



The Future of Healthcare-NOW.



DIGITAL STRATEGIES for DEVELOPMENT SUMMIT

LAUNCHES THE

INNOVATIVE STRATEGIES FOR DEVELOPMENT SUMMIT 2016

Accelerating Inclusive and Sustainable Development through ICT

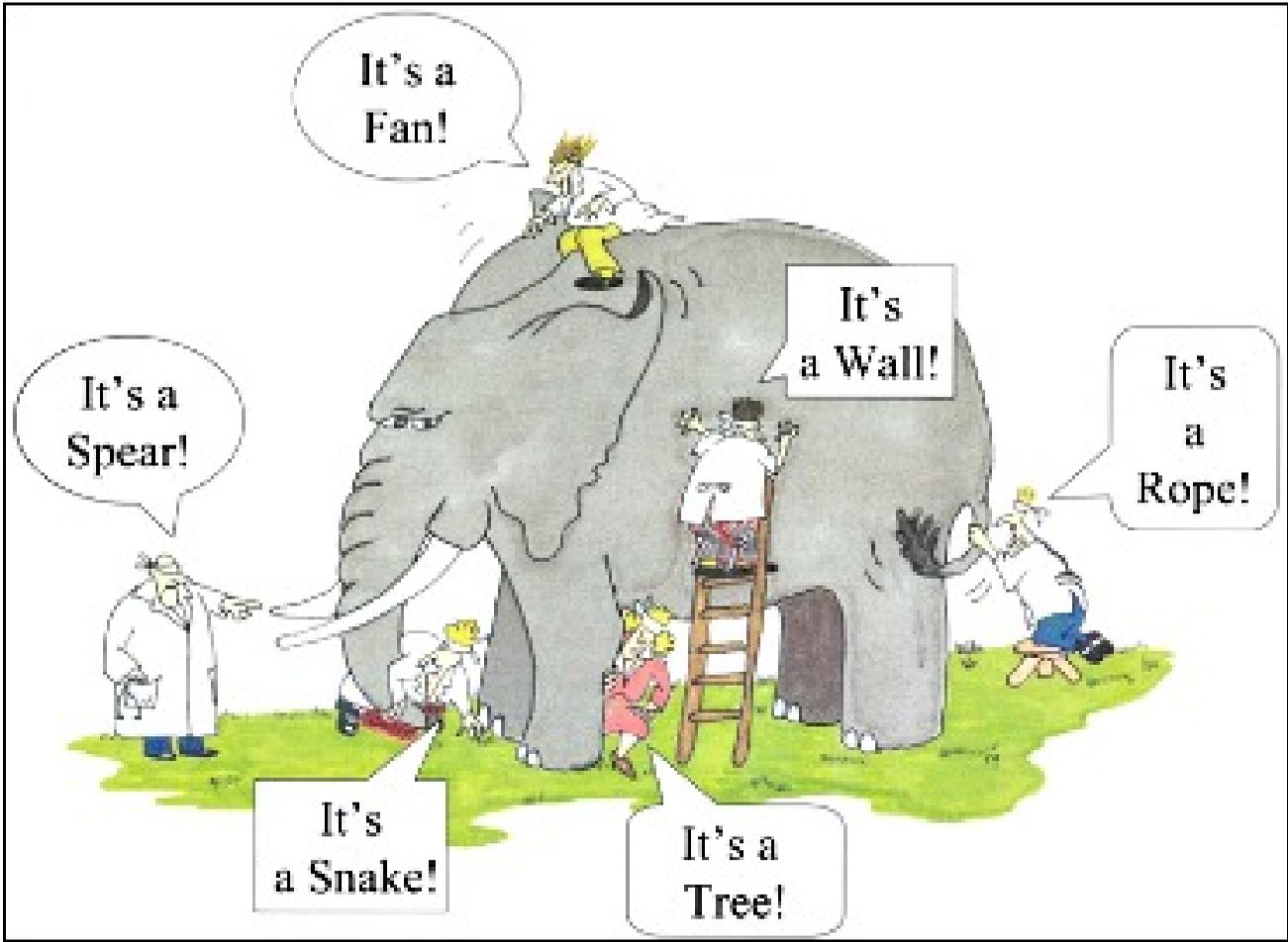
Breakout Session: Health Financing

Crowne Plaza Hotel
9 June, 2016



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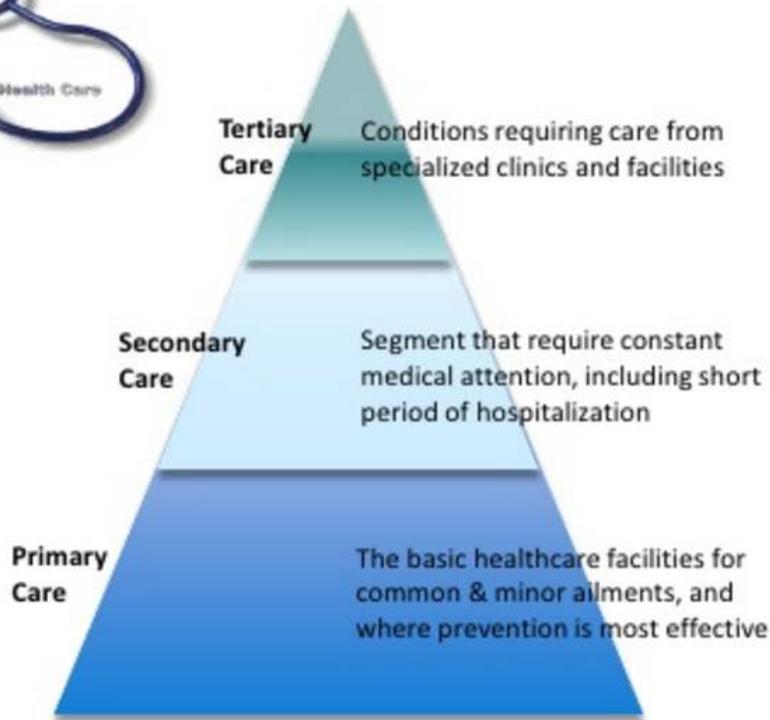
