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# SMEWS









# Chang Gung Memorial Hospitals

Which hospital system has over 8,000 acute beds, sees over 15,000 cancer cases a year, has probably the world's largest plastic surgery department and has hosted through various fellowship programmes 33 Singaporeans? If you hazarded a Boston or London hospital, you would be about 7,000 km off the mark. Just 3,000 km away from Singapore is Chang Gung Memorial Hospital (CGMH), comprising seven centres and institutions, a truly remarkable story of world-class healthcare at affordable prices for the people of Taiwan.

### **FEATURE**



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**Chang Gung Memorial** Hospital began humbly in 1976 in the basement of a Taipei factory. From that modest beginning, a branch was opened in Linkou the following year (which became the largest of the Chang Gung hospitals with 3,715 beds) and Chang Gung Memorial Foundation is today a sprawling conglomerate of hospitals (six in Taiwan and one in China) with a Medical University, Nursing College, Retirement Village, as well as Allied Health Institutes among others. How did this happen?

#### A New Model of Care for Taiwan

The story of CGMH begins with Mr Wang Yung Ching, founder of Farmosa Plastics Group and at the time of his death in 2008, Taiwan's third richest man. In the 1970s, Mr Wang was greatly disturbed by the poor medical care provided to the Taiwanese and even more troubled by the inequalities he saw. Dr Delon Wu, President of the Taiwan Hospital Association described the period as one where "Good medical service was a luxury. The university hospital or the few medical centres were like the white ivory towers and not accessible to the ordinary people. Visiting a hospital was like visiting a bureaucratic government office: patients had to pay a guarantee-deposit before hospital admission, frequently requiring a special "red-envelope" tip for service by physicians." What did YC Wang do? As Prof Chen Miin Fu, Superintendent Emeritus of Chang Gung Memorial Hospital describes, "Chairman YC Wang brought about this totally new system in Taiwan 40 years ago." Wang had a vision of a different healthcare system where both the rich and poor would have equal access to good tertiary healthcare with cross-subsidies or philanthropy

providing for patients who could not afford treatment.

At that time, it was also commonplace for doctors to be paid only for medicines or for procedures, and Wang proposed and realised through CGMH a breakthrough concept where patients paid for consultations regardless of whether medicines were prescribed. CGMH was started with doctors on guaranteed salaries and this freed them to concentrate on their work without worrying about their personal incomes or rivalries with other doctors. This innovation in compensation attracted excellent clinicians and leaders to be pioneers of this new model of care, and one of the first thirty doctors to join was Prof Chen.



"I could have gone anywhere. I was a staff at the National Taiwan University Hospital but had a dream of better things. This was a chance to work together with other sub-specialties in the same hospital. It was a dream that could come true."

#### **Trust and More Trust**

Prof Chen served as Chair of the Department of Surgery from 1979 to 1993, interrupting his tenure with a stint at Montreal General Hospital in Canada in 1981. He then served as Superintendent of Chang Gung, Linkou Medical Centre for 6 years since 2003 before stepping down last February. Remembering fondly the early days, he spoke passionately of Mr Wang's trust in

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the medical team, "I am a Professor and am very experienced, but 30 years ago, I was young. Back then, Mr Wang needed surgery and as he was very rich, he could have gone overseas or flown in famous surgeons to Taiwan. However, he said, "I trust my doctors" and tasked me to operate on him. I have full confidence in myself now but imagine this 30 years ago! I was very honoured to operate on him twice. He trusted not only in his doctors' ideas but also in their abilities."

#### **Extreme Cost Consciousness to** Conserve Resources for Service, **Education and Research**

CGMH is renowned for its thriftiness which is a trait common also to Chairman YC Wang whose cost consciousness is now folklore amongst Taiwanese. Some anecdotes reported in The Straits Times, Singapore two years ago: "When his children went overseas to study, he asked them to send letters home instead of calling so as to save money. They also had to report all their expenses, including every single tube of toothpaste they bought." He told an interviewer once: "I hate waste – a case in point is that when some people go to the restroom, they grab a bunch of pieces of toilet paper. If you need only one piece of toilet paper, why grab two or three?"

One Singaporean doctor described an experience in CGMH where he could not find a single piece of Tagaderm® in the operating theatre to cover a cut on his finger before starting surgery. Finally, he asked a nurse who took a careful look at his finger before opening a locked cupboard and handing him a piece of Tagaderm®.

