Shifting Health Policy in Singapore: The Aging Population and Problems of Marginalized Segments of Society

Dr Phua Kai Hong, AB cum laude SM (Harv), PhD (LSE)
Lee Kuan Yew School of Public Policy
National University of Singapore

Overview

- Introduction
- Health Situation in Singapore
- Public-Private Mix in Health Care
- Shifting Health Policy in Singapore
- Health and Long Term Care for Ageing Population
  - Continuum of Needs and Integrated Services
- Towards an Optimum Balance – What about the Marginalized Segments of Society?
- Conclusion

Singapore Population Projections

Table 1: Projected Population by Age Group, Singapore								
	1995	2000	2005	2010	2015	2020	2025	2030
Total *(0,000s)*	*2982.2*	*3259.1*	*3527.0*	*3661.0*	*3763.7*	*3844.4*	*3906.8*	*3940.1*
0-14	*687.2*	*742.5*	*773.5*	*749.0*	*715.0*	*688.0*	*680.6*	687.5
15-64	2097.5	*2283.9*	*2477.3*	*2593.9*	*2634.5*	*2618.3*	*2545.4*	2458.8
65 and over	*197.5*	*232.8*	*276.2*	*318.1*	*414.2*	*538.1*	*680.8*	*793.8*
Total(%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
0-14	23.0	22.8	21.9	20.5	19.0	17.9	17.4	17.4
15-64	70.3	70.1	70.2	70.9	70.0	68.1	65.2	62.4
65 & over	6.6	7.1	7.8	8.7	11.0	14.0	17.4	20.1
Young DR*	*32.8*	*32.5*	*31.2*	*28.9*	*27.1*	*26.3*	*26.7*	28.0
Old DR**	9.4	10.2	11.1	12.3	15.7	20.6	26.7	32.3
No. of working persons per elderly	10.6	9.8	9.0	8.2	6.4	4.9	3.7	3.1

Notes: *Young dependency ratio = young per 100 working persons

** Old dependency ratio = old per 100 working persons

Source: Ministry of Health, Singapore

Effects of Ageing on Health Expenditure

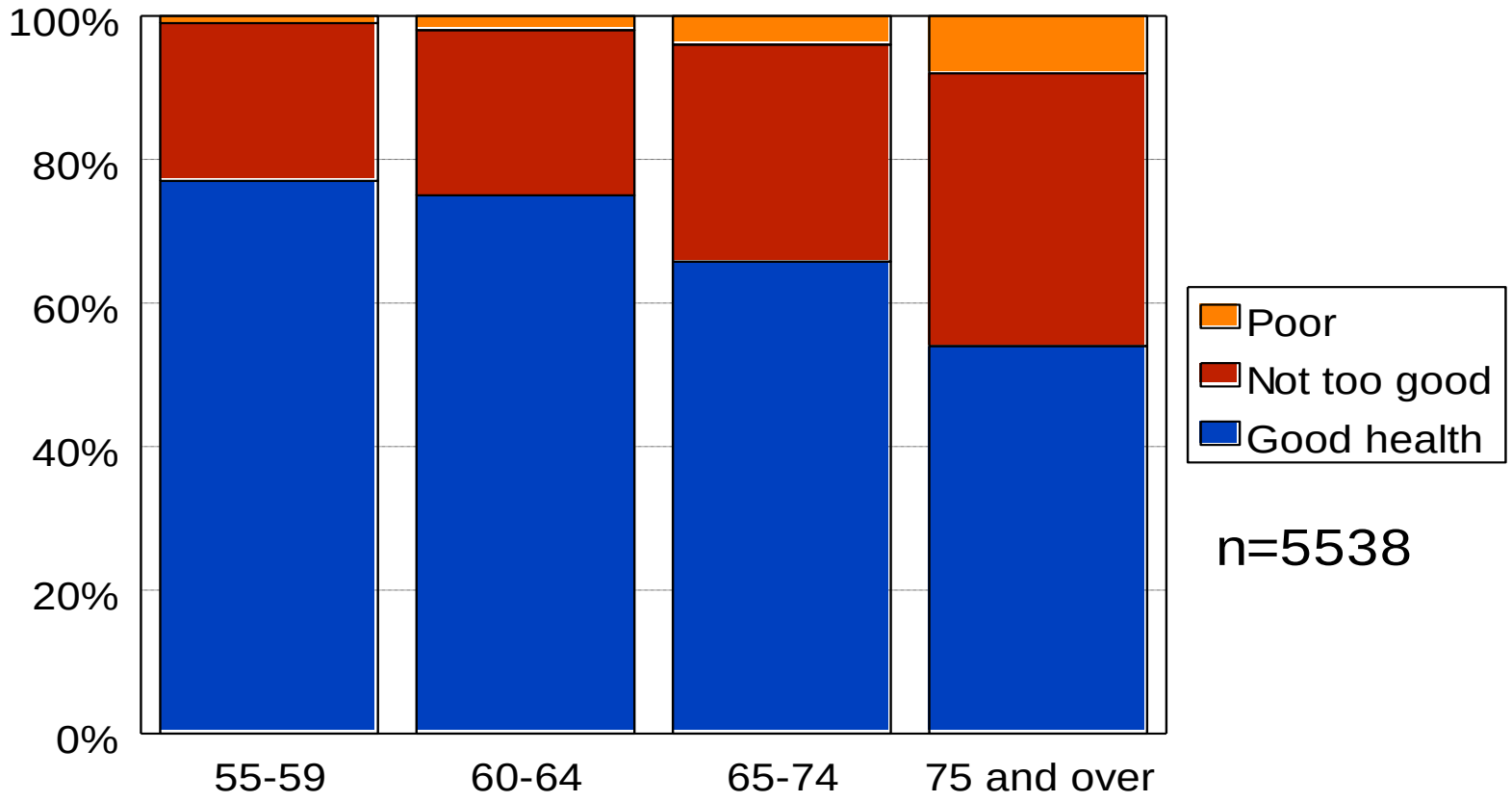
Table 2: Contribution of Demographic Changes to National Health Expenditure (NHE)*							
Period Interval	**1994 - 2000**	**2000 - 2005**	**2005 - 2010**	**2010 - 2015**	**2015 - 2020**	**2020 - 2025**	**2025 - 2030**
Change in NHE ($)	114.5	307.0	242.0	254.3	243.0	208.6	124.2
due to Ageing	27.2	66.1	121.5	162.0	170.4	152.5	94.4
due to Size	87.3	240.9	120.5	92.3	72.6	56.1	29.8
Percentage Distribution							
Change in NHE	100.0	100.0	100.0	100.0	100.0	100.0	100.0
- due to Ageing	23.7	21.5	50.2	63.7	70.1	73.1	76.0
- due to Size	76.3	78.5	49.8	36.3	29.9	26.9	24.0

Note: * Abstracting from income effect and measured in constant *1990* prices

Source: Low et al., "The Effect of Population Ageing on National Health Expenditure" (Singapore: Institute of Policy Studies, August *1996*).

Health and Ageing Trends in Singapore

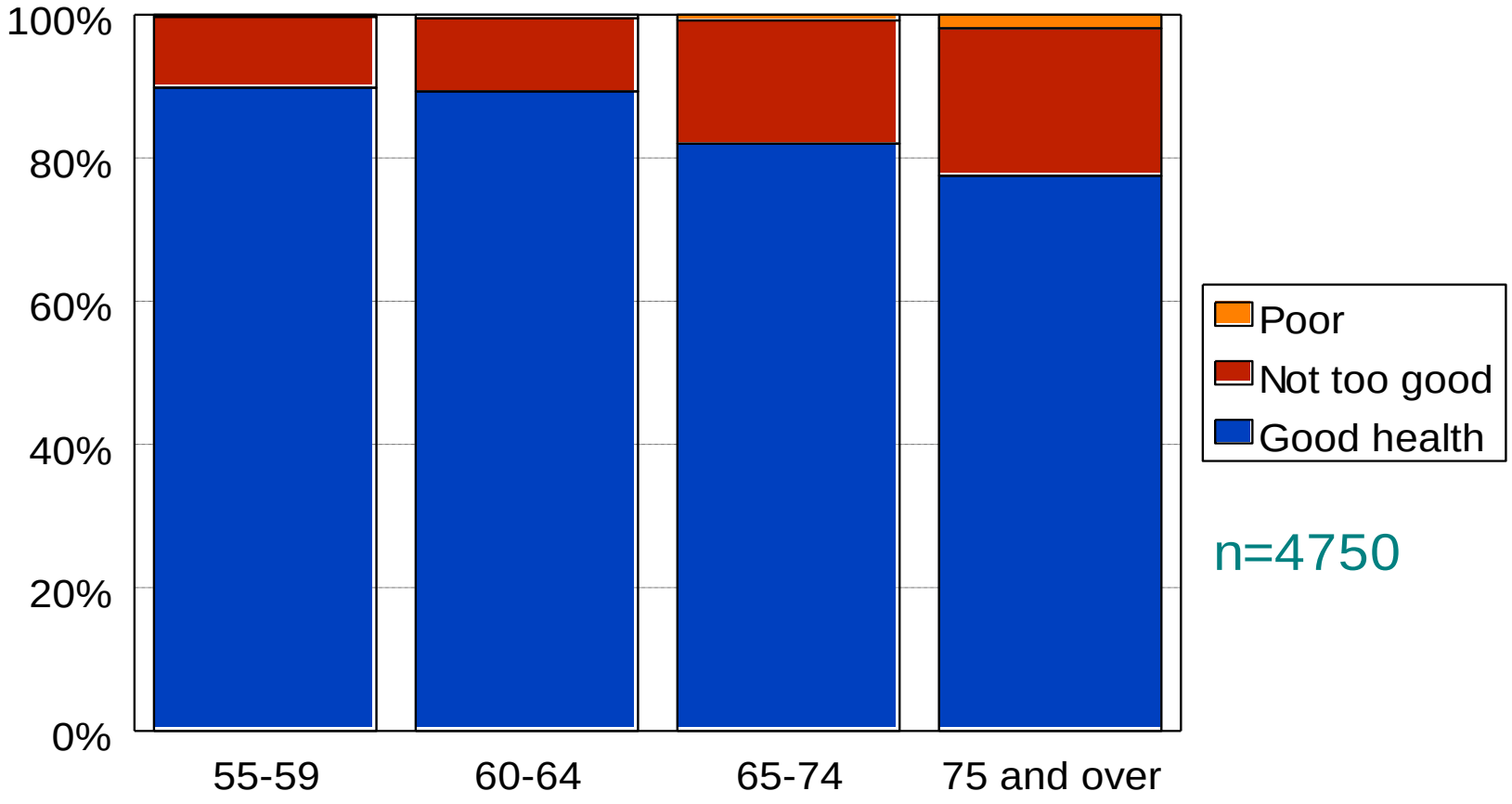
Self Assessment of health
1983 survey of senior citizens in Singapore



Source: MSA 1983. National Survey of Senior Citizens of Singapore (Table 4.1)