Beware Blind Spots



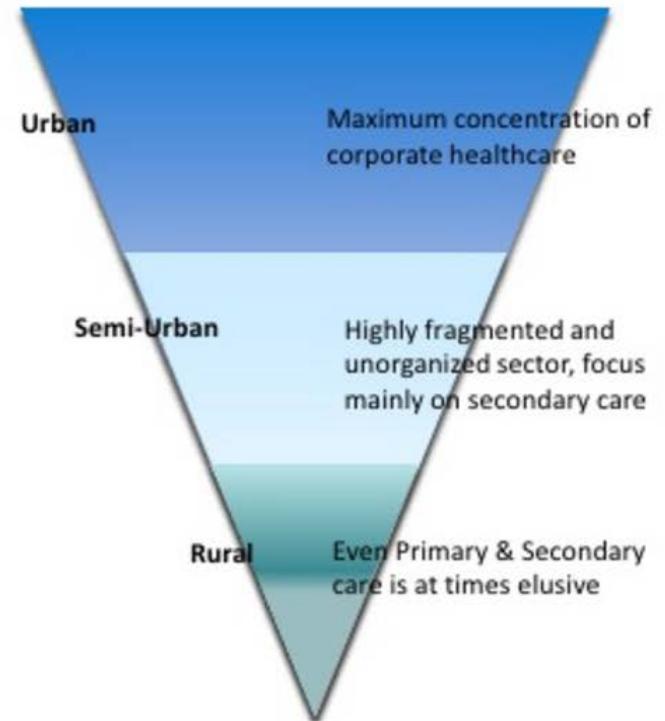
Healthcare Demand and Supply



HEALTHCARE SERVICES DEMAND IN INDIA



HEALTHCARE SERVICES SUPPLY IN INDIA



90% patient needs primary and secondary care

Source: Aklanta Kalita http://www.slideshare.net/inside_out/indian-healthcare-medical-devices-industry

