



Singapore
MEDICINE



Singapore & Medical Travel

Dr Jason CH Yap

MBBS, MMed (Public Health), FAMS, MBA (Info Systems),
CISSP

Director (Healthcare Services), Singapore Tourism Board

+ Singapore

The Country

■ Country

- Self-rule in 1959, then independence in 1963 as part of Malayan Federation, then separation from Malaysia in 1965

■ Land and climate

- One main island, 63 small islands, 700 sq km (273 sq mi) land area
- Equatorial climate, warm and humid all year round

■ People

- Total population 4.6 million, resident 3.6 million
- 77% Chinese, 14% Malays, 8% Indians, remainder Others
- 15% 0-14 years, 77% 15-64 years, 9% 65 years and over, median 38 years

■ Economy

- GDP: US\$223b purchasing power parity, US\$49k/capita
- Tourism: 9.7 million international visitors in 2006

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Healthcare System

Ministry of Health

- **Vision:** Championing a healthy nation with our people - To live well, live long and with peace of mind.
- **Mission:** We are an innovative and people-centred organization, committed to medical excellence, promoting good health and reducing illness, and to ensuring that Singaporeans have access to good and affordable healthcare that is appropriate to their needs

■ Cross between US and UK systems

- High private expenditure
- No tax-funded, government-operated “public hospitals”

■ Only “private” facilities

- Licensed as private healthcare facilities
- Operated as private limited companies

■ Government-owned

- Two public “clusters” (in evolution)
- Receive subventions (grants)
- Must meet service level agreements
- 80% of inpatient beds, 20% outpatient attendances

Yardsticks

- Asia’s best healthcare system, 6th in the world (WHO 2000)
- Life expectancy at birth males 79, females 85 (overall 82), at age 65 males 81, females 84
- Infant mortality rate 2.3/1000 live-births
- 13 JCI-accredited facilities, most and greatest proportion in Asia (3 small hospitals to go)
- Hospital beds : population 1:370
- Doctor : population 1:640
- Ventilator-Associated Pneumonia 2.53/1000 ICU days

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Healthcare Financing

■ National Picture

- S\$7.4b (US\$4b), 3.7% GDP (2005), US\$1,118 per head
- 24% borne by government (taxes)

■ 3M System

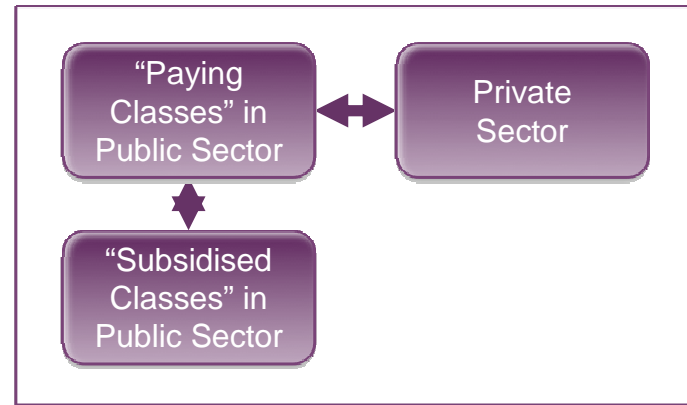
- MediSave (enforced savings)
- MediShield and related insurance
- MediFund (endowment fund)

■ Providers

- Public and private

■ Typical costs of knee replacement procedure (from MOH website)

- Private sector US\$11k (more variation)
- Public sector, full paying US\$11k
- Public sector, most subsidized US\$ 1k



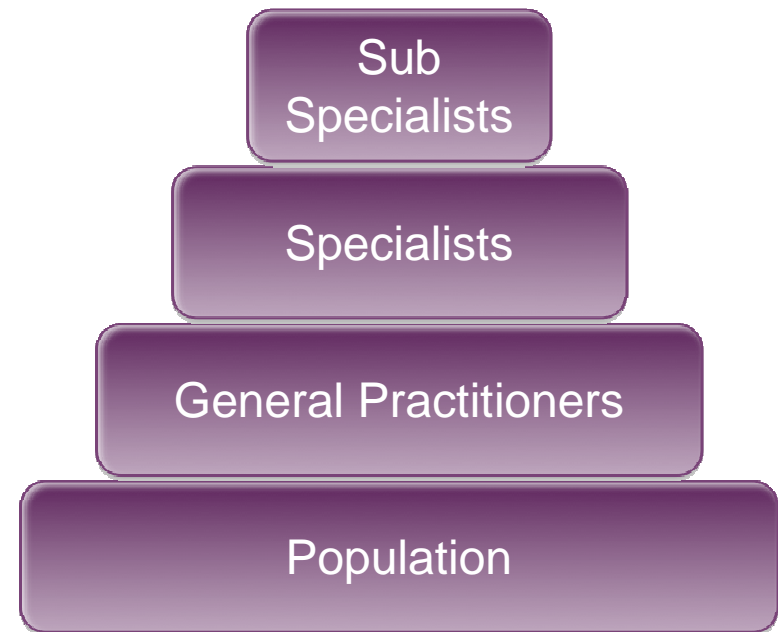
Payment Sequence

- 0 Government-subsidized care in public sector facilities (means-tested, for B1, B2, C)
- 1 Employer coverage
- 2 Insurances (MediShield and related, other schemes)
- 3 MediSave
- 4 Out-of-pocket
- 5 MediFund