Health and Ageing Trends in Singapore

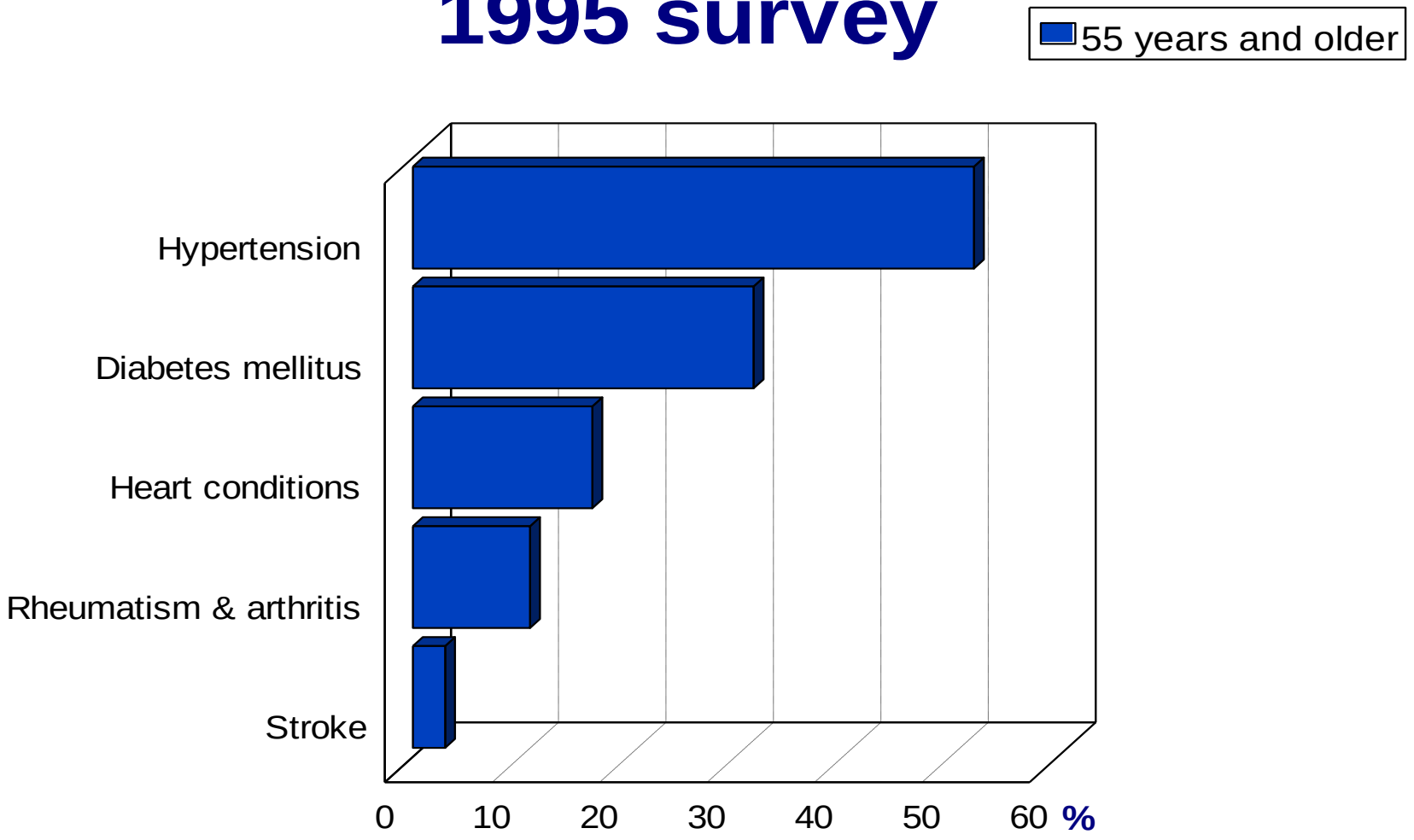
Self Assessment of health
1995 survey of senior citizens in Singapore



Source: MCD 1995. National Survey of Senior Citizens of Singapore (Table 7.1)

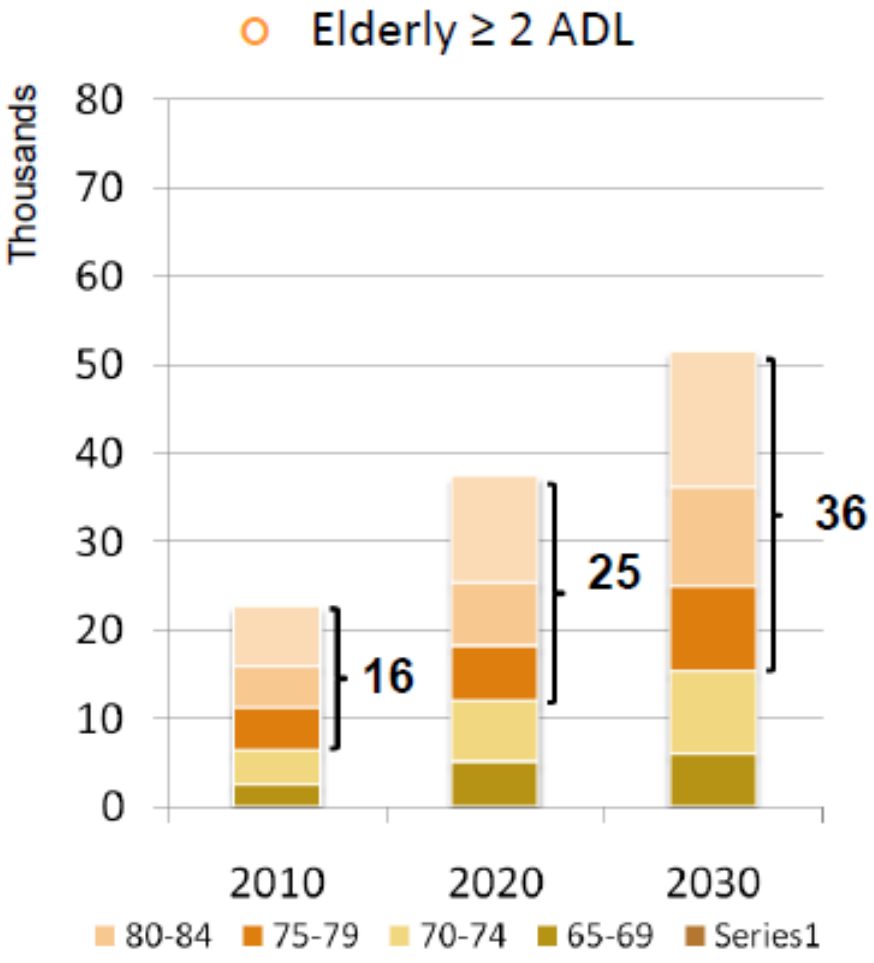
Health of Ageing Population in Singapore