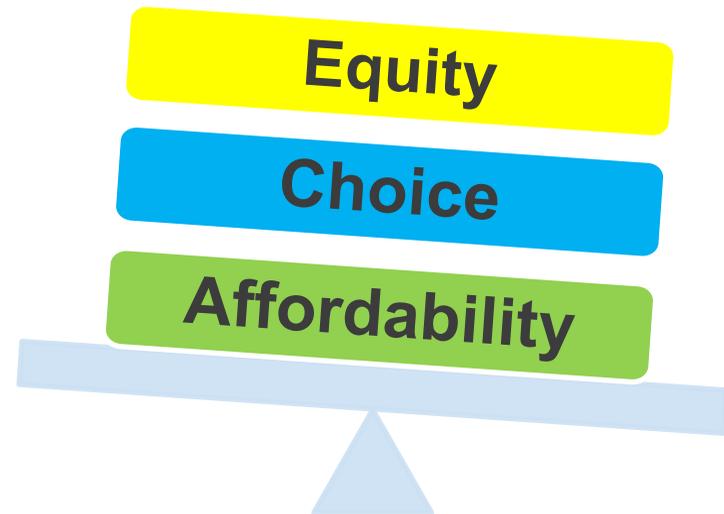
Core Question For a Health System

NO

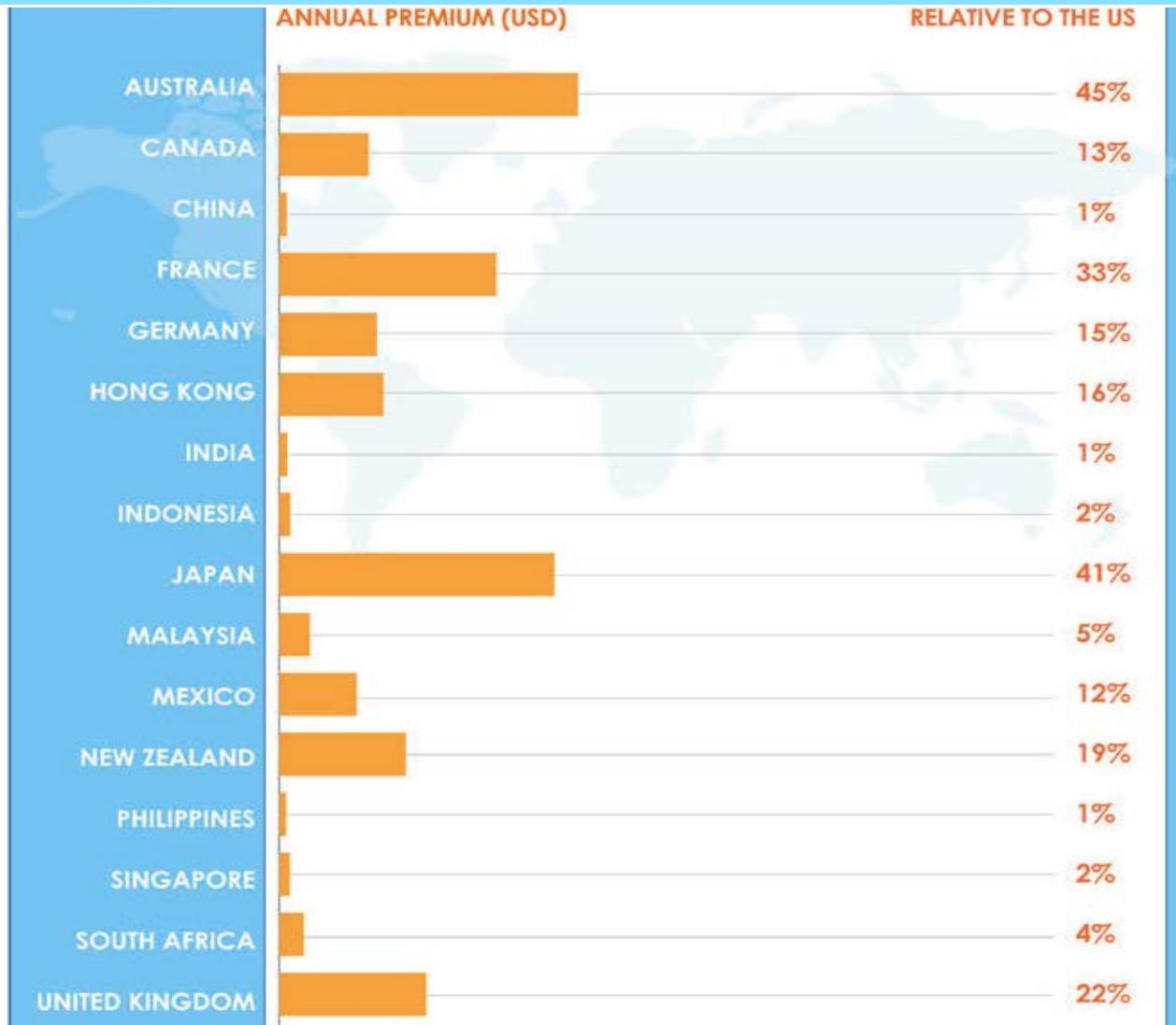
Not how to finance health care costs: ultimately paid by citizens and/or employers

