a system of rules dedicated to promoting "open, fair and undistorted" competition in international trade. It incorporates three multilateral accords viz. The General Agreement on Trade and Tariff (GATT), General Agreement on Trade in Services (GATS), and Trade Related Intellectual Property Rights (TRIPS) Agreement. GATS and TRIPS have direct implications for healthcare.

Medical and healthcare services are covered under GATS. ASEAN countries had made specific commitments on professional services, health related social services and health insurance. The SMA-News compiled Table 1 from information provided by the MASEAN taskforce on this subject.

AFTA & AFAS IN ASEAN

Besides WTO, two related ASEAN initiatives must be noted.

The ASEAN Free Trade Area (AFTA) was set up in January 1992 by The Singapore Declaration of ASEAN as a free-trade zone in the making. Economic co-operation is considered important to the political goals of safeguarding ASEAN interests against that of the powerful neighbours like India and China. It is still working out agreements amongst all ten

TABLE 1: COMMITMENT TO WTO MADE BY COUNTRIES IN ASEAN

	Health Insurance	Medical & Dental Services	Hospital Services
Malaysia	Yes	Yes	Yes
Singapore & Brunei	Yes	Yes	No
Indonesia, Philippines & Thailand	Yes	No	No

TABLE 2: ADVANTAGES AND DISADVANTAGES OF FREE TRADE BLOCS

Advantages

- Higher goods and services to consumers in all countries at lower prices as competition increases.
- Cost of production decline.
- Free movement of knowledge.
- Specialisation increased in free trade zones.
- Economies of scale to take place.
- Increase income and employment.
- A greater variety of goods and services available for consumers.
- Poor countries are usually recipients of large amounts of capital investments made by the wealthier countries.
- Long-term political and social benefits to trade blocs as economies become more intertwined.

Disadvantages

- Job and economic sector displacement. For many reasons, some industries will be shut down or forced to downsize because of increased competition from trading partners.
- Negative impact on small scale enterprises.
- Increased dependency. As countries become more specialised, they become more dependent on their trading partners. This means that each country loses some control over its economy or sovereignty. Decisions by foreign businesses can however greatly affect domestic economies. Imagine what will happen to Mexico the next time the United States and Canada go into recessions?
- Weaker economies in trade blocs clearly have the most to gain and to lose. They fear being swallowed by the more advanced countries.
- There are also environmental concerns raised by these agreements.

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countries to eliminate tariffs, quotas and other restrictions on trade. It has concentrated lately on removing restrictions on capital and services, but it is behind the other trade blocs like the European Common Market in areas relating to health.

The ASEAN Framework Agreement on Services (AFAS) was signed in December 1995 by the ASEAN Economic Ministers at the 5th ASEAN Summit in Bangkok. Seven sectors (excluding health) were liberalised in the first round in 1995. The 6th ASEAN Summit in 1998 mandated a new round of negotiations beginning 1999 to be concluded ending 2001. The agreement would be expanded beyond the seven priority areas to cover all service sectors and all modes of supply to include health services.

THE MEDICAL PROFESSION'S CONCERNS

The 9th MASEAN Conference held in Hanoi, Vietnam, from 29th to 31st October 1999 first discussed the implications of globalisation. It resolved that MASEAN study the arrangements of WTO and AFAS with regards to its implication on healthcare and submit a report by the next mid-term MASEAN meeting in Myanmar in 2000.

At the mid-term MASEAN Meeting held in Yangon, Myanmar in October 2000, the issues were discussed in a seminar. A resolution was passed to form a MASEAN task force to forge a consensus on the issues. The taskforce's is first meeting on 8 December 2000 in KL was chaired by Datuk Dr P Krishnan, President of Malaysian Medical Association. The Singapore delegation was led by Prof Goh Lee Gan, President of SMA and the Indonesian delegation by Prof. Ahmad, President of IMA. It made recommendations to further deliberate on the concerns of the medical profession.