CHRONIC MEDICAL PROBLEMS
1995 survey

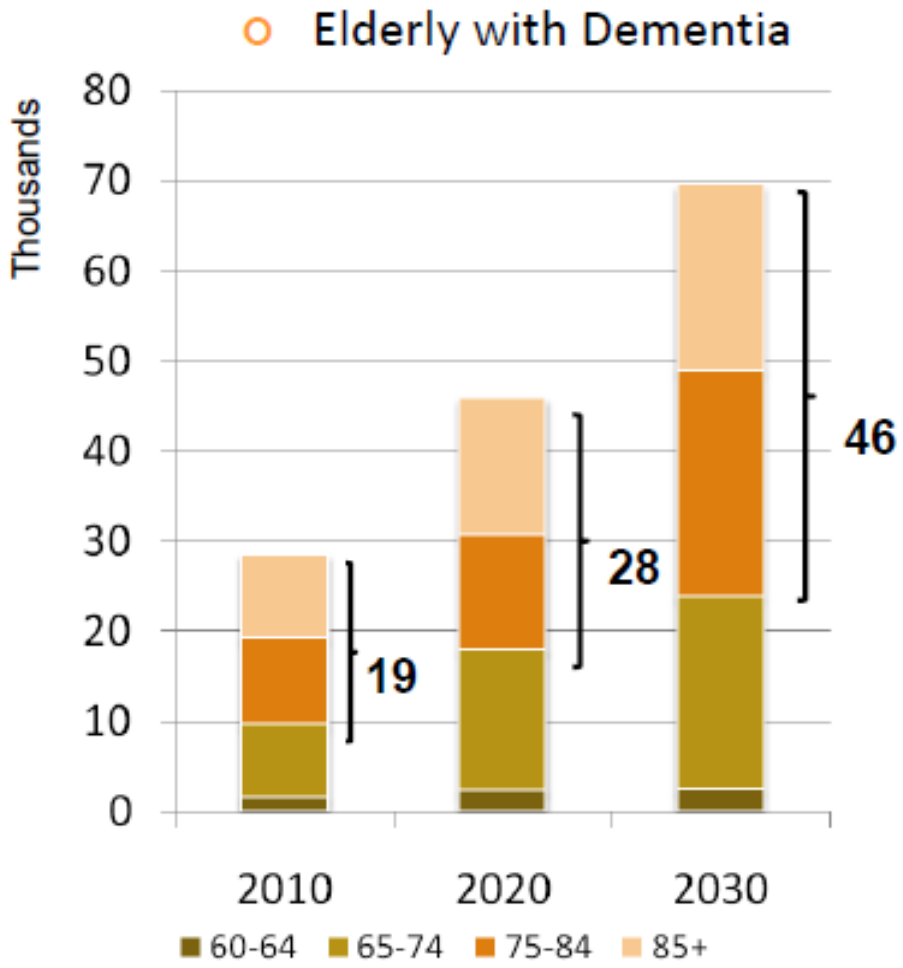


Local Elderly Population Trends

Older-old will require more care…

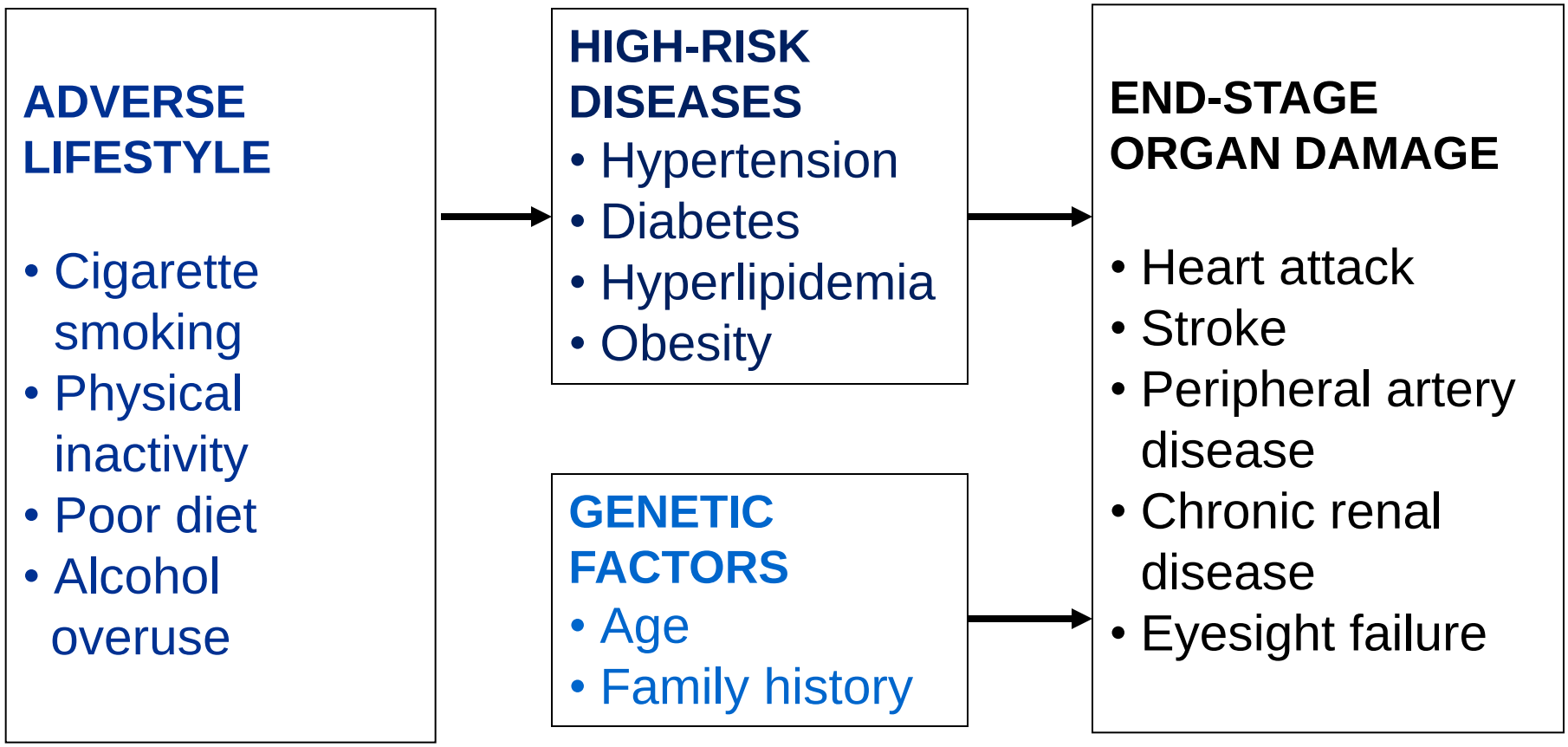


Source: Projected using NSSC 2005 data



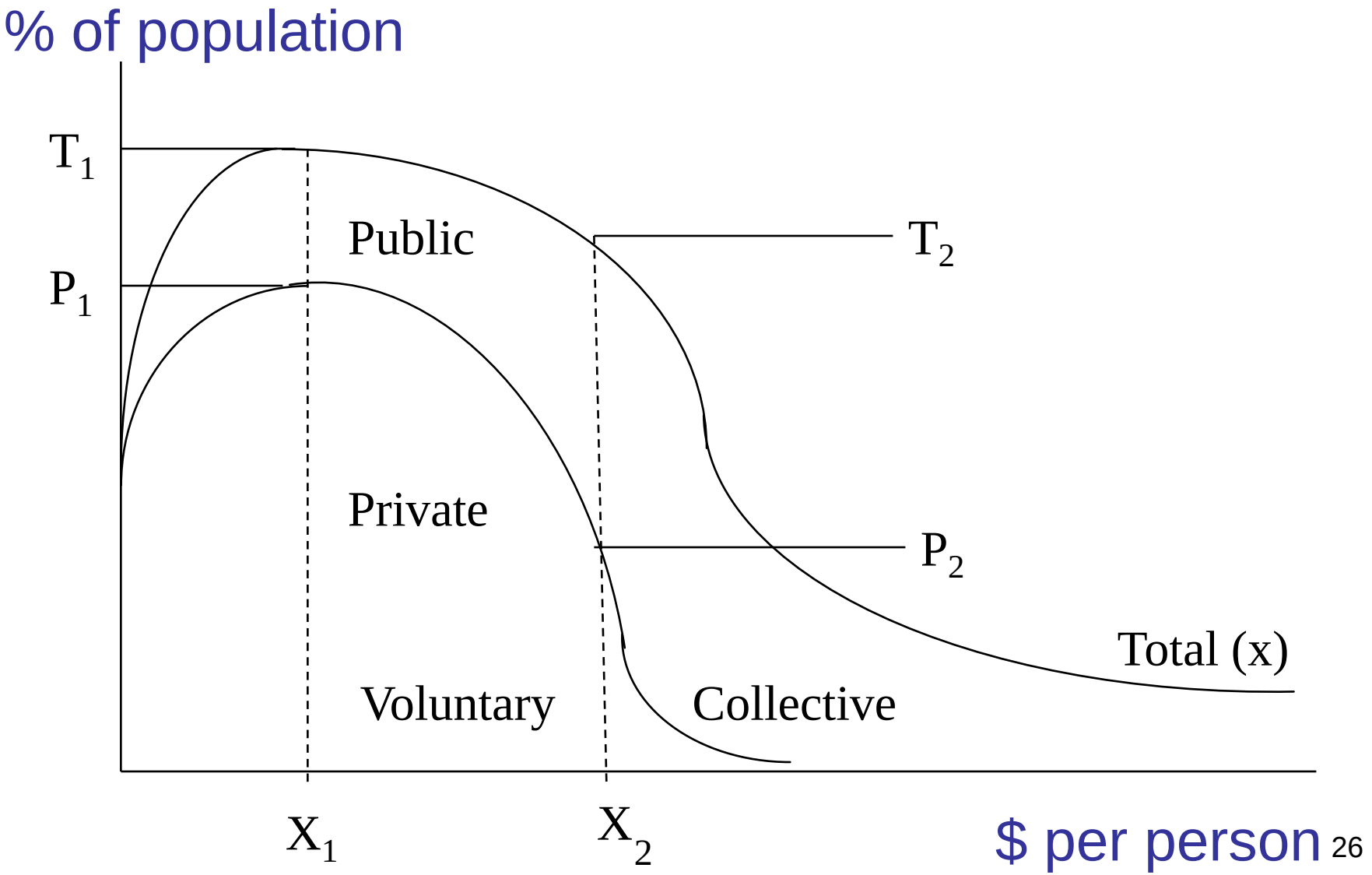
Source: Projected using 2004 National Mental Health Survey, MOH

DISEASE ETIOLOGY IN AGEING POPULATION - The Need for Medical Action or Prevention



Source: Goh LG. MOH, CPG, 1/2011

Health Expenditure Density Functions

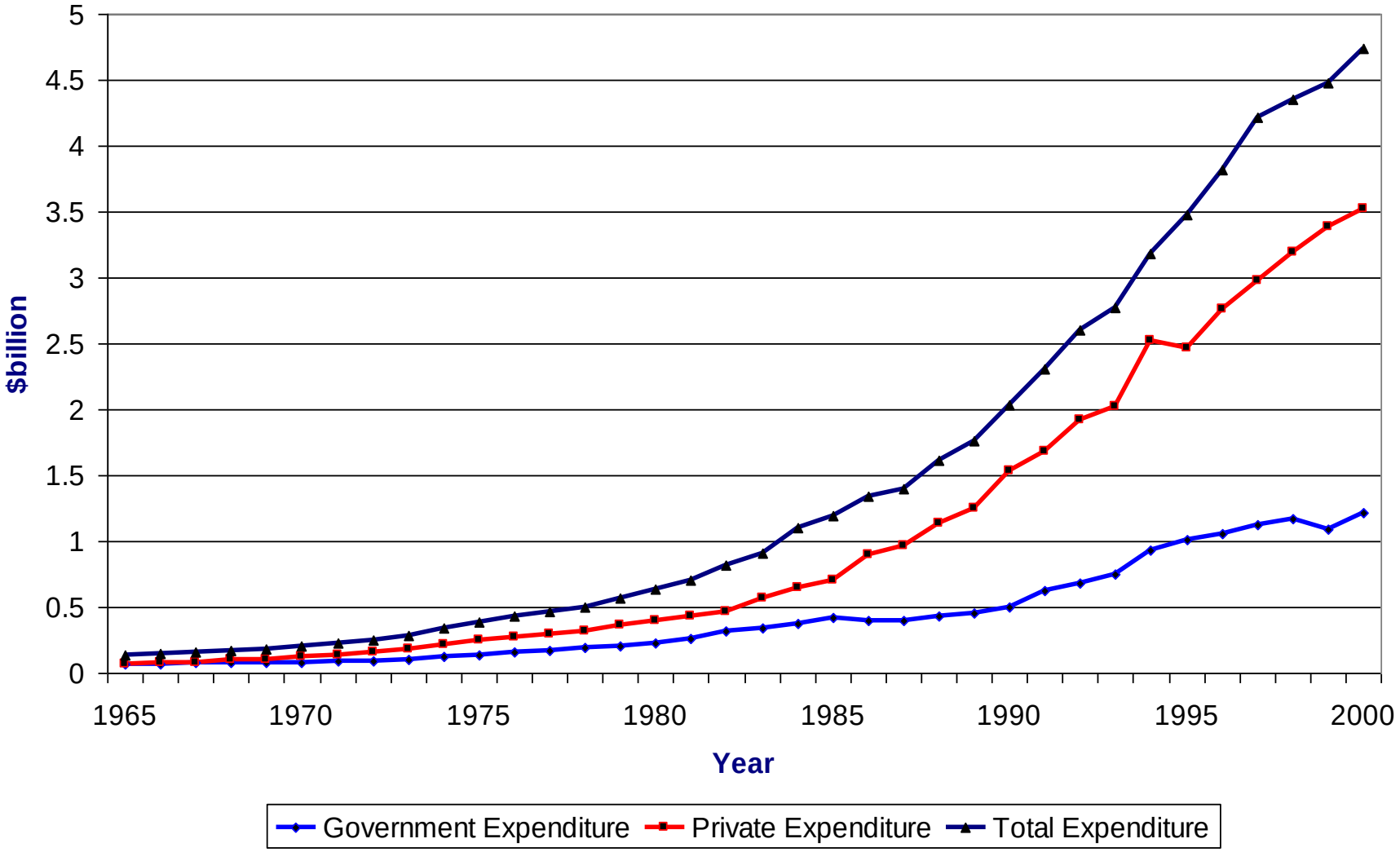


Singapore's Hybrid System: An Optimum Public-Private Mix?

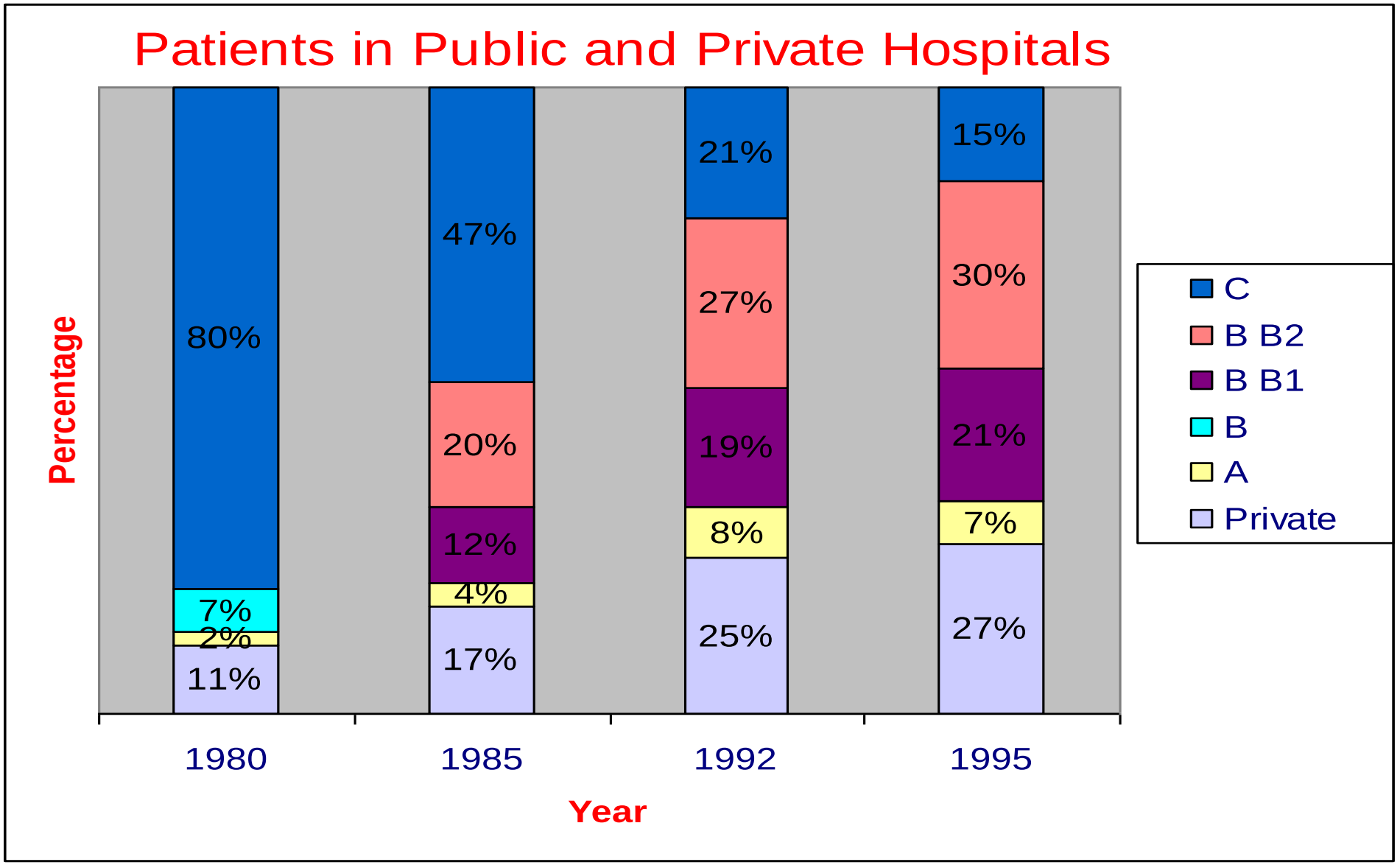
Seeks to avoid either extremes

Welfare State	Free Market
Tax-funded/	Fee for service
Social insurance	Private insurance
- 'Free' services	- Moral hazard
- Low quality	- Adverse selection
- Inefficiency	- Inequity

Public-Private Health Expenditure in Singapore (1965-2000)



Past Public-Private Mix of Inpatients



Hospital Corporatization in Singapore

Ministry of Health

Management Responsibility

Health Corporation of Singapore

Government Hospitals

Hospital Corporatization Schedule

1985	National University Hospital Pte Ltd
1988	National Skin Centre Pte Ltd
1989	Singapore General Hospital Pte Ltd
1990	Kandang Kerbau Hospital Pte Ltd
1990	Toa Payoh Hospital Pte Ltd
1990	Singapore National Eye Centre Pte Ltd
1992	Tan Tock Seng Hospital Pte Ltd
1993	Ang Mo Kio Community Hospital Pte Ltd
1997	National Dental Centre Pte Ltd
1998	National Heart Centre Pte Ltd
1998	National Cancer Centre Pte Ltd
1999	National Neuroscience Institute Pte Ltd
2000	Institute of Mental Health
2000	Alexandra Hospital

Formation of Health Care Clusters

Whither the Healthcare Clusters?