YES

How to make trade-offs among competing goals:



Singapore: Low Healthcare Premiums...

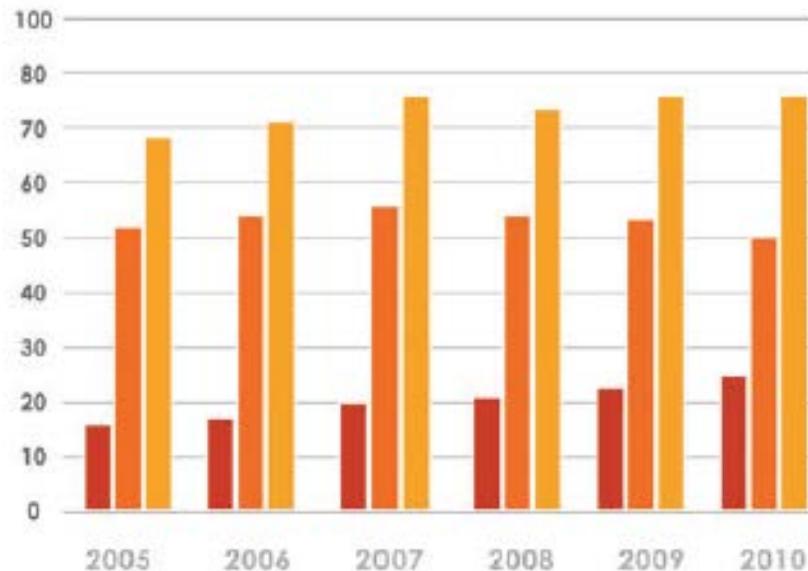


Source: William Haseltine, *Affordable Excellence*

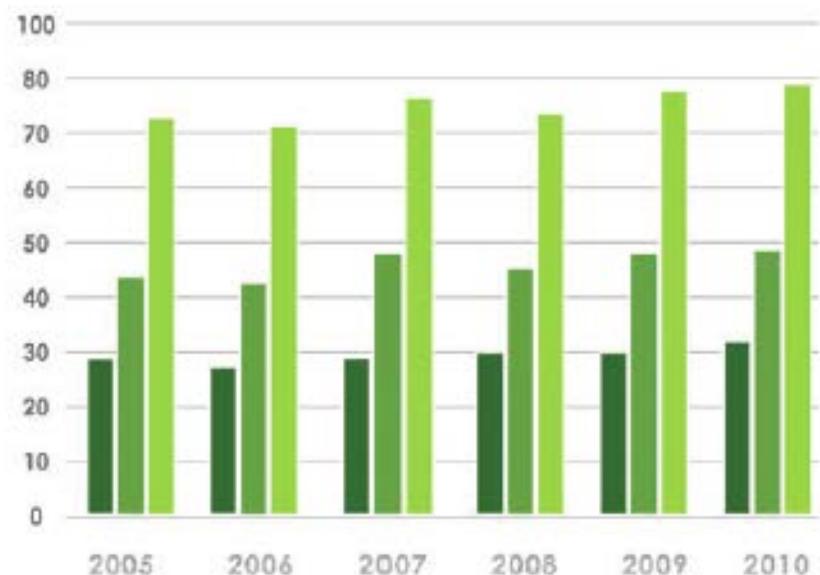


AND High Patient Satisfaction

OVERALL SATISFACTION OF PUBLIC HEALTHCARE INSTITUTIONS



WILLINGNESS TO RECOMMEND PUBLIC HEALTHCARE INSTITUTIONS



Source: William Haseltine⁵ Affordable Excellence

Singapore's Health Care Philosophy

- 1. Aims to build up a healthy population through preventive health care programmes and the promotion of healthy living.***
- 2. Responsibility to intervene in the health care sector where the market fails to keep health care costs down**
- 3. Personal responsibility for one's health**