Issues raised by MASEAN Task-force on GATS & AFAS

A. General considerations

The following is a checklist of areas where commitments and limitations need to be considered in balancing local interests against the benefits of entry of services from trade agreement partners:

1. Jobs in the healthcare sector - the number of healthcare related jobs that could be opened up to trade agreement partners need to be quantified using provider : population ratios. Transfer of technology and short term meeting of needs will be encouraged but in the long term, a balance between local and trade partners provision need to be considered.
2. Provision of healthcare personnel, healthcare facilities, treatment, healthcare and related products by trade agreement partners should not adversely affect the existing distributive justice of the national health care systems with regards to hospitals, health centres, clinics, laboratories, pharmacies, supplies and equipment.
3. Control of standards, numbers and professional behaviour of healthcare providers that relate to one or more of the following aspects should be defined. These are personal, e.g. entry requirements; culture and language; place, e.g. urban and rural; action e.g. therapy that is not consistent with local cultural or legal ambience and products e.g. quality and efficacy.
4. Financing mechanisms of healthcare services where control is needed in order that exploitation of the situation is protected against or disparity is not made worse with the entry of service agreements need to be defined:
   - Insurance - capitalisation needs to be adequate to meet payments.
   - Managed care - payments given to providers need to be adequate to meet minimum quality of service and limits of use of high expense services by enrollees need to be clearly defined.
   - Saving funds - Access to publicly run saving funds by trade partners should be regulated and limited.
   - Medical defence insurance - entry by trade partners should not disturb the equilibrium with local mutuals. The exploitation of insurance should be prevented: occurrence - based claims may take some years for plaintiffs to file claims. It is easy for companies to collect premiums for the first few years and then get out when the claims start coming in. Easing of trade barriers should be coupled with assurance of permanency by new entrants to the existing markets. Insurance obligations should be legally honoured even if such companies cease to be operational locally.
   - Restructured hospitals, public health care and subsidised care - the right of host countries to continue to provide these to their local populations needs

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◄ *Page 2 – Ring in the New Year*

Towards this objective of empowering our doctors, the SMA News will feature case studies of difficult or treacherous situations where we need to pay attention to tips and traps offered by circumstances. We will ask our legal advisors to illuminate the circumstances and brief us on the legal and ethical aspects.

We have therefore started the year off with the case study of the semi-conscious man whose story found itself to the newspaper journalist's attention. We, as a profession need to thank her for highlighting the situation, whatever her intention was. We also need to thank our legal advisors for making so many useful comments. Due to space constraints, we cannot publish in full all their comments. A full set is available for reference in the SMA Secretariat.

Do take time therefore, to study this case in this month's SMA News. You would have made the first step towards being a more prepared clinician. Finally, the SMA will work closely with the Ministry to deal with vexatious claims or demands. We should make a concerted effort to see that people do not take advantage of doctors and hospitals' fear of publicity to blackmail us into paying up.

TAKE HOME MESSAGE

We need not worry of being bad apples if we care to change to be a better clinician every day of our professional life. Each of us can embark on a self-directed programme of the Berkwickian paradigm of continuing improvement. Let me wish each and all a great year ahead. ■

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to be maintained where there is justification or where there are prevailing social policies.

- Since healthcare is heavily subsidised in all ASEAN countries, all member countries should develop their own national health financing schemes, to safeguard their existing affordable, accessible and equitable health care.

5. Educational courses - the right of host country to require satisfaction of requirements of adequacy of content, relevance to local needs and standards of teaching need to be maintained.
6. Provision of health services and health care products - where there is no evidence-based justification for their efficacy, the host country reserves the right to prevent the entry of such services or products.