Western Cluster

National Healthcare Group

Tertiary Hospital

Regional Hospitals

Polyclinics

Eastern Cluster

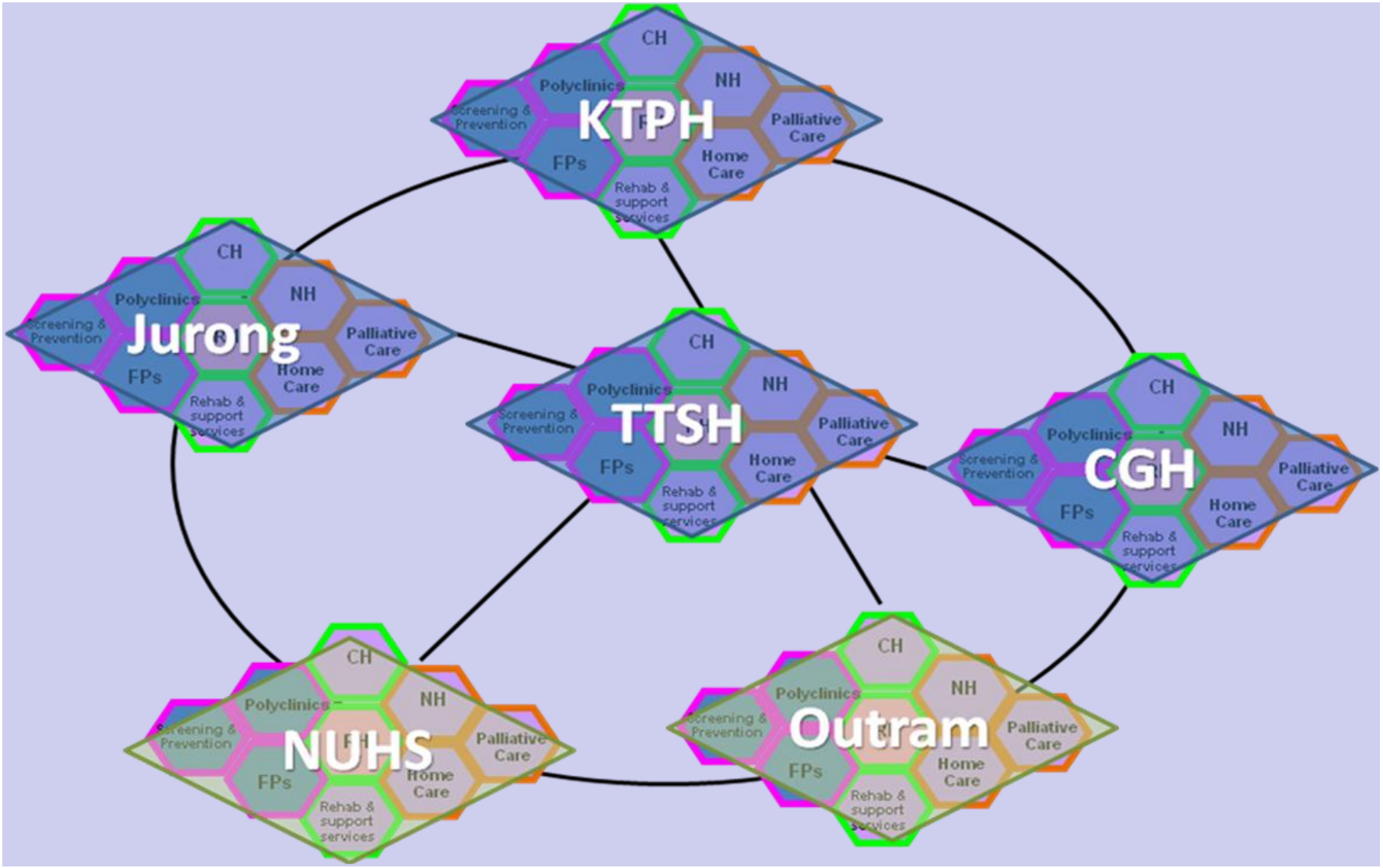
SingHealth

Tertiary Hospital

Regional Hospitals

Polyclinics

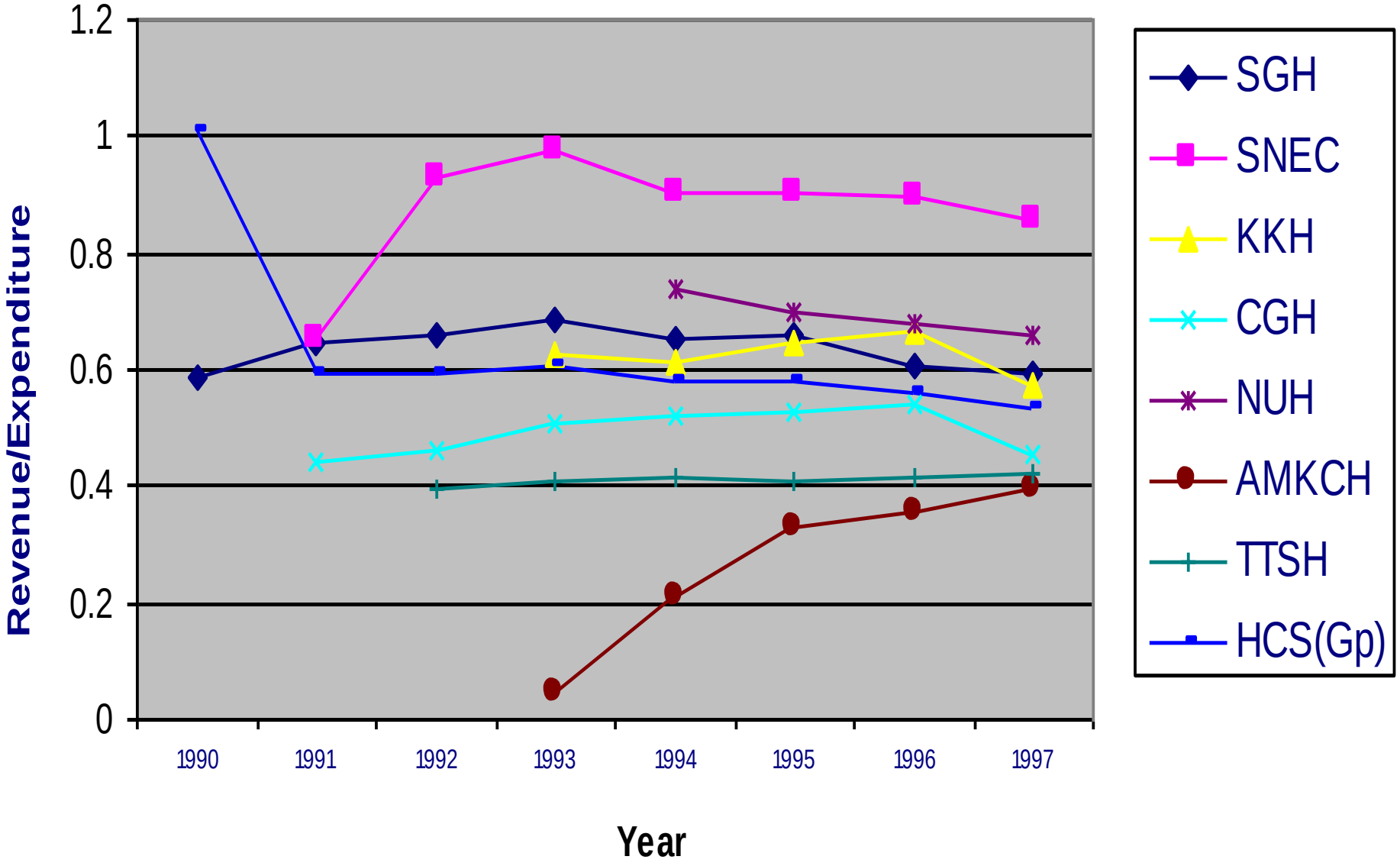
Towards Regional Health Systems



Past Bed Distribution and Subsidy (What is the Optimum Mix?)

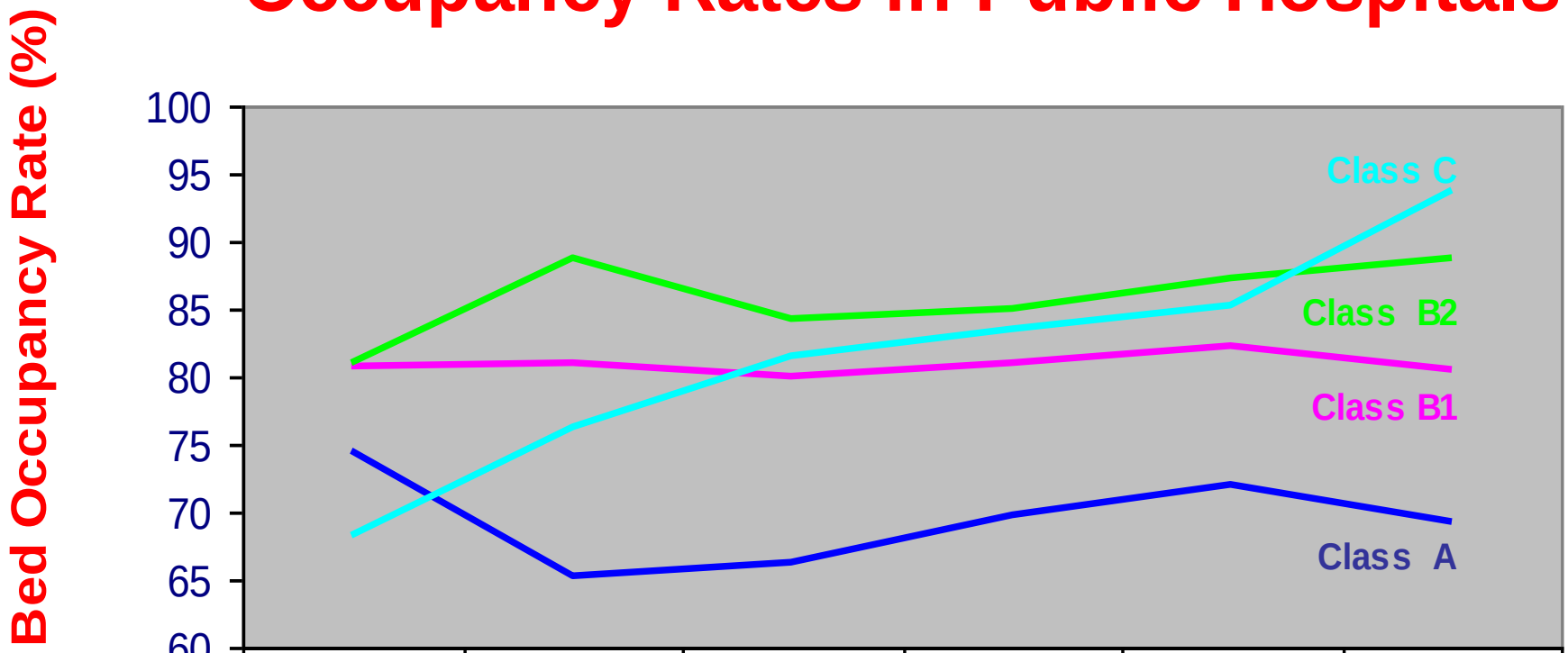
Types of Beds	% Distribution	% Subsidy
Class A (1 bedded)	7	0
Class B1 (3-5 bedded)	16	20
Class B2 (6-10 bedded)	28	65
Class C (open ward)	49	80
Day Surgery/ Specialist Outpatient Clinics	Private	0
	Subsidized	50

Cost Recovery of Restructured Hospitals



Source: Health Corporation of Singapore

Occupancy Rates in Public Hospitals



	1988	1993	1994	1995	1996	1997
Class A	74.5	65.3	66.3	69.8	72	69.3
Class B1	80.7	81.1	80	80.9	82.3	80.4
Class B2	81.1	88.8	84.2	84.9	87.2	88.7
Class C	68.3	76.3	81.6	83.5	85.3	93.7

Source: Health Corporation of Singapore

Medical Means Testing in 2009

- To achieve allocative efficiency and equity
  - Target subsidies to the poor
  - Shift well-off from subsidized services
- To recover costs of public expenditure

