PANEL DOCTORS

Perspectives from a Specialist

Text by Dr Ng Chee Kwan

Introduction

Most doctors in private practice will be familiar with the concept of panel doctors in healthcare. Patients who are covered under corporate healthcare arrangements or Integrated Shield Plans (IPs) may be channelled to panel doctors. These doctors have entered into a contract to see patients at pre-determined rates, which are usually at a discount of the doctors' usual fees.

Having been in private practice for over ten years, and with some experience as a panel doctor, I would like to share my personal thoughts about these arrangements.

Panel doctors for corporate healthcare arrangements

The concept of panel doctors is well established in corporate healthcare arrangements offered by third-party administrators (TPAs), such as Alliance Healthcare, Fullerton Health, MHC Managed Care and Parkway Shenton Medical Group. Patients consult panel GPs, who can in turn refer them to panel specialists if required. The transactions are generally cashless, although some patients may be subject to co-payment. The TPA pays for the consultation fees, in-clinic investigations, outpatient X-rays and ultrasounds, and patient medications. Costs that are not covered include outpatient CT scans or MRIs, supplements and lifestyle medication. Doctors have to pay administrative fees to the TPAs for patients that they see. In the past, the administrative fees were based on a percentage of the doctor's fees, but due to ethical concerns of fee-splitting, the administrative fees are nowadays based on tiers that are determined by the individual TPAs.

The patients under corporate insurance that I see as a panel specialist are generally satisfied with this arrangement. Even though they are restricted in their choice of specialist, they do not mind since the majority of the costs are borne by the company. Patients benefit especially if they need costly long-term medications or require a surgical procedure.

My experience as a corporate insurance panel doctor has been mostly positive. I initially signed on with many panels, and I remain on a handful that provide a reasonable number of referrals. However, I have learnt there are some TPAs to stay clear from, because of unreliable payments and unreasonable termination clauses.

My experience may not be representative of all panel doctors. For some doctors, the experience with being on the panel has been painful. Anecdotally, there are some TPAs who have reduced the doctor's rates to such an extent that it becomes no longer worthwhile to continue working with them. These are TPAs that doctors should actively avoid.

> One would expect IP providers to actively recruit more doctors into their panels, but paradoxically, some IP providers have closed their panels to new applicants.

Panel doctors for IPs

Based on the Health Insurance Task Force report published in 2016, approximately two-thirds of Singapore residents are on IPs which cover costs for private hospitals or class A/B1 wards in public hospitals.[1] In the report, the concept of panel doctors for IPs was proposed as a way of controlling healthcare costs. Accordingly, insurance companies providing IPs, or IP providers, have adopted the concept of panel doctors in recent years. Doctors who join the panels are contractually obligated to charge fixed remuneration rates for inpatient treatment, which are tiered according to the Ministry of Health's (MOH) Table of Surgical Procedures.

Panel doctors may benefit from having insurers steer higher volumes of patients to them, and patients who opt to get treatment from panel doctors may benefit from significantly lower deductible and co-insurance costs, and enhanced post-hospitalisation coverage.

From a business standpoint, there is nothing wrong with this arrangement. However, from the perspective of patient healthcare, there is much room for improvement. The Academy of Medicine, Singapore has recently collated statistics on the number of private specialists on IP panels. To date, there are just under 1,500 specialists in private practice, but only about 20% of them are on IP panels. Certain specialties are severely under-represented on IP panels (eg, geriatrics, gynaecology, internal medicine, paediatric medicine, paediatric surgery, plastic surgery and psychiatry), with only 10% or less of these specialists on panels. Crucially, there are a few specialties that deal with critical illnesses that are conspicuously absent from some IP panels; eg, cardiothoracic surgery and radiation oncology.

One would expect IP providers to actively recruit more doctors into their panels, but paradoxically, some IP providers have closed their panels to new applicants. Moreover, doctors may choose not to join IP panels if the remuneration rates are unfavourable.

Using myself as an illustration, I am only on one IP panel, which offers remuneration rates that follow the MOH fee benchmarks. I did not join other panels when they were actively recruiting as their remuneration rates were low and I did not wish to get stuck with those rates.

Patients who are under IPs that cover hospitalisation in private hospitals may not realise that:

- Within the confines of a small panel of doctors, there may not be a specialist trained in the particular subspecialty that they need.
- Those that had previously been followed up on by their regular specialist may have to change to another specialist if their doctor is not on the insurance panel.
- They may be restricted in their choice of hospital for treatment, as some insurance companies limit their panel doctors to those practising in selected private hospitals.
- If they require critical illness treatment such as open-heart surgery or radiotherapy, they may have to go to restructured hospitals for treatment if there is no private specialist on their panel.
- In the emergency setting, A&E departments have to refer patients to a panel specialist rather than the on-call specialist; this may lead to delays in treatment if the panel specialist is not readily available.
- In the event that they have to be treated by a non-panel specialist, they would have to pay significantly more for their deductible and co-payment.

Conclusion

In an ideal world, panels would not exist. Patients would be at liberty to consult doctors based on expertise, rather than be required to see doctors based on what is essentially a financial arrangement. However, it looks like panels are here to stay, as long as there are financial pressures to cap healthcare costs.

I think panels for corporate healthcare serve a niche purpose in providing healthcare for employees at a reasonable cost. My main concern is with IP providers who limit the number of doctors on their panel. This could compromise patient care for a large number of Singapore residents. Most of us would have purchased IPs to cover for hospitalisation costs for ourselves and our family. It is in the interests of our patients, as well as ourselves, to stay engaged and give feedback to IP providers, professional bodies and Government regulators so that IPs can continue to provide adequate coverage for our healthcare needs. ◆

Reference

1. Health Insurance Task Force. Managing the cost of health insurance in Singapore. Available at: https://bit.ly/2G8GYWP.

Dr Ng is a urologist in private practice and current 1st Vice-President of the SMA. He has two teenage sons whom he hopes will grow much taller than him. He has probably collected too many watches for his own good.