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Being personally responsible is key in preventive care

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AT A time when Singapore's health-care financing system is undergoing major reforms, many are giving their views about how the restructuring process should proceed. We draw attention to some observations on personal responsibility and preventive health care.

Devising an ideal health-care financing system seems difficult, if not impossible. At the core of the problem lies the need to balance efficiency and equity.

Singapore has done exceptionally well on efficiency grounds, with excellent overall health outcomes per dollar spent. It is on equity grounds that the system falls short. In 2000, the World Health Organisation (WHO) ranked Singapore sixth among 191 countries in terms of overall health achievements. In terms of "fairness in financial contribution", however, Singapore received a ranking of 101-102.

Personal responsibility combined with targeted subsidies are the major pillars of Singapore's health-care financing system. The critical question is whether Singapore should deviate from the personal responsibility principle in order to achieve greater equity. To help resolve this issue, it is necessary to look at the extent to which personal responsibility in health-care financing has enhanced preventive health-care activities in Singapore.

In an attempt to explore the relationship between personal responsibility and preventive health care, we looked into behavioural risk factors across four different health-care financing systems – in Britain, Australia, Hong Kong and Singapore. According to WHO records, private health expenditure as a proportion of total health expenditure in 2010 in these economies were: Britain 18 per cent, Australia 33 per cent, Hong Kong 48 per cent, and Singapore 67 per cent.

Because of data limitations, only four risk factors were identified. They were smoking, excessive alcohol consumption, obesity and physical inactivity. All have been found to be closely correlated with many preventable ailments such as heart diseases, diabetes and cancer.

The hypothesis we wanted to test was whether high private spending on health would lower a population's risk factors. In other words, are people more likely to adopt healthier lifestyles when they know they have to pay a large proportion of their medical bills?

Unfortunately, the definitions used to compile data we used are not strictly compatible across the economies concerned. For example, excessive alcohol consumption is defined in terms of daily volume in Australia and Britain, and weekly frequency in Hong Kong and Singapore. But the data does provide us with enough information to make broad comparisons.

We examined trends across successive birth cohorts in the four economies after removing age and income effects from the data. With the exception of excessive alcohol consumption, other variables show interesting trends and levels.

Smoking by birth cohort has trended downwards across all four economies, partly in response to anti-smoking campaigns. Singapore, however, continues to have the lowest incidence of smoking.

The obesity indexes of both Singapore and Hong Kong also lie well below those of Australia and Britain in recent birth cohorts.

To assess changes in inactivity, we removed the effect of obesity from the data. This was because many people may start physical exercise only when they see their waistlines bulging. When we do this, it is clear that the proportion of inactive people in Singapore is much lower than in the other three economies.

Comparing different age cohorts in Singapore, we noted a strong negative relationship between inactivity and private spending on health care. In other words, when the private proportion of total health spending of a cohort increased, the percentage of people who were physically inactive fell. Such a tight relationship is unlikely if expected medical costs are not a concern.

We did not see a similar pattern in Australia. But this can be explained by the fact that the proportion of total medical expenses borne by individuals is small. Fear of high medical bills is, therefore, unlikely to motivate people to be more physically active.

These results, though coming from limited data sets, suggest personal responsibility plays an important role in preventive health-care practices, thus enabling Singapore to keep overall health expenditure levels low.

That said, it is important to avoid pushing the principle of personal responsibility too far. Placing excessive health-care financing burdens on individuals will simply encourage people to defer seeking medical attention until an illness becomes serious. This is not only detrimental to the individual (both in terms of health and finance), but it will also drive up national health expenditures.

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