Prices based on income/wealth

- Linked to tax and employment data
- Proxy by housing type

Current Acute Care-Centric Model

HOME

HOSPITAL

1. Long length of stay for elderly patients in expensive acute care

2. Intermittent access to community healthcare services contributes to worsening health

3. Primary, intermediate and long-term services are not well-integrated; some services do not exist

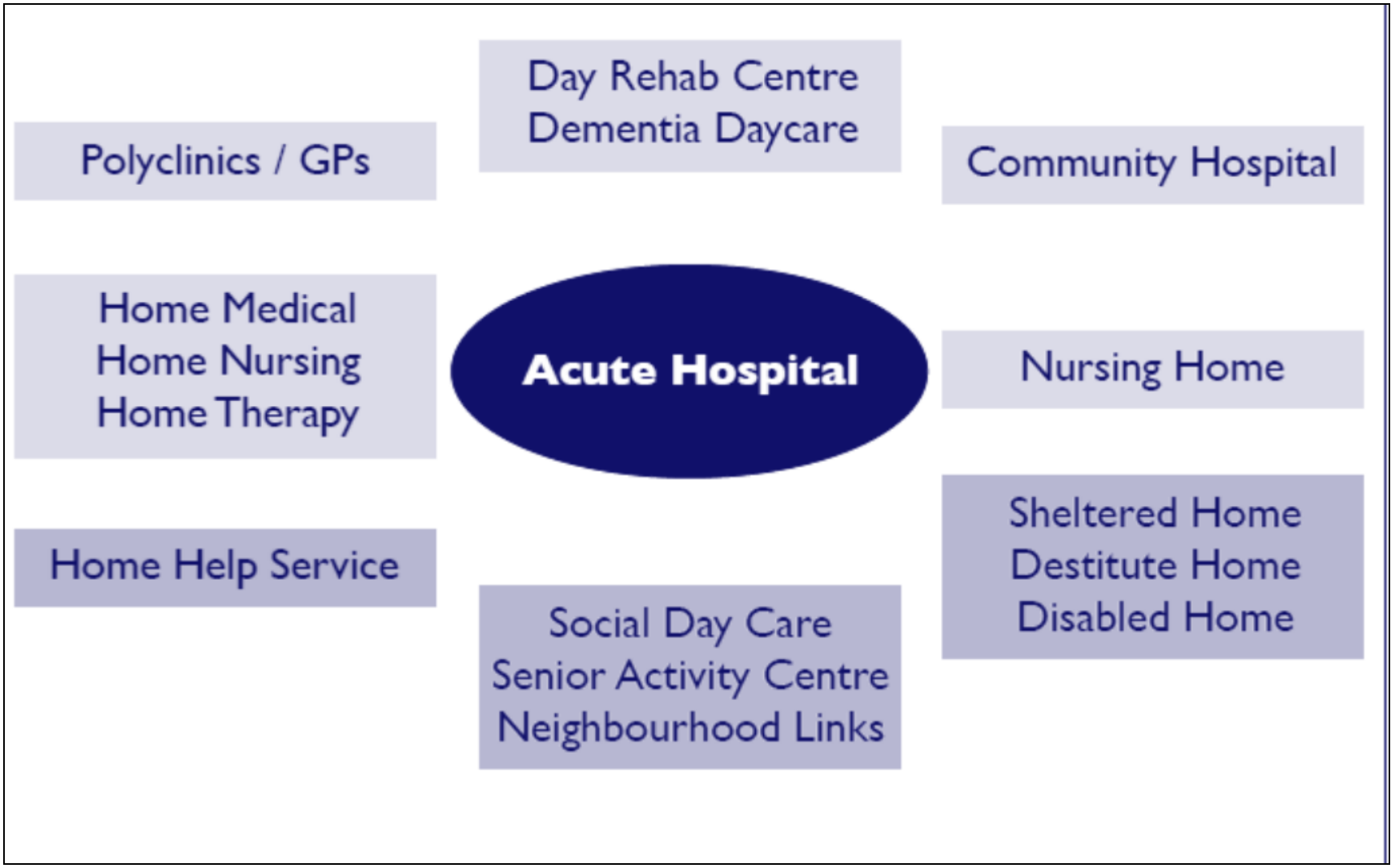
4. Frequent readmissions to hospitals

Continuum of Intermediate and Long Term Care Services

- Community hospital
- Day rehabilitation centres
- Social day care centres with rehabilitation services
- Home care providers
- Private nursing home
- VWO-run nursing home
- Dementia day care centres
- Psychiatric nursing homes
- Hospice care providers

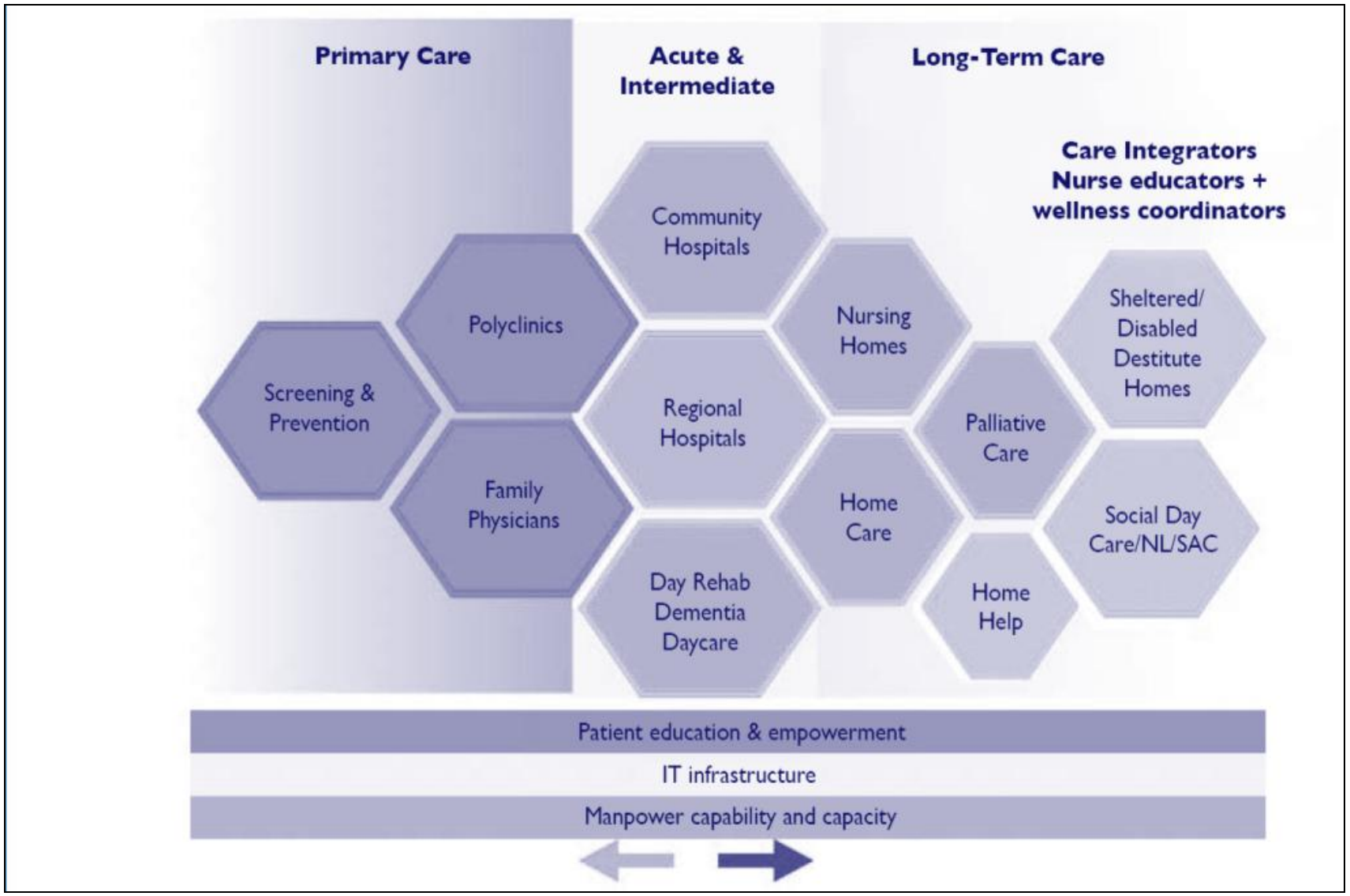
Source: http://www.aic.sg/silverpages/default.aspx

Current Health Services to be Organized



Faezah Shaikh Kadir. Singapore Family Physician 2011; 37(3):15

Integrating Health Care by Levels of Care



Faezah Shaikh Kadir. Singapore Family Physician 2011; 37(3):15

Developing Regional Health Systems

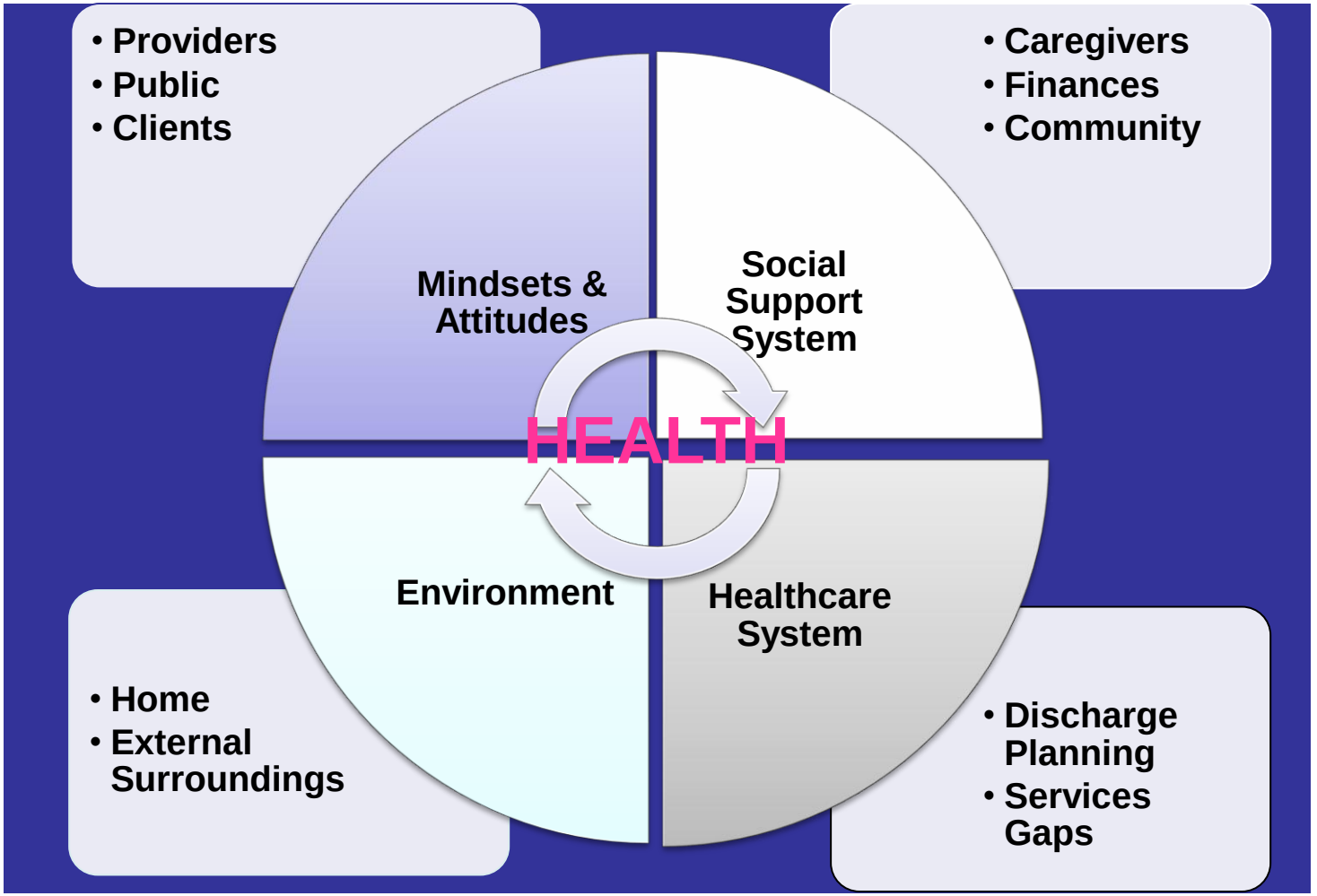
A patient-centric healthcare ecosystem comprising of partners from the primary, acute and step down care sectors working together to deliver integrated healthcare services to improve patient outcomes.

