Tale of Two Cities

"(We have) achieved a level of healthcare that few other advanced economies have. Coverage is universal, high quality and affordable. Stories of patients being turned away for lack of ability to pay are unheard of."

"This is the result of the government stepping in and taking the responsibility for the vast majority of health care."

Are these words from a Minister, CEO of a restructured or private hospital, or a high-ranking MOH official? One can be excused for thinking so because it is quite common for our leaders to proclaim and remind the citizenry of our excellence and achievements. However, the city referred to is not Singapore but Hong Kong. These quotes are taken from the editorial of the *South China Morning Post* on 10 May 2004.

"NO MONEY NO TALK"

If one thinks that the opening sentences of the editorial are meant to be self-congratulatory, one is mistaken. It is merely the introduction to its real intention, which is to highlight what is considered the biggest problem facing the Hong Kong Health Authority today – its mounting budget deficit. The problem is, sad to say, consequent to the enormous cost of providing an excellent health service for her people. It is a worsening and urgent problem. The Authority is estimated to be HK$600 million in the red for 2004 and is said to be "grappling with ways to make up for it."

While we have not heard such desperate utterance in Singapore, it is almost certain that the health budget is of concern here too. The question is: how serious is our problem? Is it manageable or menacing? "No money, no talk" is the reality – be it buying a submarine, building a subway or running a hospital.

Two ways for making good the deficit were proposed in Hong Kong. The first is to sell medical consultation services to Mainland China. The intention is to export medical workers and professional staff to the Mainland in order to generate income. In the words of Dr William Ho, CEO of the Hong Kong Hospital Authority, the Authority has established a good "brand name and track record" and indeed has been approached by some Mainland institutions for assistance in hospital management, medical training and IT. However, it would not be easy to set up clinical services in the Mainland. The type of services, pricing and markets need careful planning. Only a few Mainland cities can afford expensive medical charges and these cities claim to have good standards of medical care themselves, making it difficult for outsiders to compete.

Singapore already has private medical organisations with practices overseas. The Raffles Medical Group has five clinics operating in Hong Kong, and the Mahkota Medical Centre in Malacca has been described as Health Management International Ltd's flagship, contributing 95% of the group's revenue. The writer is not familiar with their setups and structures. The owners, however, appear to be upbeat.

It is our government's intention to globalise the economy. Would our public sector consider establishing medical facilities overseas to be part of our economic globalisation effort? Are we a good enough "brand"? Is it feasible and viable? What are the obstacles a government-linked e nterprise would face? Conceivably, it is easier for Hong Kong, which is part of China and is situated at its doorstep, to enter the Mainland's market.

WHEN MORE IS NOT BETTER

Hong Kong, according to the *South China Morning Post* report, is facing a problem of oversupply of doctors presently, and "no matter how hard the Hospital Authority has tried to open new posts, it remains difficult to offset the number of new medical graduates every year." The relocation of excess manpower is an option to be explored, thus killing two birds with one stone.

In Singapore, the situation is rather confusing. Not long ago, it was projected that there will be a glut of doctors and measures were taken to restrict supply. Soon after, the projection was that of a shortage and the intake of medical students was expanded. A simple calculation would reveal an additional supply of at least 1,500 doctors in five years, based on 300 new graduates per year. Singapore, with its population not growing as we would like it to, may soon have an excess of doctors like Hong Kong, even after allowing for employment in new hospitals and other non-clinical work. Singapore doctors may then have to join the global work force too.

The doctor to population ratio here is now 1 to 700. How high should it go? Since the subject of discussion is the burden of health cost, it is perhaps relevant to take note of the observation that an increase in the number of doctors in most developed countries is not followed by a decrease in medical cost, or for that matter, increased efficiency.

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CHEAP AND GOOD

The second proposal for generating revenue is the development of medical tourism. Hong Kong hopes to cooperate with the Mainland authorities to allow Mainlanders to seek medical treatment in Hong Kong, targetting "wealthy customers" who will "pay a premium for the high standards". Singapore, too, is doing this. Much effort has been and will be put in to promote Singapore as such a destination. Unfortunately, competition with other countries is fierce.

