What the Financial Crisis Means to Us

These are tough times, folks. We are going to see thousands of investment bankers out of work, Lamborghinis lined up for sale at second-hand car dealers and the Singapore Flyer three-quarters-empty. (OK, I get carried away, the last bit already happened.)

Let's face it, so many (mainly American) banks of all shapes and sizes have closed that the only banks safe now are blood banks and cord blood banks. Of course, we don't really know if any of these banks have packaged low-risk blood with high-risk blood samples and sold them off to vampires as collateralised blood obligations (CBOs). But for now, I guess they are safe.

While this economic slowdown is similar in many ways to previous slowdowns (such as MC seekers staying away), this financial crisis is also a little different. People are saying that banks are failing from lack of regulation, poor governance and management greed, and so on. This is mighty interesting because these failed banks are from the same place that gave (actually more like lectured) the world and Singapore on complex healthcare stuff like clinical governance, patient safety, pay-for-performance and hospital accreditation while spending 18% of their GDP on health and leaving one-third of their population either uninsured or under-insured in healthcare insurance. This is the same place that many of our own folks here in Singapore think is so important that we need to keep flying our top folks there to learn about their healthcare system, and fly their experts to us to lecture us on how to run high-performance hospitals. We even end up hiring some of these chappies. So what happened?

Live the American dream, dude.

What does that mean to us, the average conservative, stodgy old doctor? (By "conservative, stodgy", I mean you do NOT feature on TV and in magazines dressed in garish apparel like a bad Seventh Month *getai* singer for instance) or talk about your wife's assets in the national newspaper.

The long and short of this is that a lot of money has been wiped out. How much is "a lot"? Let me put it this way: the money lost is at least half as much as the amount of money deposited in the UOB branch of Mount Elizabeth in a given month and more than the value of all the cars parked in the doctors' lots outside the Mount Elizabeth A&E on any given weekday. OK, now you know we are talking serious money here.

We need to ask some somber questions here in the wake of all this wealth destruction which has been described to be akin to a "financial tsunami". These questions include:

- Will Lasik drop to $500 a pop?
- Will patients finally find parking space in private hospitals on Saturdays?
- Should I buy clinic space if and when it drops to less than $3000 psf in any of the private hospitals?
- Do I give my clinic assistant a raise or anything more than a 13th month bonus (evil laughter)?
- And most important of all, is it too early to use my Lehman mini-bonds to soak up blood and other bodily fluids after a procedure (my blood, mainly)?

These are undoubtedly critical questions that bear thinking over. But they pale in comparison to the ultimate question that begs for an

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answer – Will we ever see the return of White Rabbit Candy?

While you mull over these and other imponderables of life, let us digress a little and ask ourselves what are we going to do to tide over the bad times that are coming our way? For us old coots who have been through a couple of economic downturns, experience tells us that it's time to do some things and it's time NOT to do other things.

What should your response be in such calamitous times? Here's a short list:

- Buy that property you always wanted but could only afford now – probably from some private or investment banker who tried to advise you on how to "maximise the returns on your money". You didn't tell him that for the last 20 years, you have been maximising your returns by picking off assets from laid-off bankers.
- Declare you're a doctor in some German marque car showroom and get some respect. In boom times, you'd realise that not many folks give you much respect and all the sales staff ignore you while they fawn over the nouvelle rich flashing their wealth. Now those guys are gone and you're the deal for the day.
- Consider going into private practice. Contrary to popular belief, it's better to go into private practice during a recession than a boom. Rents are cheaper, there is less competition and it takes time to build up a practice. You might as well build up a practice quietly in the first one to two years during lean times than do so in boom times when your "lack of activity" will be noticed.

On no account should you EVER (and I mean EVER) lower prices. On the contrary, you should always increase prices, no matter where you practise. Here's the logic:

- If you are a specialist in private practice, your poorer patients who could barely afford you in the first place will leave you for cheaper alternatives, even if you don't raise prices. That leaves you with your richer "price-insensitive" patients who could afford to pay more anyway – therefore, you **raise prices**.
- If you are a GP, then you should raise prices for acute (not chronic) conditions. This is because the best time to **raise prices** is when no one is looking. And no one is looking because everyone would be thinking you won't be so crazy as to raise prices during a recession. In any case, studies[1] have shown that the itemised receipt you now have to give patients ends up in the following three ways: (a) it remains unread, (b) the receipt serial number provides inspiration for the punter on his next 4-D bet, and (c) they are used to wrap boogies and other mucosal exudates.
- And if you are in the public sector, you should either go into private practice (as described beforehand) or lobby your CEO to **raise prices** because more money is required to keep top talent like you who could earn more even in a recession anywhere and it is very important for public healthcare to retain top talent such as you. Your CEO will listen to you because only then can he justify his own pay-hike. Lovely, isn't it?

In case you are wondering where I got this awesome logic from, let me tell you that I learnt this from what the famous American business schools do (they raise fees every year, year in, year out) and what they teach their students, who inevitably end up in Wall Street running investment banks and giving themselves obscene pay packages year in, year out. After all, this is the American free market and meritocracy at work.

But if you think that this economic slowdown is just good news for doctors, then again, things may not be all that rosy. For one, managed care premiums may drop to $1.19, and that includes the $1.20 administrative fee that they are charging you. Fertility rates will drop further which will lead to more ministerial headaches, more folks will throng the public hospitals seeking subsidised services and if you are in private practice, your business will actually suffer a bit.

But throughout this prolonged economic downturn, deep down inside you, you have the complete and blessed assurance that:

- Your kids' Chinese/Malay/Tamil grades will not improve even as you pay more for their tuition;
- Your wife will still be nagging you about your cholesterol;
- MPS subscriptions, SMC practising certificate and clinic license fees will still not go down; and
- A rich man's poor kidney function is still worth more than a poor man's entire kidney (sans the adrenal gland and peri-nephric fat, which are bundled together free of charge).

In other words, life will go on for us doctors in an economic downturn with only minor disruptions. Hey! Looks like it may be fashionable to be a doctor again! ■

Note:

1) ***The same folks who studied and concluded that putting your seat upright and fastening your seatbelt will keep you alive should your plane crash.***