Focus not on where care is currently delivered but on where it should ideally be delivered

Patient centredness instead of from the providers' perspective

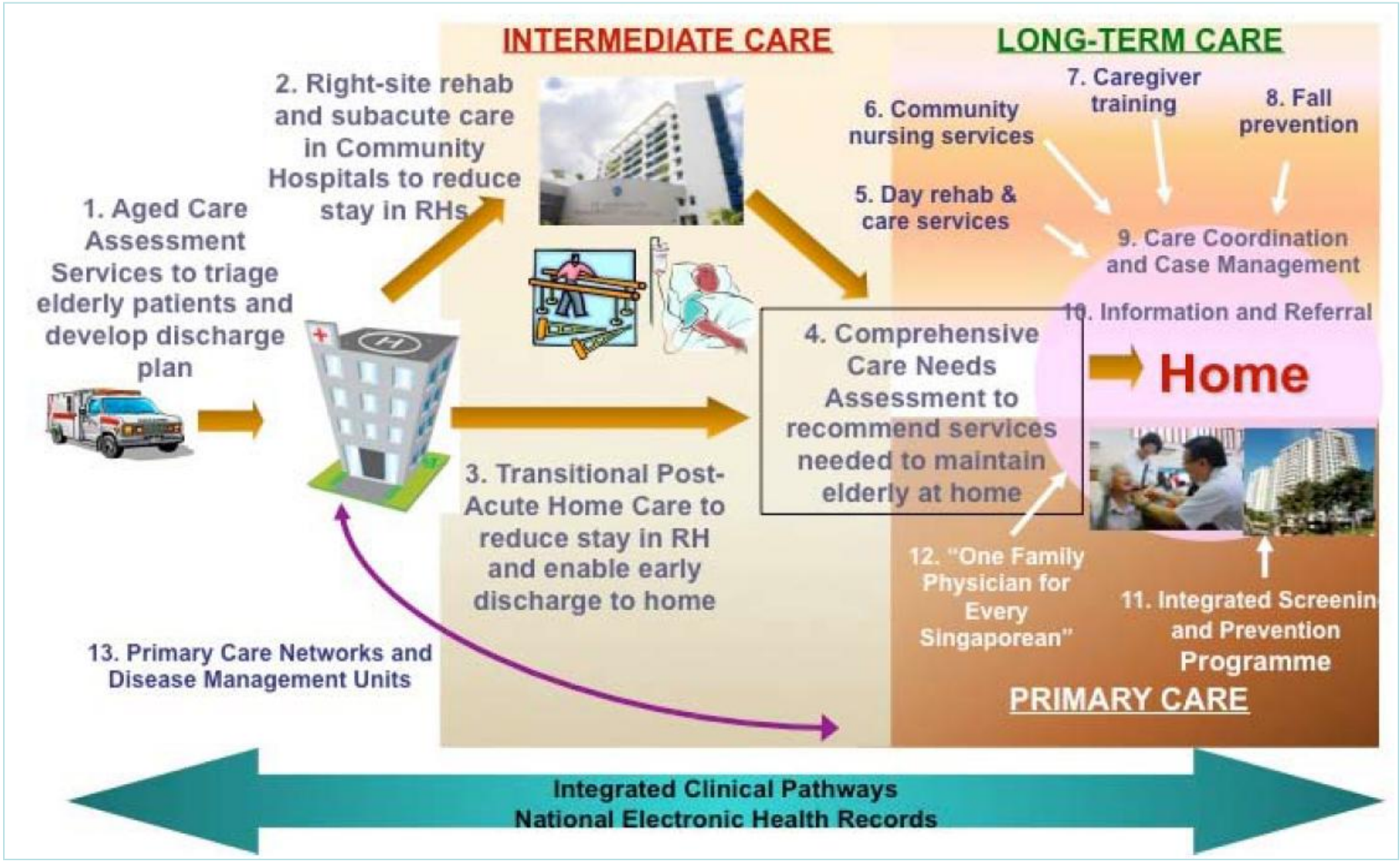
Source: Ministry of Health

Factors Affecting Health Outcomes



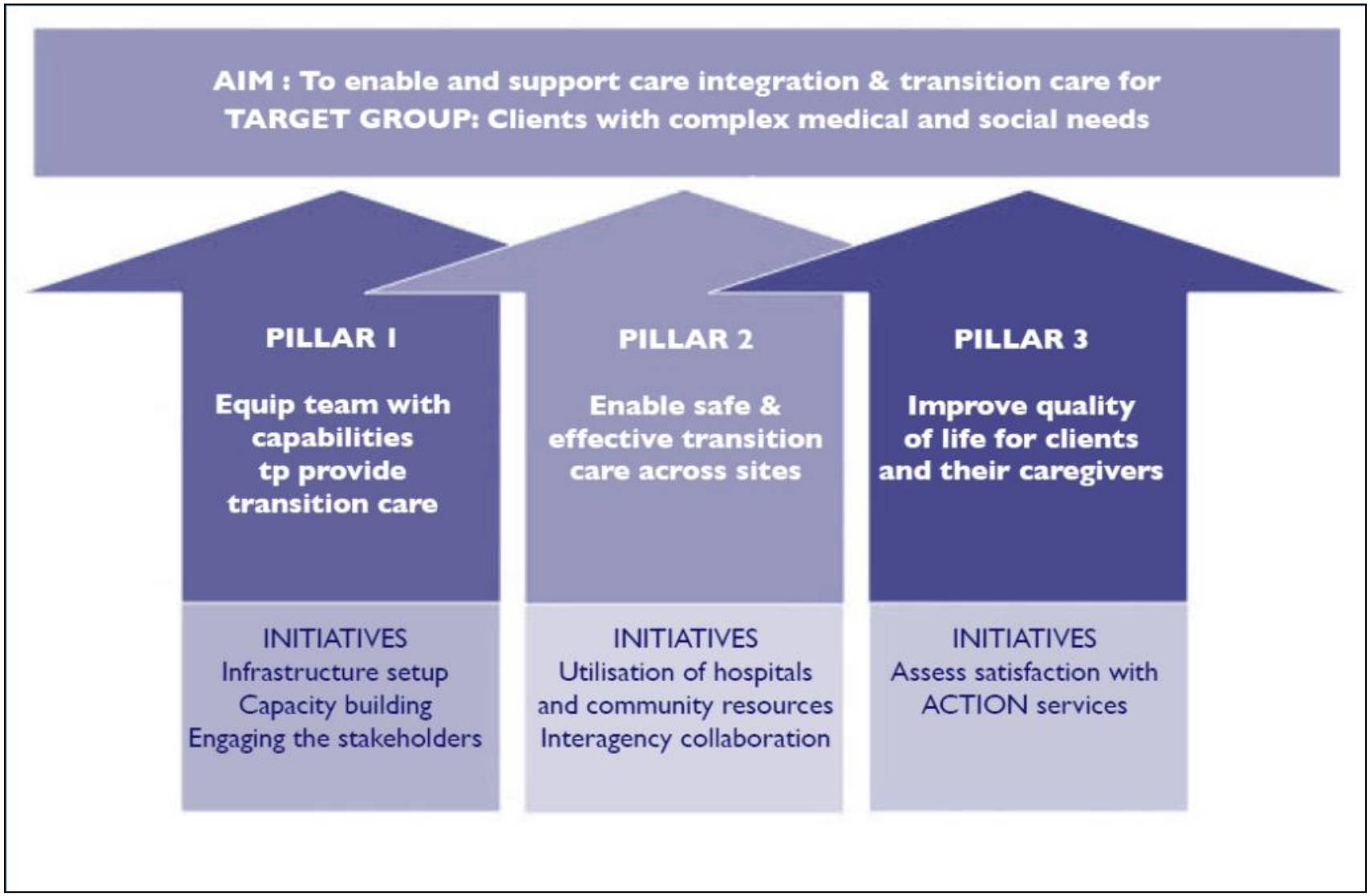
Source: Agency for Integrated Care, 2011

Integrated Care in Action



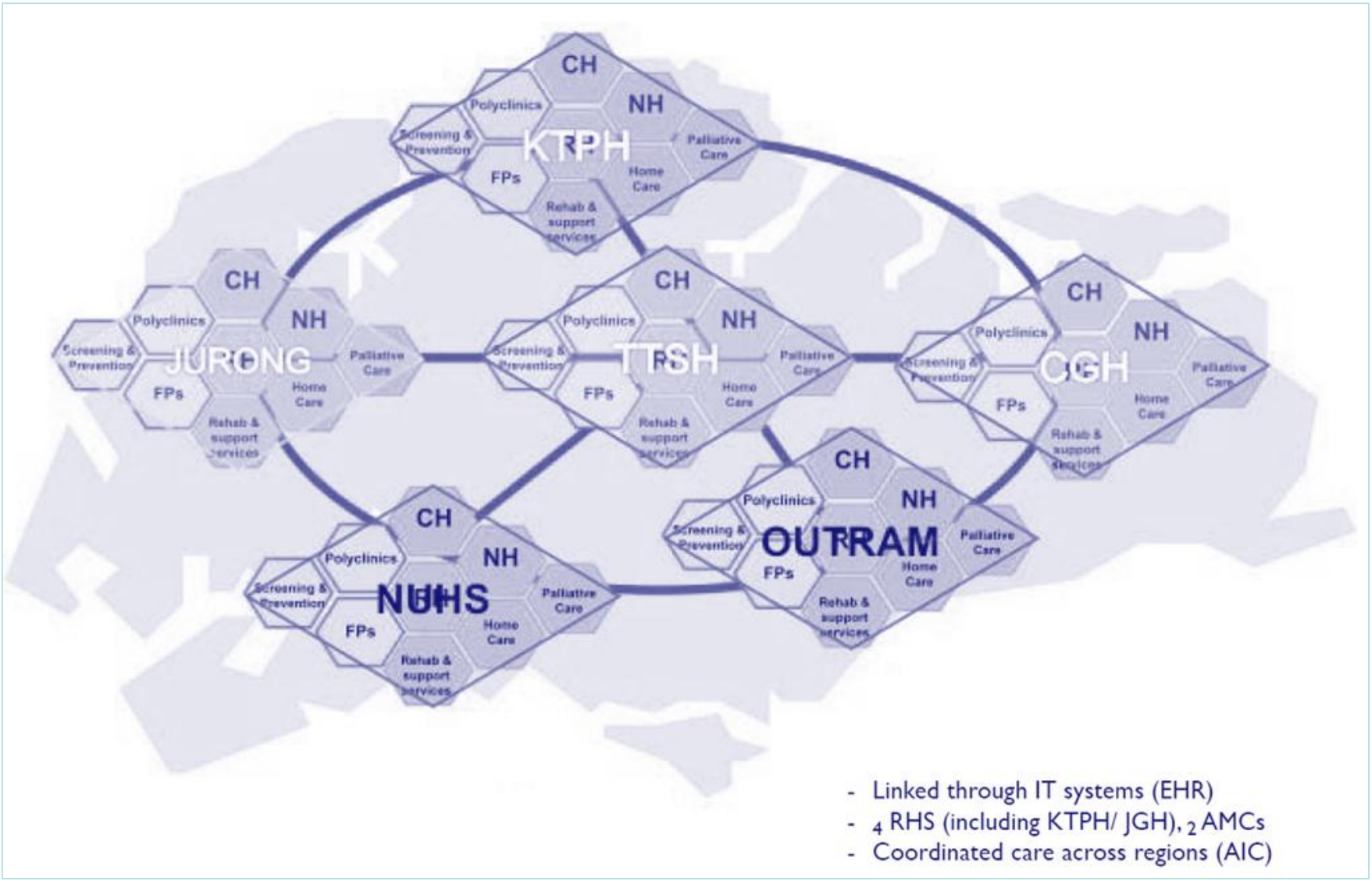
Faezah Shaikh Kadir. Singapore Family Physician 2011; 37(3):15

The Pillars for Integrated Care



Faezah Shaikh Kadir. Singapore Family Physician 2011; 37(3):18

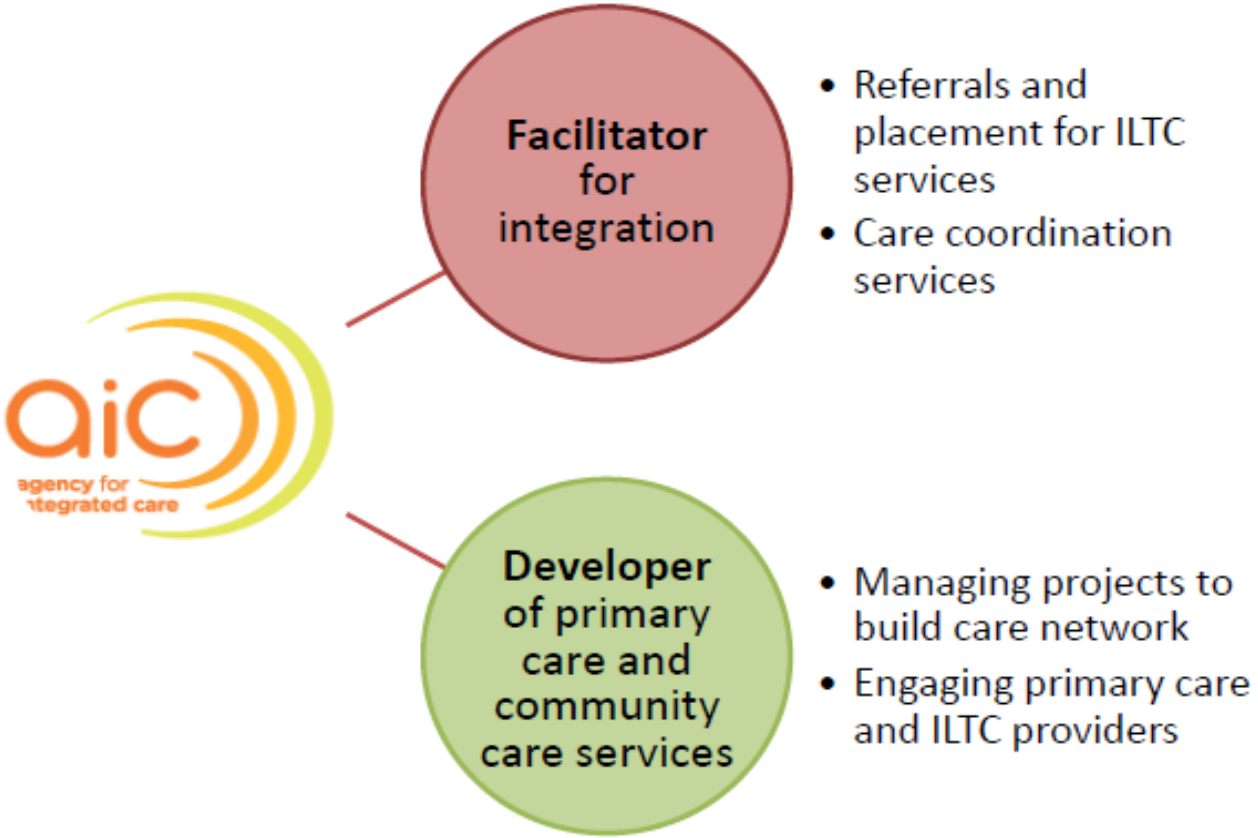
Integration of Regional Health Services



Faezah Shaikh Kadir. Singapore Family Physician 2011; 37(3):15

Why the Agency for Integrated Care?