Emphasis on:

- a) Health education**
- b) Immunization**
- c) Health screening for early detection of diseases**

Source: * *Healthy family, Healthy Nation Report 1991*

Health System Design Choices

Direct versus Indirect

- ✓ First and second party transaction between provider (supply) and consumer (demand)
- ❑ Third party intermediary or administrator to manage transactions – fund collection, risk-pooling and purchasing functions

Macro versus Micro

- ❑ Complex financing, delivery and regulatory systems
- ✓ Provider payment mechanisms (incentives)

Health in Context

National Priorities:

1. National security
2. Job creation
3. Housing
4. Education
5. Health

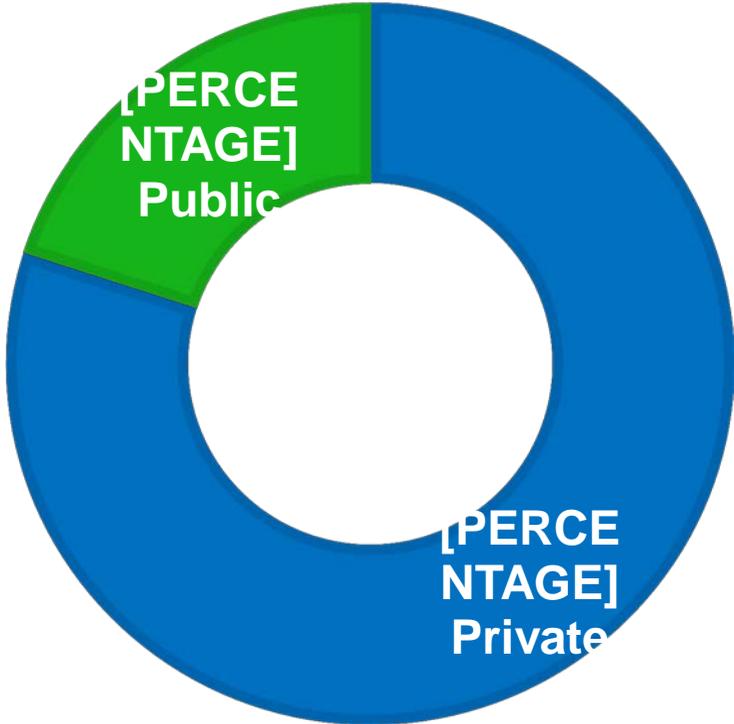


Cross-sector Approach:

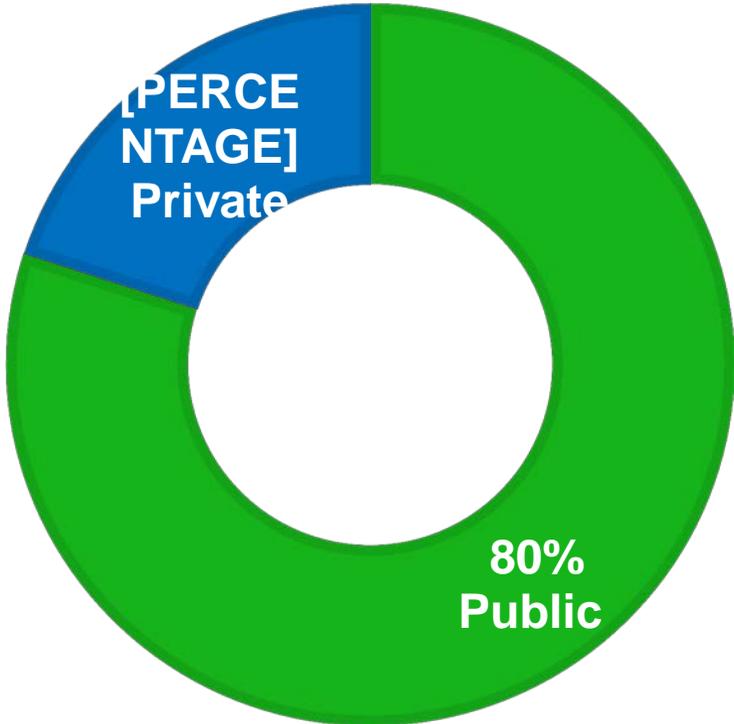
- Housing
- Water supply
- Food supply
- Air quality
- Waste disposal
- Road traffic
- Parks
- Tree planting...

