

# “There is No Free Lunch”

Dear Dr Wong,

Thank you for the excellent article “Free Lunch” in the December 2006 issue. It is high time someone from the medical fraternity took a stand on the HMO issue.

HMOs are here to stay. HR departments have a natural affinity for them as HMOs cut down administrative paper work; help control spiralling medical costs, and sets in place a system to curtail over-charging on the part of doctors. These are certainly benefits; however, it becomes a bane when patient care is compromised.

HMOs, as you have stated, are “for profit” organisations. It is only natural that such schemes charge their clients as much as the market can bear, and pay the doctors as little as possible in order to maximise their margins. Personally, I do not have any issues with that, as I understand that they are running a business. What I do not agree with are the extremely low compensations given to doctors by the HMOs. Some reimbursements come up to a little more than the cost of a McDonald’s meal for a consult. This sort of arrangement forces doctors into the unenviable position of having to limit prescriptions in order to make a very small profit (for instance, the 4 Piriton tablets example you have given). The worst part of it is the lack of transparency; the HMOs do not disclose how much they are being paid by the clients, and doctors are not allowed to reveal to the patient the budget they have to work with.

This begets the question “Why do doctors agree to such terms in the first place?” As you have mentioned, doctors do not take kindly to the idea of managed care. However, most doctors are forced to accept HMO contracts by circumstance. As doctors, we are strictly regulated; not just by medical standards, but by ethical and personal conduct, right down to the type and size of the lettering on our practice frontage. HMOs have no such restrictions, they can choose not to respect

the minimal \$20 consult by the SMA, they can solicit for business and they can advertise. As practising doctors, we are competing from a severe disadvantage, and it is no surprise that HMOs are successful in gathering a large following of clients. Doctors have to accept whatever terms HMOs throw at them in order to gain access to patients.

I believe most of us understand that we run professional risk by adhering too closely to terms which may compromise patient care (again, the 4 Piriton tablet example), but some doctors are really left with no choice in order to maintain patient numbers. That we run financial risk should the HMOs become defunct is something that has existed since the emergence of such organisations in Singapore, nonetheless, it remains a very real concern.

I am of the opinion that all HMOs and medical groups operating HMOs should follow a set of guidelines laid out by either the Singapore Medical Council or the Ministry of Health. It is a sound argument that in controlling the consult and medications that can be utilised, HMOs are indirectly dictating the quality of patient care. It is imperative that there is some form of accountability by the HMOs.

The suggestions made by the Hong Kong Consumer Council could serve as a framework for a local equivalent in order to reach a solution that is equitable not only to patients, the companies they work for, the HMOs, but to the doctors as well.

Yours truly,

**DR YAP YEW-CHONG BERNARD**  
MCR: 08639H

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