AIC as a National Care Integrator



Source: Agency for Integrated Care

Agency for Integrated Care (AIC)

Singapore SilverPages

A Long-Term Care Portal by aic

Google™ Custom Search

Share

Home | About Long-Term Care | 3 Steps to Your Long-Term Care | Chronic Diseases & Conditions | Caregivers' Resources | Healthcare Products | Online Helpdesk | Contact Us

3 simple steps to find the best-suited Long-Term Care for you

1. Assess what is best-suited for you
2. Locate a service provider near you
3. Paying for your Long-Term Care

Highlights

- Issue 2 Of NEXTSTEP - Your Guide To Intermediate & Long-Term Care Is Out Now!
- Senior's Mobility Fund - Offering seniors mobility and a new life in the community
- DIY Solutions for Your Loved Ones

Find out more about:

- Dementia
- Diabetes
- Heart Failure
- High Blood Pressure
- Incontinence
- Low Back Pain
- Osteoporosis
- Parkinson's Disease
- Prevention of Falls
- Stroke

more...

Are you looking for:

- Adult Diapers
- Commodes
- Elderly Mobile Phones
- Emergency Response Systems
- Hospital Beds
- Multi-function Wheelchairs

more...

Resources for Caregivers

- Managing Your Stress
- Tips for Caring for your Elderly
- Useful Guides
- Training Programmes
- Caring Hands - iPhone app by Khoo Teck Puat Hospital

Looking for:

- Community Hospitals
- Day Rehabilitation Centres
- Dementia Day Care Centres
- Home Care Providers
- Hospice Care Providers
- Nursing Home
- Social Day Care Centres with Rehabilitation Services

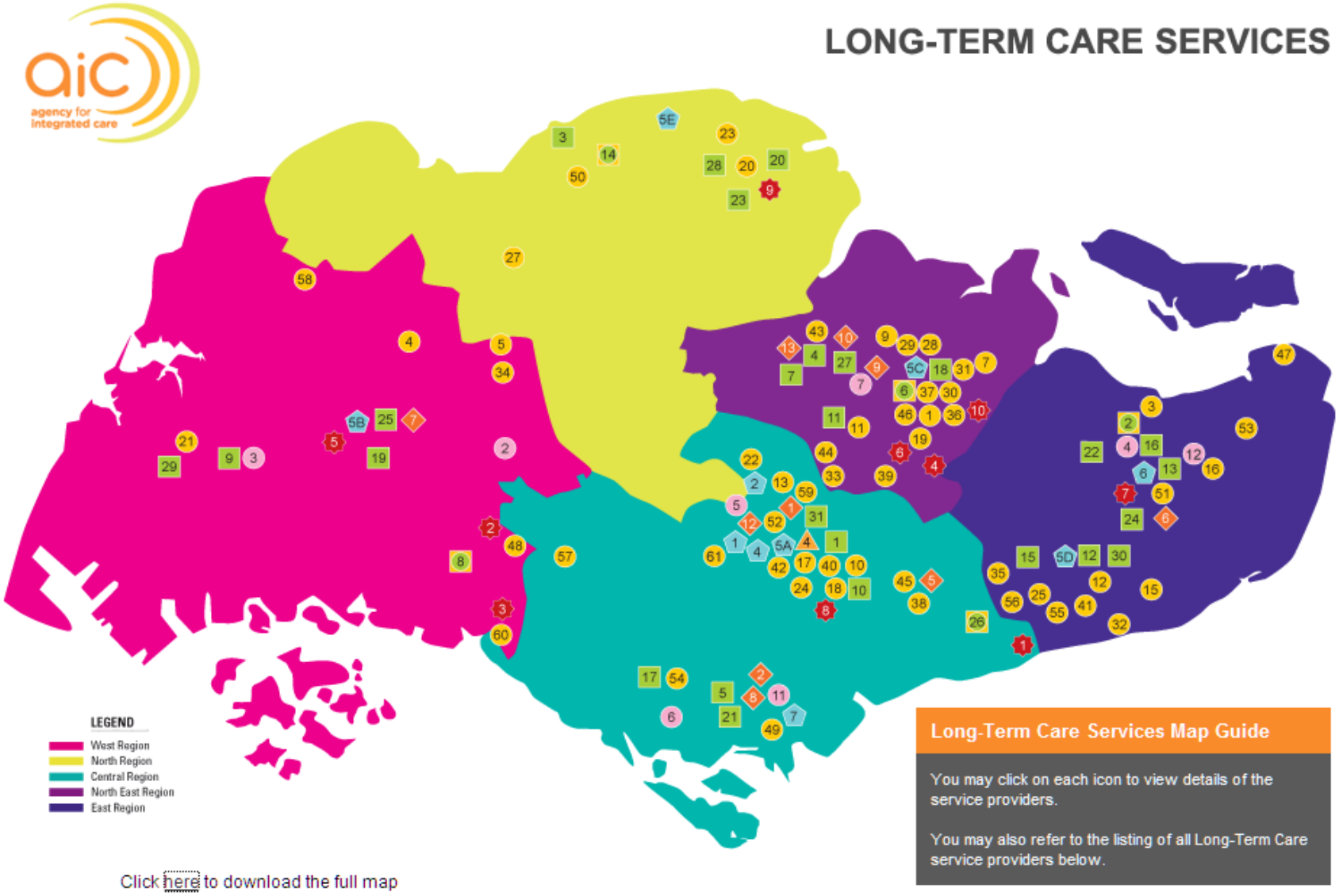
Click on the map to view list of Long-Term Care Service Providers

Online Helpdesk

Do you need assistance?
Click here to chat with us.

http://www.aic.sg/silverpages/default.aspx

Regional Long Term Care Health Services

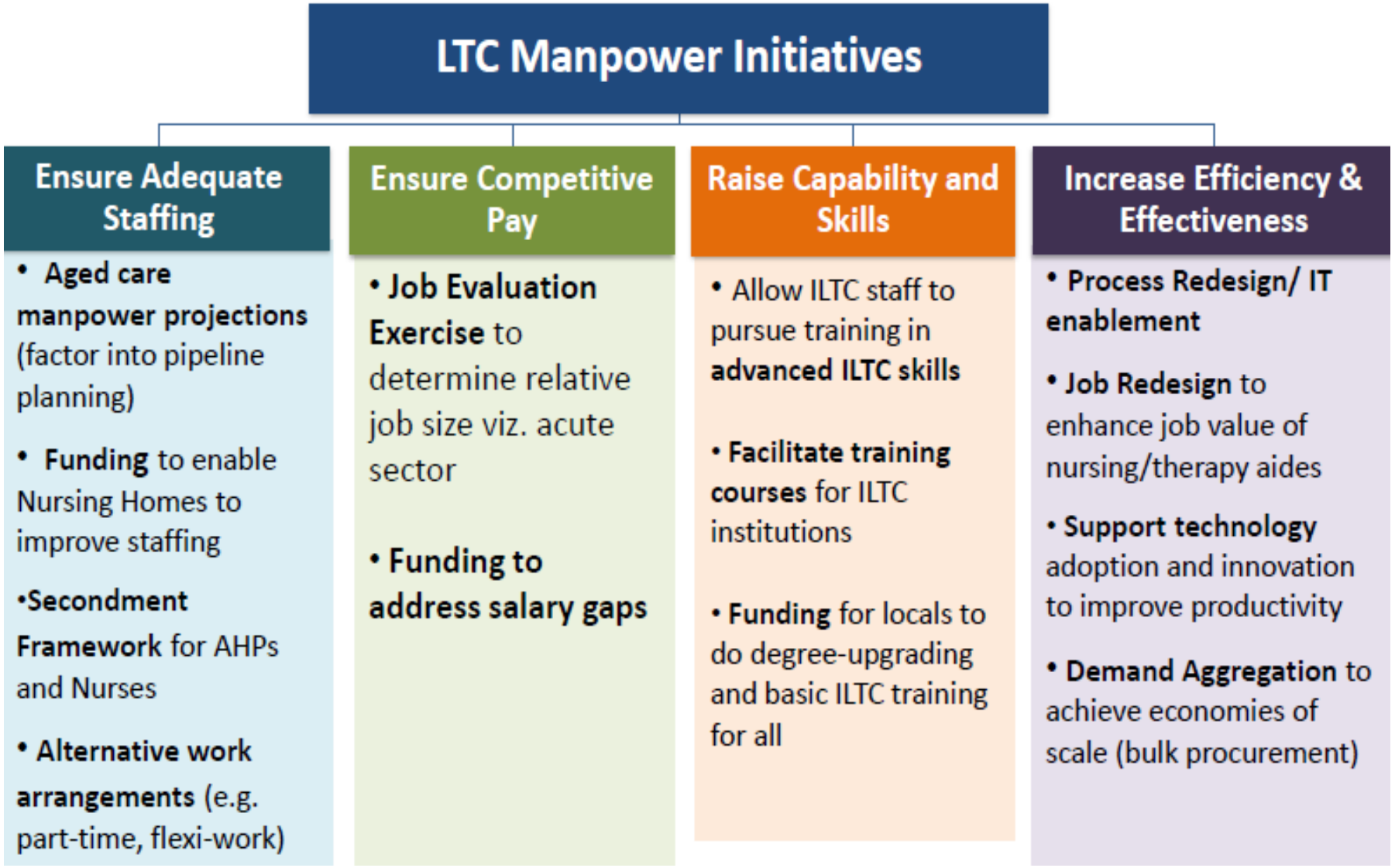


http://www.aic.sg/silverpages/default.aspx

The Public-Private Mix in Health and Long Term Care Facilities

	Private	Public	Voluntary
Specialist Care	Private Hospitals Specialist Centres	Public Hospitals National Specialist Centres	
Primary Care	GP Clinics	Polyclinics	
Intermediate and Long Term Care	Nursing Homes Home Care	Transitional Care	Community Hospitals Nursing Homes Hospice Care Day Rehab Centres Home Care

