Health-care shifts reflect new balance in cost share

By PHUA KAI HONG

THE health-care policy changes announced in the Prime Minister's speech are indeed significant.

The extension of Medishield into Medishield Life is tantamount to having a universal national health insurance similar to that of many social welfare systems in developed countries.

The Government will have to pay premiums for the poor. Preventing illnesses will also be covered. Some of these will be funded from taxes. Singaporeans will have to pay more from their Medishare for the new, higher premiums for Medishield Life.

Although there are some nuanced differences, the basic ‘MI financing model remains.

Medishare stays an individually funded medical savings account with options to pool from other family members’ accounts, which will continue to emphasise personal and family responsibility for health.

And as Medishare balances remain healthy, the higher premiums for Medishield Life need not be funded by national taxes. This reduces the need to undertake the thorny, politically difficult issue of tax hikes to fund health insurance. Those without other means can still turn to Medishield.

With the MI model, instead of the State being the single payer, each generation is expected to save and pay for their health expenses rather than cross-subsidising or passing over costs to the next generation.

But as the elderly population grows, the challenge is for the Government to keep the economy competitive so it has resources to finance more health care without having to tax shrinking younger age groups to unmanageable levels.

Another significant gesture is the move by the Government to pay Medishield Life premiums for the ‘pioneer generation’ of Singaporeans who have much lower earnings and savings, and little or no Medishare. Many opted out of Medishield when they could not afford the premiums.

This generation is now assured of medical care for life. This policy is commendable and consistent with Singapore’s traditional values of filial piety and respect for our elders who contributed to today’s wealth and prosperity.

Medishare will be extended to cover more chronic conditions for outpatient care, including cost-effective screening and immunisations. This will encourage the population to maintain their health to prevent expensive specialist hospital treatment. Hopefully, this will extend later to other forms of community-based long-term care as alternatives to institutional care.

So it is expected that Medishare savings will be raised to finance the expansion of such uses and the higher premiums for a more generous social health insurance plan. But the Government has indicated that it will also increase its share from 30 per cent to 40 per cent of total health expenditure. This therefore signals a shared responsibility in the new social compact between the Government and Singaporeans. A new balance is to be forged between the individual and family, community and the State. While these new policies may appear to be populist to cater for the increasing numbers of the ageing electorate, caution must be exercised to ensure that they will not lead to greater moral hazard and excessive consumption of health care in the future.

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It will be interesting to study the full implications on the private health-care sector and the role of the market. Will the new policies lead to more spending for supplementary private integrated Shield Plans? Will the increased public financing be matched with more control on high-cost technologies and excessive fees on the supply side? Or will it lead to greater equity at the expense of efficient utilisation of cost-effective health care by both providers and patients? The test of the new policies will depend on their implementation in the days and years to come.

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Putting heart into policies

THUS is my first time watching PM Lee Hsien Loong speaking “live” at the Rally. Beyond the widespread policies that he proposed, I could feel his sincerity and compassion as Mr Lee spoke from his heart. The relaxed and humorous tone of the delivery was refreshing and made him more down-to-earth.

Having done social work since my university days, I agree we should not forget the silent portion of the population versus those who might be overly vocal on online platforms. Perhaps the ones who really need help might not be the ones voicing their needs, and the ones voicing their needs might not be the ones deserving more help.

The proposed enhanced youth community engagement with social work is an important right step. It is not happiness that makes us grateful; it is gratefulness that makes us happy. In Jim Collins’ Good To Great, he talked about “Level 5” leaders, a special kind of leaders who take an organisation from good to great: They are highly ambitious but the focus of their ambition is not themselves but the greater good.

I am happy that the leadership of the country, particularly the bureaucrats, will be able to implement the new proposed policies with their hearts and not just with their heads. As Mrs Margaret Thatcher exhorted: “There is no such thing as society. There are individual men and women and there are families.”

Tan Chin Huey

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