Singapore's Healthcare System

PRIMARY CARE



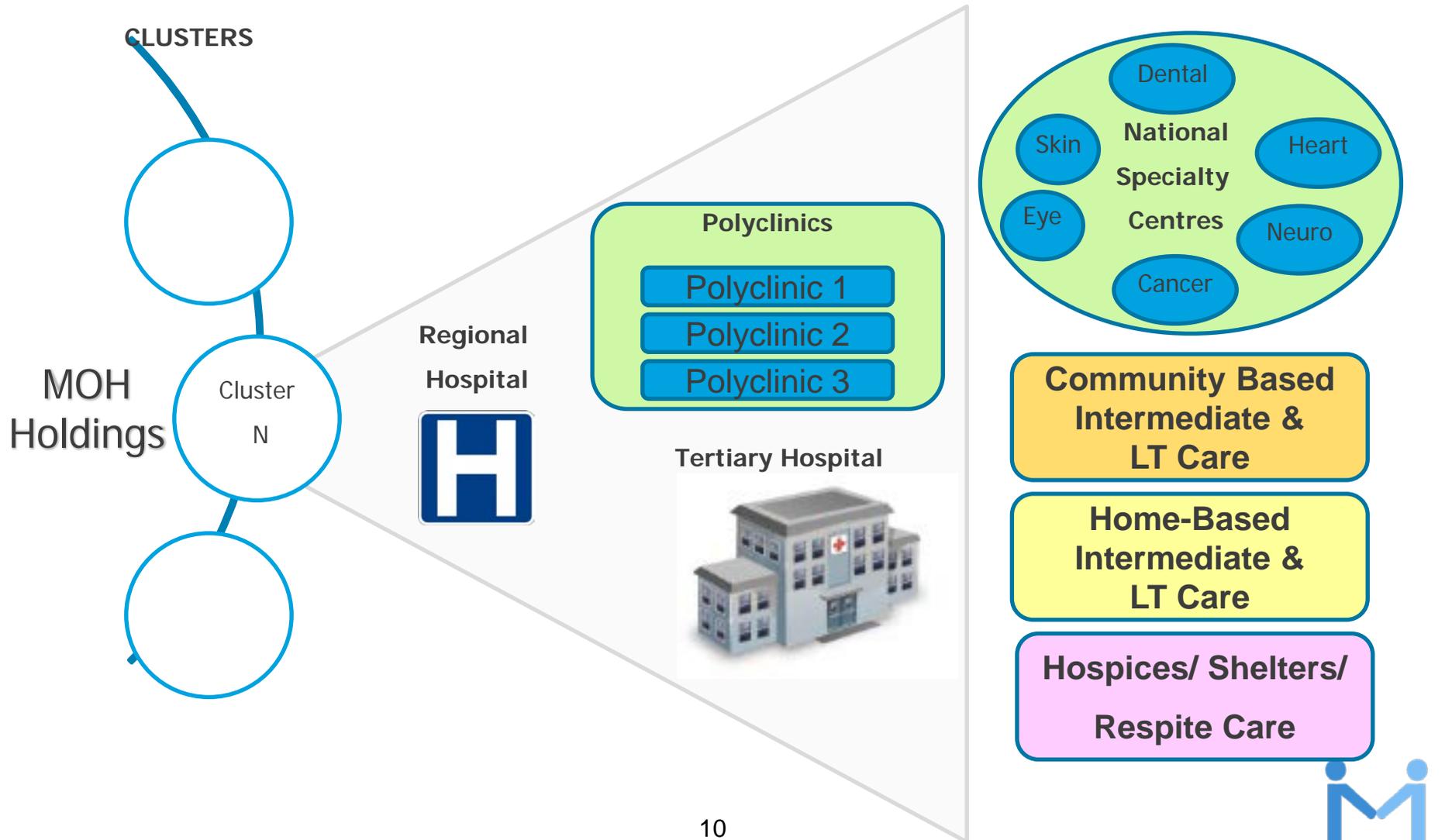
HOSPITALIZATIONS



Source: William Haseltine⁹, Affordable Excellence



Public Health Infrastructure



Primary Health Care

- Patients are expected to pay for minor episodic ailments on their own and not rely on government subsidies

