Managing Healthcare in Singapore

Speech by Ms Yong Ying-I, Permanent Secretary for Health, at Singapore Medical Association's 37th National Medical Convention,

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It gives me great pleasure to join you this afternoon at the Singapore Medical Association's 37th National Medical Convention. I am honoured to be asked by you to share some of my thoughts on the theme of managed healthcare which is of interest to many general practitioners.

I confess that I was somewhat surprised to see the theme of the Convention because "managed healthcare" has not been a key thrust in the Ministry of Health's (MOH) national strategy. MOH's focus is "3M", which is clearly the core of our national healthcare financing strategy. There has been active discussion about the significant role that employers' contributions play, but not on managed healthcare schemes. MOH's best estimate is that a small percentage of Singaporeans are on limited managed healthcare schemes. Government has not pushed managed healthcare systems in that Medisave contributions cannot be used to fund payments. We did allow an experimental pilot in 1994 using Medisave, and after assessing its results, discontinued the scheme in the Medishield reforms in 2005. However, healthcare financing philosophies are evolving and I am very glad that you are discussing what is working well and not so well in the services that you are offering to your patients.

Managed healthcare systems are common elsewhere. Earlier this year, I visited some of the best-run Healthcare Maintenance Organisations (HMOs) in the US such as Kaiser Permanente and Intermountain Healthcare on the US west coast. I came away very impressed with the

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high level of care and the active role played by the primary care physicians in managing the conditions of patients.

However, they briefed me about public concerns which you too are aware of. For example, many comprehensive managed healthcare schemes face the problems of over-consumption by policy holders and over-servicing by providers, which leads to escalating premiums. On the other hand, containing cost by requiring higher co-payments or restricting doctors in their treatment methods and drug prescription, have not gone down well with customers or participating clinicians. Where the capitation system is implemented harshly to force cost control, the treating institutions have a perverse incentive to under-treat, which is to the detriment of the patients.

MANAGED HEALTHCARE IN SINGAPORE

MOH's assessment of why managed healthcare in Singapore is not sizeable is fundamentally due to the success of the government's 3M framework. In 3M, cost-containment is achieved through emphasising co-payment by consumers. Because consumers have to pay some part of the cost of their care, they have a vested interest not to over-consume. Because healthcare is heavily subsidised, healthcare is kept affordable overall. Because the government is paying the subsidies, and it owns the institutions providing subsidised out-patient and in-patient care, it exercises policy and management control to achieve cost-containment and cost-effectiveness in delivery. In this environment, Singaporeans have not felt a great need to buy managed healthcare schemes.

Nevertheless, it is in all our interests to learn and adapt the good points of the managed healthcare system to our needs. One key strength of the Managed Healthcare System (MHS) is the pivotal role of a primary care physician who is the patient's holistic healthcare manager; he only refers the patients to secondary services where necessary. This resonates with the government's fundamental interest to see right-siting happen. Government does not want to crowd out the private sector. MOH wants to see a system where primary care physicians, preferably GPs in the private sector, manage their patients holistically and act as effective 'gate-keepers'; patients are referred to the SOCs only when the primary physicians assess that the patients need specialist care.

CHRONIC DISEASE MANAGEMENT SCHEME

Singapore is going to move closer to our own version of managed healthcare that integrates the public and private sectors into one national system later this year when we launch the major national effort to better manage chronic diseases. My Minister had earlier announced that this scheme would allow patients to use their Medisave to help pay for treatments for diabetes, hypertension, lipids disorder and post-stroke management. These four diseases are the first step towards a more extensive scheme. I would like to use this opportunity to share with you some of the key features of the scheme.

First, we will strongly encourage every patient suffering from a chronic disease to have a primary care physician. Indeed, we think everyone in Singapore should have a family physician who knows your medical history. A stronger physician/patient relationship has been shown to improve patient compliance and clinical outcomes. As polyclinics are meant to provide a safety net for the lower-income, the vast majority of Singaporeans should have a family physician in the private sector. Towards this end, we will allow GPs to offer care packages under the chronic disease programme, which can be paid for out of the patient's Medisave. The package must conform to the clinical practice guidelines for the disease. Having packages will encourage patients to stick to their GP and not 'doctor-hop'.

