

By Dr Wong Sin Hee

Medical Outsourcing – The new wave of the future



Whether we like it or not, with advances in technology and the high cost of running and maintaining healthcare services, medical outsourcing is inevitable. This is getting increasingly common in the United Kingdom, United States, Switzerland and Israel. Other countries will follow soon as healthcare costs skyrocket and spin out of control.

Very recently, I was rather perturbed by the exchanges of letters in *The Straits Times' Forum Page* on medical outsourcing. In this particular case, it was about teleradiology – a very frank and honest letter written by Dr Shoen Low Choon Seng. The reply from the Ministry of Health's Miss Karen Tan reassured the readers that teleradiology is cheaper, faster and of good standard.

To my mind, medical outsourcing has two components: internal and external. It is essentially a delegation of tasks or jobs from an internal production to an external entity. It also leads to the elimination of local staff in favour of staff overseas where salaries are markedly lower. Outsourcing can occur within the country's

boundaries (internal) or it can be undertaken by a third party in another country (external). Currently, India is the foremost provider of medical outsourcing. It has been reported that India can earn more than \$1 billion annually and create 40 million new jobs by sub-contracting work from the British National Health Service alone. In fact, India is working towards becoming the healthcare destination of the world with vastly cheaper rates.

THIRD PARTIES IN HEALTHCARE

Internal medical outsourcing has already taken place in Singapore. Many companies, including MNCs and even government ministries and departments, have outsourced their medical departments to a third party. The main reason

Dr Wong Sin Hee is just a simple solo GP languishing in the heartland, and trying very hard to salvage a sunset medical practice. He is struggling very hard to stay afloat amidst the tremendous changes in a very economically driven medical healthcare system.

Page 12 ►

for doing so was to cut cost and maximise profits. With a stroke of the pen, many solo general practitioners found themselves suddenly and shockingly erased from the equation. Some of these doctors depend on the employees of these companies for survival. The doctors and their nurses are suddenly displaced and made irrelevant.

Some clinics, however, chose to stay within the network of the third party providing healthcare services to the same patients from the same companies. But the terms and reimbursements have changed drastically much to the displeasure and disappointment of the participating doctors. This is a classic adverse consequence of medical outsourcing. The first casualty is the solo general practitioner who suddenly finds that his practice has been completely transformed.

Internal medical outsourcing also empowers the big medical groups to take advantage of the solo general practitioners who are compelled to participate in the network for sheer survival. The terms and conditions once again make the practice of family medicine almost impossible. Many such dislocated doctors have tried to maintain their status quo, but ultimately, they too have to succumb to the rigours of the third party service provider. This is the second casualty of internal medical outsourcing. It changes the way we practise medicine, especially family medicine.

The third casualty is patient confidentiality. Even with internal medical outsourcing, the patient's medical records are no longer confidential. The third party requires the doctor to state the diagnosis and also the medications given, to facilitate a proper and legitimate claim. The doctor-patient relationship and confidentiality are adversely breached by this compulsory clinical abstract.

Another casualty is the patient's loss of freedom to choose his own doctor. He has no choice but to see his nominated clinic and doctor because he will not be reimbursed if he sees another doctor outside the network of the third party. Even the medical certificate issued by a non-nominated doctor will not be recognised. This is absolutely ludicrous to say the least.

Another adverse effect is the disruption in the management of patients. Many companies have the habit of changing their healthcare providers

like changing soiled diapers. The bottomline is almost always cheaper rates. Patients are compelled to hop from one clinic to another, from one doctor to another. This is contrary to good medical practice.

EXTERNAL OUTSOURCING

Nevertheless, internal medical outsourcing is still not as bad as external outsourcing because the healthcare providers are still our own doctors working within a framework which we are familiar with. We are still one family. More jobs will be created for the big groups which can therefore expand and recruit more doctors. There is no loss in this sense.

Now, with external medical outsourcing which has become a wave recently, there are tremendous consequences, advantages and disadvantages. If we are not careful, we will completely dislocate our local healthcare system and compel drastic changes in our healthcare policy and the training of our medical graduates. Radiology and intensive care unit monitoring are some of the examples of healthcare services that can now be outsourced. Teleradiology has caused quite a stir in our local papers recently.

Medical outsourcing to another country has serious implications. The first thing that comes to my mind is the displacement of our own doctors and related healthcare service providers. This will drastically change the mindset of our young doctors and with time, we will have an acute shortage of radiologists. I hope we will not repeat the same mistakes of curtailing the intake of medical students when a surplus was forecast some years back. It takes many years to produce a capable and competent radiologist. But it takes just a click to erase your cyber-radiologist if the terms and conditions are not favourable or if there is a sudden change in the political and social climate.

The second thing that comes to my mind is patient's confidentiality. Our patient's x-rays are read by an anonymous radiologist in cyberspace and there is no way we can ensure complete privacy. I am sure we do not want our patient's cancer of the breast to be broadcast in cyberspace. Are patients told beforehand that their x-rays are read by someone in cyberspace? There is a loss of this intimate doctor-patient relationship. The patient cannot seek out the cyber-doctor for a much closer consultation and discussion.

Moreover, our own doctors do not have the opportunity to discuss the radiological findings reported by the cyber-radiologist. There is this loss of intellectual and academic exercise which is so important in our continual medical education. The opportunity to teach our medical students and our young doctors is thus lost in cyberspace.

CHEAP – AND GOOD?

If the main reason for medical outsourcing is to cut cost, then the consequences will have irremediable damages. The only way to curtail medical outsourcing is for local healthcare providers to ensure high quality services at the lowest cost. This will make medical healthcare cost very competitive and affordable. Medical care is best delivered in person but if we fail to accommodate the rising healthcare cost, medical outsourcing will inevitably be the new wave of the future.

It will be a matter of time before intensive care unit monitoring is outsourced too, either internally or externally. If we do not produce enough critical care physicians, electronic ICUs

will ultimately replace on-site intensivists. If low-wage cyberspace intensivists are available, electronic ICUs will be the norm for those fiscally-challenged hospitals.

Like any form of outsourcing, it is very difficult to ensure high quality service, monitor competency and prevent mishaps and errors. If the driving force of medical outsourcing is to save money and not to improve quality, then it will be devastating for the local healthcare system. Medical outsourcing also provides ample opportunities for creating some mischief too.

I hope our medical fraternity and our medical academics will take medical outsourcing very seriously. While we welcome this ‘disruptive renovation’, we must also be aware of the many pitfalls. If medical outsourcing is aimed at saving money, improving quality and releasing healthcare services and resources for other more productive and fruitful pursuits, it will be a welcome intruder. But if the primary aim is simply to cut cost and be fashionable, then the consequences will be very damaging, sometimes irremediable. ■