From Lee Kuan Yew's memoirs:

“The ideal of free medical services collided against the reality of human behaviour, certainly in Singapore. My first lesson came from government clinics and hospitals. When doctors prescribed free antibiotics, patients took their tablet or capsules for two days, did not feel better, and threw away the balance. They then consulted private doctors, paid for their antibiotics, completed the course and recovered”

- Services include: curative outpatient medical treatment, health screening, preventive programmes for children, home nursing, day care and rehab for the elderly, health education and promotion
- Average cost at private general practitioners (2000+) S\$24 versus S\$10.50 at government-run polyclinics(18)

Government Polyclinics

- Cater to lower-income Singaporeans who are unable to afford private care
- Services include: outpatient medical care, immunization, basic diagnostics, dispensing standard basic medication, health screening, health education, and follow up of patients discharged from hospitals
- Generally a farther commute for Singaporeans
- Generally longer-wait times for consultation compared to private practitioner
- Patients with complex/multiple diseases can enroll in these clinics

Source: <http://polyclinic.singhealth.com.sg/PatientCare/Fees/Pages/Home.aspx>



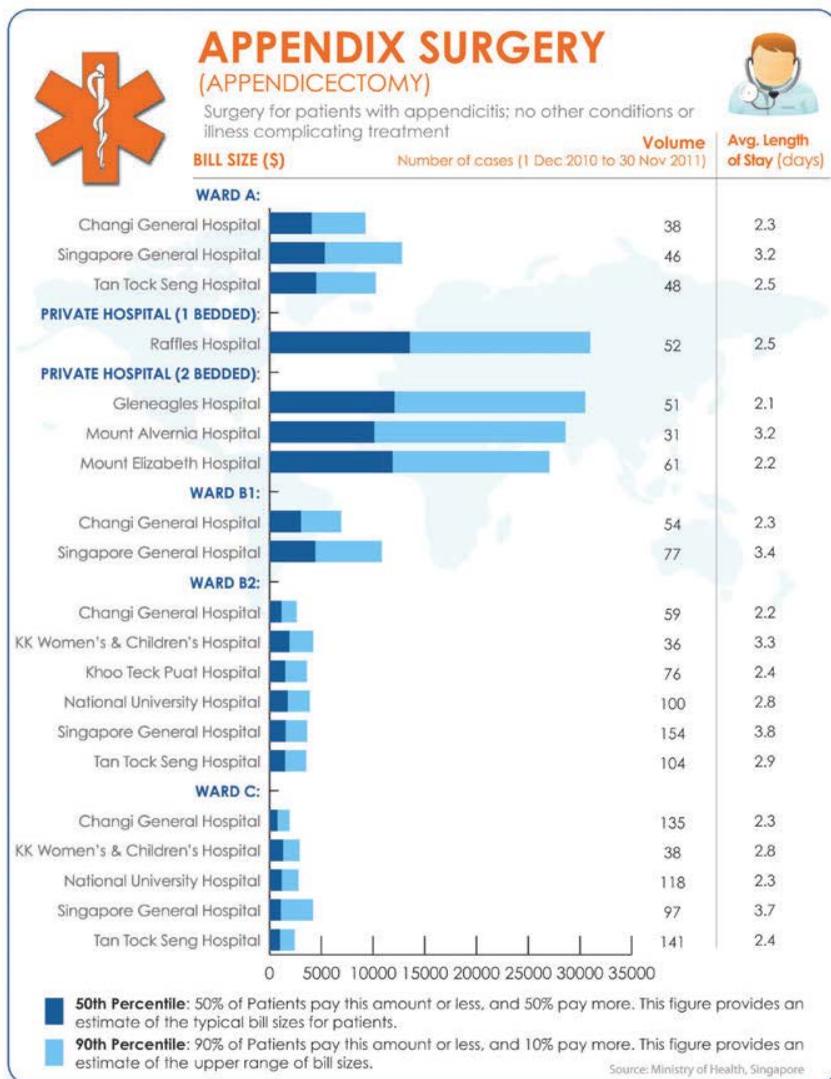
Hospital Care

- Patients are free to choose either public or private system, based on willingness and ability to pay
- No measurable difference in outcomes between public or private system
- Public sector hospitals have subsidized ward classes
- Private sector hospitals provide more choice to consumers who are willing to spend more, demand faster services, and seek more amenities
- Public hospitals ran at 85% capacity on average, versus 55% for private; government rents beds from private hospitals to treat its subsidized patients