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Healthcare Challenges

- Containing costs, sustaining quality
- Too small a medical ecology
 - Not enough patients, professionals, facilities
 - Difficulties amortizing costs
 - Difficulties maintain critical masses
- Balancing the parts
 - Local v foreign
 - Talent, patients, providers, locations
 - Public v private
 - General v specialist practice
 - National centers v distributed service centers
- Managing the marketplace (not the market)



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The Rationale

- Revenue
 - Patients, companions and incidental healthcare seekers
- Extension of medical community
 - Medical schools and training, conferences, associations
- Development of biomedical cluster
 - Management and operational HQs, health care services & operations, healthcare conferences & training, research and development/ & clinical trials, manufacturing
- International city
 - Multinational corporations, expatriates, tourism, manufacturing
- Healthcare services for own people
 - Critical mass for specialization and subspecialization
 - Retention of medical/professional manpower
 - Acquisition of technology

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The Attraction

- Singapore:
 - The country's international reputation/position
- Patient Services
 - Excellent, safe and trustworthy clinical services, modern and efficient healthcare infrastructure, international patient liaison services
- Medical Hub
- At Home Away From Home
 - Multi-racial/religious/cultural and accommodating community, harmonious, safe, high security, accessibility, convenience, shopping/dining, leisure activities
- Affordability
 - Relative to comparative destinations
- Peace of Mind

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The Initiative

- Government-industry partnership to develop and maintain Singapore as a healthcare destination and a medical hub
- 2012 targets: 1 million healthcare visitors, US\$2b Tourism Receipts, 13,000 jobs (Economic Review Committee 2002)

■ Partners

- **Ministry of Health:** Overall leadership, industry development and capacity, regulatory and manpower issues
- **Economic Development Board:** Capability development, inbound investment promotion
- **International Enterprise Singapore:** Promotion of outbound investment by local healthcare players
- **Singapore Tourism Board:** Branding and marketing, development of associated people-oriented services
- **Other government/related agencies** SLA, URA, WDA, ICA, CAAS, ...
- **Industry:** Healthcare networks, hospitals, specialist clinics, medical travel agencies



MINISTRY OF HEALTH
SINGAPORE



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Status

	<u>India</u>	<u>Thai</u>	<u>Msia</u>	<u>Singapore</u>	
	<i>Visitors/Patients</i> -----			<i>Total Tourism Receipts</i>	
1997				320k	
2002	100k	379k	114k	211k	
2003				230k	
2004	150k	520k	180k	321k	S\$ 906m
2005				352k	
2006				411k	S\$1,295m
<i>Growth from 2004 to 2006</i>				<i>28%</i>	<i>43%</i>

Where from?

- Indonesia, Malaysia, Brunei
- Rest of ASEAN, South Asia, Middle East & Africa
- Greater China & North Asia, Oceania
- North America, Europe (United Kingdom, Russia)

■ **Visitors/Patients**

- *Singapore:* Visitors at exit survey who select healthcare as the *primary* reason why they came.
- *Other countries:* Numbers released to media. Often straight compilations of numbers of episodes of care (various definitions) at individual healthcare providers.

■ **Total Tourism Receipts**

- All accommodation, travel (local carriers), medical, shopping and other expenditures of patients and their companions; PLUS medical bills of visitors for other purposes

+ Five Myths of Medical Tourism



1. It's medical tourism ...
2. It's new and booming ...
3. Patients are going to cheap, low quality healthcare ...
4. Asian healthcare destinations threaten the facilities of the West ...
5. There are many excellent healthcare destinations in the world ...

+ Five Myths of Medical Tourism

It's medical tourism ...

- Well, that's what it is often called ... but just like we say business travel and not business tourism, it's more about the provision of healthcare services across international boundaries than about adding a sprinkling of healthcare on vacations. Casualties were evacuated to Singapore after the Bali bomb blasts, and ASEAN expatriates often go to Singapore for care beyond their local healthcare services. So, medical tourism is really only a small part of medical travel. Incidentally, after that cosmetic surgery, your surgeon will tell you "no sun, no sea, no sand" so don't believe the brochures.

+ Five Myths of Medical Tourism

It's new and booming ...