B. MFN status, MFN exemption considerations and the ASEAN spirit of co-operation

1. International co-operation amongst ASEAN countries is encouraged and this may require MFN exemptions with trading agreement partners outside ASEAN.
2. Countries within ASEAN may/will preferentially make use of each other's services and health provider resources in the short term to meet healthcare requirements of segments of their local populations to reach sustainable levels of care that exceed minimum WHO's Health For All (HFA) indicators. Towards such goals, multilateral or bilateral ties between ASEAN countries to mutually develop strategies will be encouraged.
3. ASEAN partners will take into consideration disparities within their own countries and those of their partners when service agreements are considered. The impact of such agreements should not adversely affect distributory justice of national healthcare systems, accessibility to healthcare or cause further erosion of the existing disparities.
4. ASEAN development fund to mutually support the development of infrastructure of small and medium healthcare enterprises in trade agreement partners to be set up. The technical and manpower assistance to assist ASEAN partners in the short term may also require MFN exemptions with trade partners outside ASEAN.

C. Table of trade partner agreements from each ASEAN country

It is proposed that each country in ASEAN present the trade agreement status of its healthcare services in a tabular form set out in the Annex for easy reference by countries in ASEAN. Such completed tables should be updated by member countries as new trade agreement policies and actions are made.

D. Sighting of European Economic Union (EU) Document

It is proposed that ASEAN countries look at and study the EU document on trade liberalisation of health and look into its suitability for application in MASEAN.

E. Proposal for a sub-working group on ASEAN Regional Action Plan on the Impact of Globalisation and Liberalisation of Trade and Services on the ASEAN Health Services and Health Professionals

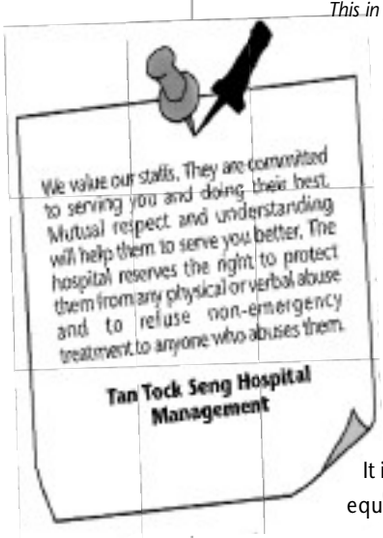
A document will be prepared out of this draft to be tabled as a proposal for a sub-working group to be formed on ASEAN Health Services and Health Professionals.

The task force further recommends that National Medical Associations of MASEAN appoint committees to study the healthcare needs of the country, to identify problems in the present healthcare delivery system and to feedback to their governments on the possible implications of liberalisation. The Malaysian Medical Association and the SIngapore Medical Association amongst others have already made representation to their respective governments on the subject.

At the regional level, MASEAN as a NGO (Non-government organisation) of ASEAN would, after forging a consensus, make its representation to meet officials of ASEAN at a Ministerial-level to discuss the matter in early 2001.

The movement to globalise trade and services would impact in all areas of life include healthcare. Doctors, individually and collectively must be aware of the facts and how globalisation may perversely affect local equity and distributional justice in the name of progress. We also have the responsibility to help those implementing the programmes to harness the positive aspect of the movement to deliver better healthcare to our people. ■

◄ *Page 9 – You Mean They Don't Teach You This in Medical School*



on them to perform routine ward nursing work. There is no easy solution to this. Perhaps greater automation will help as well as the subcontracting of more labour intensive but less nursing related activities.

TEAM PLAYERS

It is easy to say nurses are equal members of the healthcare team, but often doctors are much more forgiving of their own mistakes and omissions than that of their nursing staff. There is an unsaid arrogance in this. We think we should be allowed more latitude and understanding because our work is more difficult and demanding. This is partly understandable, nonetheless humiliation of nursing staff in front of patients is still unacceptable behaviour.

For we can declare platitudes about being on the same team and having same goals, but when it comes to the crunch, the way patients view nurses is in some way a reflection of how doctors view them. And the daily tragedies of ugly Singaporeans treating our foreign nurses as if they were little more than domestic help is food for thought for us all.

That is why all hospitals should have what is on the walls of all TTSH wards which say something like our staff are important to us and any criminal abuse will be reported to the police. But with the move of some administrators towards calling patients "clients", with the entire movement towards a total Ritz Carlton like service mentality, and the running of hospitals as minor businesses, perhaps one should be satisfied with just being able to call patients "patients". But this is another topic for another day. ■