Upholding Quality

- Since 2000, all private and public hospitals participate in the Maryland Quality Indicator Project which involves the monitoring of clinical quality indicators and benchmarking those against national and international norms
 - Inpatient mortality
 - Perioperative mortality
 - Unscheduled return to the operating theater
 - Unscheduled readmission within 15 days
 - Unscheduled admission following ambulatory procedure
 - Etc.
- MOH's "Healthcare Quality Improvement and Innovation Fund" invites applicants annually to submit proposals for funding pilot innovative clinical quality improvement projects

System-Wide Transparency



- MOH publishes hospital bills on its website for medical conditions, procedures, ward classes
- Average cost for top 70 medical conditions are available
- Published information empowers patients and drives competition between healthcare institutions

Source: William Haseltine, Affordable Excellence ¹⁵

Supply Side Oversight

- Hospital financial controls
 - Gov't sets subsidy and cost-recovery targets for each ward class to keep hospitals from producing “excess profits” associated with induced demand
 - Policies on the use of budget surpluses: may be used for teaching, research and asset replacement
 - Hospitals are given annual budgets for patient subsidies and are required to break even within this budget
- Hospitals need to seek government approval to acquire expensive technology or new specialties
- Number of doctors are regulated
- Public health doctors are salaried, wages of doctors are reasonable and not-sky high

Demand Side Incentives

- When people have to spend their own money (MediSave), they tend to be more economical in the solutions they choose for medical care
- If someone else is paying—government programs, insurance companies—there is little incentive to be cost-conscious about which and how many tests and treatments are appropriate for a given situation
- MediSave has been central to providing citizens a quality of life comparable to the most affluent nations, despite the poverty that existed in Singapore in the early days of independence
- By keeping costs down, MediSave has allowed the entire system to remain affordable for everyone, including the government

Health Promotion Board

- Mission is to raise the level of health and health awareness through education, screening programs, dental services to children, nutrition programs.
- Gov't takes the lead, working with key stakeholders
- National Healthy Lifestyle Campaign is an annual, month-long event that involves, community, workplace, schools, supermarkets and restaurants
- Healthy living themes are chosen, supported by activities such as mass workout sessions, weight loss reality TV, school programs, and advertising
- Integrated approach: exercise corners in all public housing, smooth pavements, food safety in markets, etc.

Chronic Disease Management Programmes

- MediSave dollars may be used for outpatient chronic disease care to reduce out-of-pocket payment to encourage patients to seek timely care for chronic conditions
- Chronic disease covered include: asthma, diabetes, hypertension, lipid disorders, stroke, chronic obstructive pulmonary disease, schizophrenia, major depression, dementia and bipolar disorder
- Under Community Health Assist scheme, lower-income and disabled elderly Singaporeans may receive subsidized outpatient services at government polyclinics or accredited private clinics

Singapore's Tiered Approach

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)

Summary

Financing:

- *Taxes*
- *Private Payment*

PUBLIC HEALTH SERVICES

Primary Care

MediSave

- *Compulsory Savings*

Acute Care

MediShield

- *Social Insurance*

Catastrophic Care

ElderShield

- *Private Insurance*

Long Term Care

MediFund

ElderFund

GOVERNMENT SUBSIDIES

Policy Issues in Health System Planning

Does the method:

- Increase amount of funds available for health?
- Provide sufficient protection from financial risks?
- Affect who is paying or who is benefiting?
- Change productivity and behavior of providers?
- Influence how people utilize health services?

Does it improve:

- Social protection and financial fairness (equity)?
- Responsiveness (efficiency and effectiveness)?
- Health status and well-being (final outcome)?

Source: Dr. Kai Hong Phua, Lee Kwan Yew School of Public Policy; National University of Singapore



Thank you!

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