- It is a growing business but not quite so new. Singapore was already receiving some 370,000 healthcare visitors in 1997, and stories of patients (even heads of states) traveling there for medical care go back decades. In 2006, there were 410,000 visits to Singapore specifically for healthcare. As to the boom, guesstimates vary and credible statistics on medical travel are few. Hospitals routinely report hundreds of thousands of patients because they are not counting individual patients but separate episodes of care (once today, once tomorrow ... or even once to the consult, once to the lab, once to the pharmacy!). Some include the local expatriates and leisure/other travelers who fall sick or fall down, which is hardly complimentary to the safety of the destination.

+ Five Myths of Medical Tourism

Patients are going to cheap, low quality healthcare ...

- Cheap it may be relative to some Western countries, but comparing healthcare quality is hard. Healthcare systems are so different and low costs in themselves do not mean low quality. Singapore spends less than four percent of GDP on healthcare but yet was ranked the best healthcare system in Asia by WHO and has more JCI-accredited facilities than any other country in Asia. To use a more specific comparator, the incidence of Ventilator-Associated Pneumonias in Singaporean ICUs averaged 2.53/1000 ventilator-days in 2005 (the lower the better) compared to 4.4 in USA (NNIS pooled). While the best healthcare in the world is undoubtedly in the USA, the average in Singapore beats out the average in USA. In any case, the world is now so flat that US facilities like Johns-Hopkins and The West Clinic operate in Singapore as well.

+ Five Myths of Medical Tourism

Asian healthcare destinations threaten the facilities of the West ...

- Sounds logical, but consider the relative sizes of the economies. USA alone has a two trillion dollar economy, while the entire annual foreign medical revenue from deliberate medical travelers to Singapore, Malaysia, Thailand and India barely exceeds one billion. How much can be siphoned away when supply is so limited? The true danger in medical travel is not to the sending medical economies but to the receiving medical ecologies, as doctors are enticed away from public hospitals, prices escalate, foreign patients get preferential treatment and public healthcare systems become strained. Countries must pay attention to the public health implications of the medical travel industry, or risk hurting their own population and eventually their medical visitors as well. Globalization will happen. The risk for the overburdened payers in countries with expensive healthcare is that the early movers find the better quality healthcare for their insured/employees, and late adopters have nothing left.

+ Five Myths of Medical Tourism

There are many excellent healthcare destinations in the world ...

- Actually, there aren't that many. Some countries have announced national programs and many have marketed themselves as great destinations, but few really deliver. Too many patients had successful surgeries but bad experiences because of poor service, unsafe city streets, or heart-rending street urchin beggars. Beyond excellent, safe and trustworthy clinical services, affordable costs and good customer service, patients need a warm and non-threatening environment, cultural acceptance, ease of travel, safety for themselves and their families, and even opportunities for recreation and shopping for their travel companions. Few places in the world truly provide their patients the peace of mind when health really matters.

- *Medical destinations, medical tourism, even medical travel* are the wrong framework to think about what's happening.
- It's about *globalized healthcare* (patients, professionals, providers, partnerships) and not just about where patients go to.

+ Final Thoughts

- Today's conceptualization of Medical Travel/Tourism is shallow and insufficient. Destinations and providers tend to focus on what they can offer, but do not factor in the larger (international and local) healthcare system and their own populations.
- The total global demand for healthcare far exceeds the available supply. Estimates vary but the total supply of available (ie empty) beds *today* is much smaller than the actual potential demand. Much depends on the speed at which legal/financial barriers are lifted, but there is potential for a lot of patients to serve, for a great deal of money to be made, and for a lot of harm to be done.
- Medical tourism, even medical travel, is the wrong framework to think about what's happening. It's about globalized healthcare and not just where patients go to. Professionals, providers and payers also look globally. New economic flows appear, new bottlenecks also, and the whole landscape of healthcare could change dramatically. (Look at manufacturing, call center operations, software engineering, and how individual countries have responded.)
- The real coming innovation in the global healthcare economy will not be medical tourism or medical travel, but in the rise of multinational companies that provide clinical services around the world. (Watch this space ...)



+ Useful Websites

- jason_yap@stb.gov.sg
- jchyap@gmail.com

Government Bodies

- Ministry of Health, Singapore
 - www.moh.gov.sg
- SingaporeMedicine
 - www.singaporemedicine.com
- Singapore Medical Council
 - www.smc.gov.sg
- Biopolis
 - www.one-north.sg/hubs_biopolis.aspx
- Singapore as a tourist destination
 - visitsingapore.com

Major Healthcare Providers

- National Healthcare Group
 - www.nhg.com.sg
- Pacific Healthcare
 - www.pachealthholdings.com
- ParkwayHealth
 - singapore.parkwayhealth.com
- Raffles Medical Group
 - www.rafflesmedical.com
- Singapore Health Services
 - www.singhealth.com.sg



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