Second, our chronic disease management framework engages patients to be active partners in their treatment. We are developing patient education and publicity materials to support patients' self-care efforts and encourage patient compliance.

Third, doctors participating in the disease management framework, which allows Medisave drawdown, have to follow treatment protocols which disease experts in Singapore have designed. This is a major shift for doctors, as it will be the first time we see large-scale adoption of peer-established clinical practices guidelines in Singapore. We will help doctors with IT tools to track their patients' conditions over time. When I was in the US, I was greatly impressed with the support infrastructure of health services research used by the HMOs there. Going forward, we too should build a stronger health services research capability here.

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Fourth, we will partner the professional community to help GPs strengthen their capabilities to manage chronic diseases. GPs have feedback that they welcome training programmes and seminars under the continuing medical education framework to refresh and expand their knowledge. We will support doctors with tool kits and educational material for doctors to better explain their condition to patients.

Fifth, our public sector SOCs will make a big push to strengthen their partnership with primary care physicians, especially private sector GPs. They will encourage patients whose conditions have stabilised to see their primary care physicians. Conversely, should these patients' condition worsen over a period of time, the GP will be able to refer these patients back to the SOCs. The SOCs are working on clinical indicators and guidelines to make this happen. The SOCs will have a list of all GPs who have signed up for the scheme so that the frontline staff can advise patients on the primary physician closest to and most convenient for them.

If done well, my Ministry believes that the chronic disease management programme will benefit patients. Patients will be managed holistically, receive more structured treatment and be educated on how to comply with the treatment. We are confident that their clinical outcomes will improve. This is not a hypothesis or conjecture but based on concrete evidence from the pilot schemes, including those conducted locally. One example is Singhealth's Delivery on Target (DOT) programme – in less than four months, more than half of the patients receiving care from primary care providers reduced their blood sugar level targets to the recommended targets or less.

Doctors will also benefit from the scheme. Primary care doctors now have the opportunity to treat a larger number of patients with more complex ailments, while doctors in our SOCs are freed up to focus more efforts on cases that require specialist care.

IMPLEMENTING THE SCHEME

I would like to give a few assurances here to you about listening to your concerns and feedback. We have a saying in Government that "good policy is good implementation". Great policies not implemented well and not supported by stakeholders will fail. So for the chronic disease scheme, my Ministry has had various meetings with groups of GPs to get their feedback. So far, our sense is that the majority of GPs support the intent of the scheme. Many will join the scheme. However, some are concerned about changes in work processes they will have to make. Two particular issues stand out. First, GPs are concerned about the transaction cost that is charged to them. Second, GPs are concerned over the requirements of the claim and data submission process.

We hear your concerns and will do our best to help you make the scheme work. For instance, we are discussing with the Central Provident Fund Board how to reduce transaction costs. Some reductions are definitely possible. To simplify the claims and data submission, we are developing simple-to-use IT systems. For clinics with clinic management systems, we are working with vendors to facilitate your submissions. Efforts to support GPs on the scheme through the production of a doctor's tool-kit, patient education materials, even decals to help accredited clinics identify themselves have all been undertaken. GPs should rest assured that the Ministry is committed to help you participate in the scheme.

In the next few months, my Ministry will embark on road shows to explain the scheme in greater details. The clinical and business details are not cast in stone. We must get started, but we hope to learn as we go along and we welcome your inputs and feedback so that we can build a stronger national system for managing the long-term healthcare needs of our population. I of course hope that the GPs amongst you will participate in it.

Looking at the big picture, there is an estimated one million Singaporeans who have diabetes, hypertension, lipids disorders or will suffer from stroke. This is a significant pool of patient, and it will grow as the Singaporean population ages. The Government recognises that we should take the lead in designing a national system that draws in our professional resources across the nation, including from the private sector to tackle this, and the national system must enable use of Medisave. My Ministry hopes that you in the SMA will work with us to build a successful national system.

Let me express my appreciation once again for being invited here to share my thoughts on managed healthcare as well as some of the Ministry's plans in the coming months. I wish you an enriching and stimulating convention. ■