The main issue is cost. Singapore is expensive. Even our local citizens are reported to be seeking medical treatment abroad. Thailand and Malaysia, for example, are substantially cheaper. Some local doctors claimed that they offer superior services. The bottom line for the vast majority of patients really is value for money and this is what the medical tourists will be looking for.

It has been suggested that to compete, we can provide cutting edge technology and treatment. Would this be the answer? The overheads will be high in terms of equipment and training, and the number of patients needing very high-end services is not likely to be large. Moreover, in this age, we would not have a monopoly on technology as it does not take long for others to catch up. However, this is not to say that we need not upgrade, far from it. Otherwise, we would be left behind. It is just to suggest that providing "bread and butter" services at a competitive rate may actually generate more revenue because of the economies of scale.

Singapore has now relaxed its regulations on advertising by the medical profession. It remains to be seen how effective advertisements would be in generating higher patient volume from overseas.

WHAT GOES UP CAN COME DOWN

The reasons for rising costs resulting in budget deficits are quite similar in both Hong Kong and Singapore. Inflation, the ageing population, high expectations and salary structure all play a part. Increasing medical fees did not bridge the gap. In Singapore, the Medisave scheme is, at best, partially successful. Hong Kong is toying with the idea of levying a healthcare fee as a small percentage of the salary. It is difficult to find an exemplary health delivery system model in the world that the two countries can follow.

The International Herald Tribune, on 18 May 2004, carried a report on Canada's publicly financed health insurance system. It is a universal coverage system, covering most medical expenses excluding dentistry and eye care. Canada spends 10.8% of its GDP on healthcare. There are 2.3 doctors per 1000 population, that is, one doctor for 423 people. The system was "regarded with pride" in the past, but it is now considered to be ailing mainly because of financial shortfalls. A referral from a family physician to a specialist takes 18 weeks, a MRI appointment can be three months later, and there is an eight-week wait for breast cancer radiation therapy in Quebec. The ailing system has become a dominant issue in their national election campaign. This is quite scary. Could it happen in Hong Kong or Singapore?

Currently, finding funds from some source appears to be the method of choice to solve the financial problem of medical costs in most countries, be it insurance, co-payment, raising fees, tapping personal savings, and so on. However, there appears to be not much of a success to report.

Maybe the attention should be directed and shifted to cost-saving. There are some who claim that we are unable to lower cost anymore. This is most disturbing. Is it an unwillingness to lower cost, rather than an inability to lower it? How did our airline industry react when it faced economic difficulties?

There are many ways to lower cost. For example, hospitals and health institutes can be more utilitarian and less monumental. Images are expensive to upkeep. Any MediaCorp actress will tell us that. Health, illnesses, deaths and their management may need to be and can be redefined. It is not only for holistic reasons but for cost management.

HEALTH OR WEALTH

Amidst all the discussion of commercialising medicine, it is somewhat of a relief to read what the newspaper in Hong Kong claimed should be the bottom line: "There should be no confusion about distraction from the Authority's core reason for existing, providing health care to the people of Hong Kong," and "There cannot be any compromises on the quality of care either." In other words, in the provision of healthcare, the priority is to Hong Kong's own citizens. This may sound fundamental, but can be overlooked especially at times when the economy is slowing or being threatened, and there is increasing talk about making profit by providing healthcare for others.

It is unlikely that in Singapore, all our best talents and facilities would be channelled to serve Sheikhs who are rich in oil but poor in health. (Notwithstanding that they are being wooed ardently – *The Straits Times,* 27 May 2004.) We love to have them and their petrol dollars, but it is only logical that citizens must come first. Our health sector, we must remember, is developed and paid for by our own citizens in the first place.

We have been told time and again by the authorities not to worry, that the health of those citizens who do not have wealth will still be taken care of. Given the assurance, Singaporeans, like the citizens of Hong Kong, ought to be able to sleep well without Dormicum or Ermin. ■