LTC Manpower Development



Source: Ministry of Health

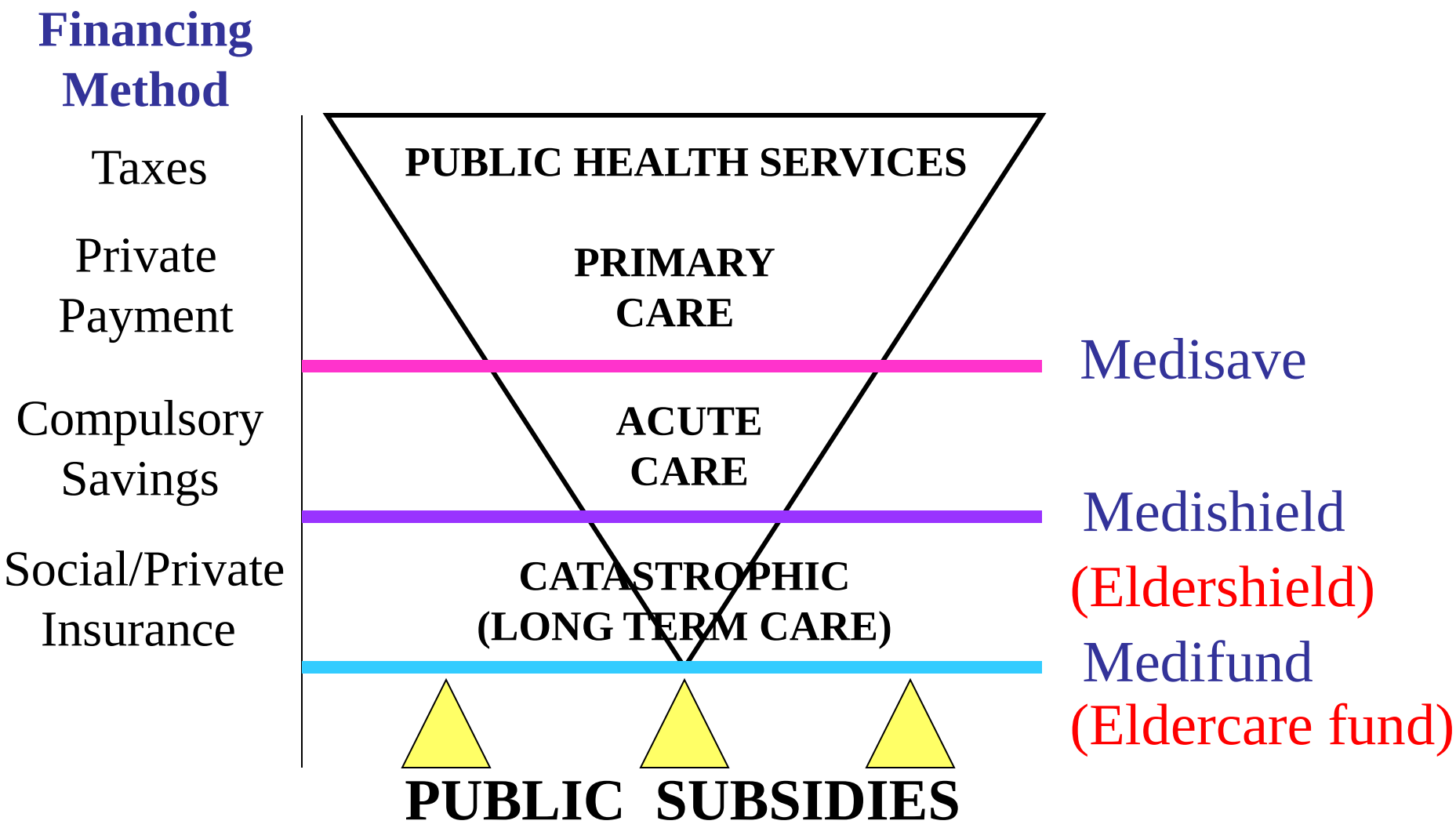
Current Funding of Long Term Care

- Capital funding for infrastructure development
- Government subvention with means testing
  - Sliding scale based on per capita income
  - Percentage based on norm cost (periodic adjustments)
  - Additional funding
    - Medication assistance for low-income
    - Ad-hoc Project based – Reinvestment Funding, Totalisator Board, Others
- Fund-raising by Voluntary Welfare Organisations
- Self-funding, including use of Medisave
- Long term care insurance - Eldershield

Health Care Financing Strategies

Instill personal and family responsibility
(Cost-sharing)
+
Ensure future sustainability with ageing
avoid inter-generational problems
(Savings)
+
Enhance risk-pooling and social protection
(Insurance)
+
Target subsidy and equitable distribution
(Taxation)

Health Care Financing in Singapore

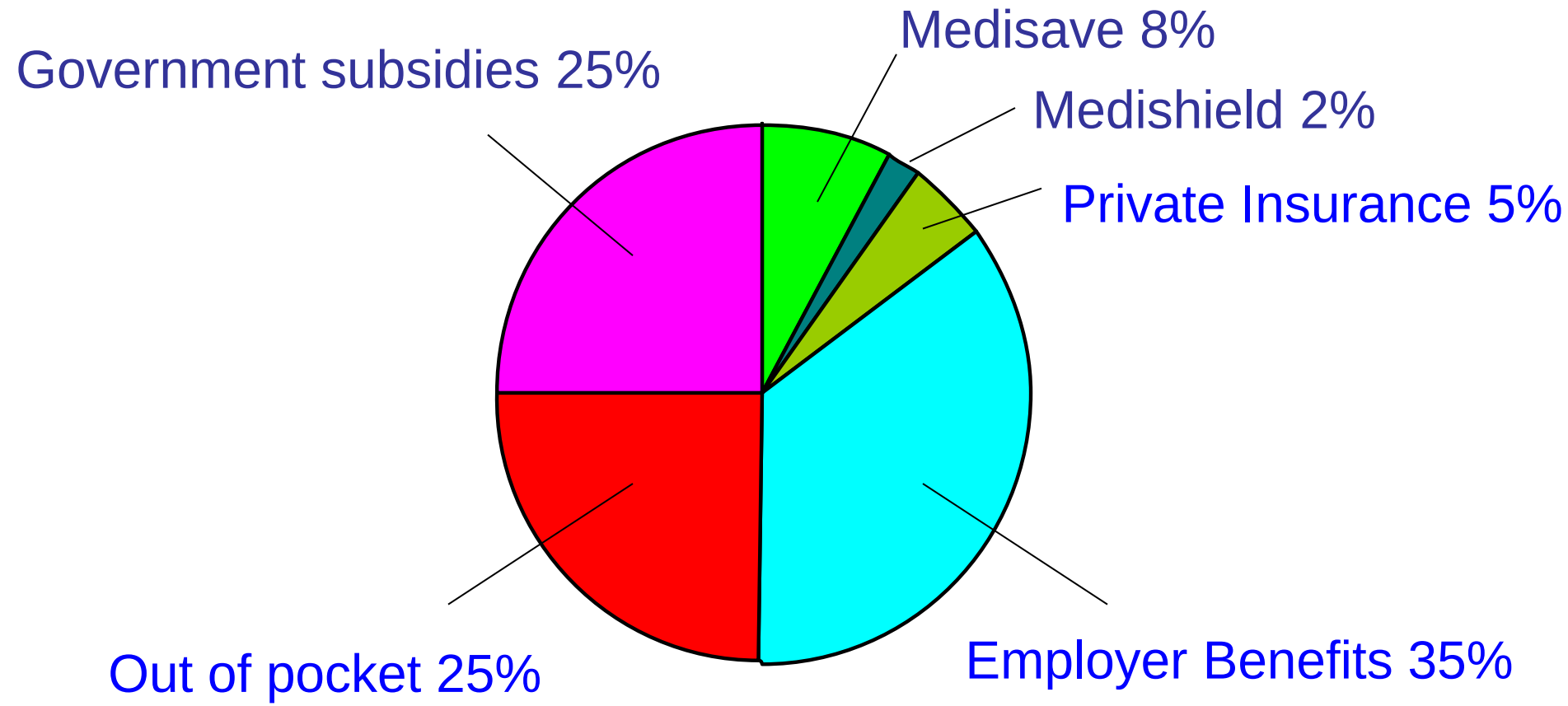


Source: Dr. Phua Kai Hong

Recent Trends in Healthcare Financing

- Inflation and higher costs of health care
- Widening disparities in incomes/wages
- Inadequate coverage of financing
  - higher deductibles and co-payments
  - unadjusted low claim limits and benefits
- Adverse selection
  - ‘cherry-picking’ by insurers/providers
  - mandatory coverage in Medishield (2006)
  - opting-out of risk pools (Eldershield)
- But what about marginalized segments?

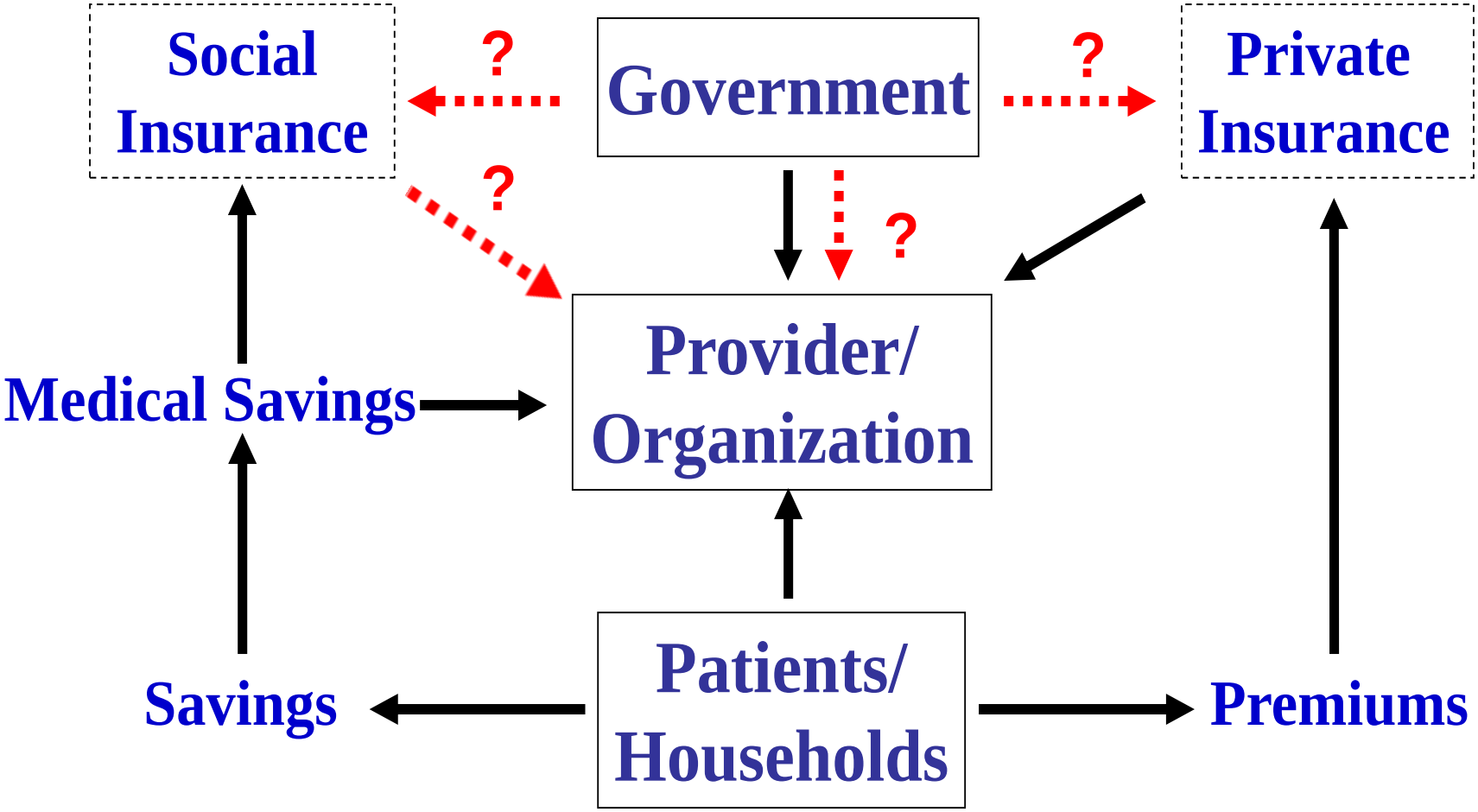
Sources of Healthcare Financing (What is the Optimum Balance?)



The Unfinished Agenda – Optimum Healthcare Financing Mix?

1983 Blue Paper – National Health Plan
1984 Medisave
1990 Medishield
1993 Medifund
1993 White Paper - Affordable Health Care
2000 Eldercare Fund
2002 Eldershield
2006 Enhanced Medishield/Private Insurance
? Enhanced Eldershield/Private Insurance

Future Policies to Enhance Financing with Savings and Insurance?



Fine-tuning the Healthcare Balance?

Equity versus Efficiency

Demand-side (Patient)	Supply-side (Provider)
Cost-sharing Savings Insurance Subsidy Means-testing	Case-mix funding Price Quality Outcomes Provider payments?

Domestic versus External Needs?

Conclusion: Quo Vadis?

- Singapore's public-private mixed healthcare system coming under stress with rapid population ageing
- Expectations of high quality, choice, efficiency and affordability for future medical and long term care
- Perceptions of inequity due to cost-sharing gaps between public subsidies, incomes and expenditures
- Financing levels of taxation, savings and insurance to be targeted for objectives of income distribution, inter-generational and cross-sectional risk-pooling
- Goals of optimum balance in provision, financing, regulation and information – but don't forget the marginalized segments of society

The Hospital of the Future: Integrated Care in Integrated Resorts?

Sin Taxes for Health Finances in SIN City?

Towards an Optimum Balance?

A Question of Values … Who Pays?

(Who Dies? Who Lives?)

- "Big Brother" versus "Many Helping Hands"
- A Single Payer versus Mixed System
- Taxation or Social Insurance or Savings - (Beveridge, Bismarck or Best Practice?)
- Public-Private-People Participation (PPP)
- How about the marginalized segments?
- Avoiding the Buffet Syndrome – A Healthy Diet of Singapore ROJAK?

More Rojak for Thought …

- Avoid believing our own propaganda
- Avoid medicalization of social policies
- Avoid top-down elitist approaches
- Avoid passing the buck / blaming the victims
- Back up policies with facts and evidence
  - open the books (and data) and our minds
- Bring back the critics and old prophets
- Compare other health and social systems
- Consult the people for their own solutions

To our future health and the health of our children …

"The day will come when the progress of nations will be judged not by their military or economic strength, nor by the splendour of their capital cities and public buildings, but by the well-being of their peoples: by their levels of health, nutrition and education;

….. by the provision that is made for those who are vulnerable and disadvantaged; and by the protection that is afforded to the growing minds and bodies of their children."

(The Progress of Nations, UNICEF)