But the seeming parsimony belies a deep generosity for the less fortunate and a pursuit of cutting edge medicine. The values driving the cross-subsidy model developed in 1976 still exist today and benefit large numbers of low income patients. Prof Lee Hsueh-Yu, Chairman of the Department of Otolaryngology, highlighted, "We have been consistent to keep our values the same. There is no need for patients to worry if he or she lacks money. Chang Gung has reserves for needy patients."

In the realm of academics, CGMH is heavily committed to medical excellence and invests between US\$70-80 million a year in medical research, and achieving over 4,000 peer-reviewed publications in the last five years. The Chang Gung family includes three institutions of higher learning for medicine and nursing with over 14,000 students enrolled.

#### **Physician-Manager Partnerships: Mutual Respect and Trust**

The trust between the pioneers runs deep and the challenges in the initial years had built a foundation of mutual trust and respect between clinicians and managers. Mr Wang imparted to the doctors principles of cost effectiveness and demonstrated cost consciousness by his life and actions, trusting then that his team of physician leaders would do the right thing for CGMH. In one anecdote, Prof Chen shared how he had been tasked in the early 1980s (when laparoscopic surgery was in its infancy) by Mr Wang to study the newest therapies for gallbladder stones. He went to Germany and France to test lithotripsy machines, even bringing stones from patients for testing!

Mr Wang was fully prepared to invest in lithotripters, even commenting that if Prof Chen did not buy the machine, he might blame Mr Wang in the years to come. However, Prof Chen hesitated to recommend the purchase as he felt that it was not in line with the concept of cost effectiveness which he had learnt from Prof Wang. With a laugh, Prof Chen said

the mainstream emergence of laparoscopic cholecystectomy vindicated his decision not to recommend the purchase.

The genesis of the proton beam facility illustrates CGMH's philosophy towards providing the best care at affordable prices and the depth of trust between hospital leaders and clinicians: Prof Chen recounted that Mr Wang was with him and a team of doctors on the 13th floor of the hospital after a routine medical examination. Mr Wang asked whether there was anything the doctors needed to better patient care and they gingerly highlighted that the high incidence of head and neck cancers in Taiwan merited serious consideration for state-of-the-art radiation therapy services. However, proton beam therapy, touted to provide the most targeted treatment with the least collateral injury to normal tissues, was very expensive with the capital investment estimated at US\$140 million alone. Mr Wang was not deterred and after further probing, brought them to the window, looked out and asked, "Where should this proton beam therapy centre be built?" (Farmosa Plastics Group owns much of the land around Linkou Medical Centre) Mr Wang also directed that the hospital set aside funds so that deserving patients would not need to pay more than US\$10,000 for treatment; CGMH would cover the rest of the costs.

A calligraphic rendition of the phrase " hangs prominently in



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Photo credit: Changi General Hospital

Chang Gung and encapsulates the Chang Gung philosophy and ethos. "Hard work and simplicity" was the mantra of the man whose vision gave birth to Chang Gung Memorial Hospital, named after his father Wang Chang Gung, and it is the same driving force that propels today's CGMH. Fellows in Chang Gung fondly remember the camaraderie despite the hard work, and how not seeing the sun rise and set was a normal occurrence. One plastic surgeon told me in awestruck tones, "Any resident in Chang Gung would be able to become a consultant anywhere in the world. The volume of work is so high and the learning from head to toe so intense that they are prepared for anything. A free flap is a major undertaking in many hospitals; in Chang Gung, it is a daily event carried out even by the resident!"

I asked Prof Chen about applicants to Chang Gung and he replied, "Every year, one quarter of medical graduates in Taiwan receive training in Chang Gung. If the applicant has a good resume, he or she is free to apply. However, the applicant must first and foremost agree with the Chang Gung philosophy. Our key values include equal and easy access for patients, diligence and down-to-earth care. The government's accreditation committee visited our medical school and hospital and asked how we manage to produce outstanding medical personnel. My reply was that Chang Gung's aim is not to produce distinguished doctors. Instead, we teach every medical school graduate how to treat patients first."

Chang Gung has been fortunate that its values appeal to sufficient numbers of healthcare professionals in Taiwan and hence its phenomenal successes. While funding support from YC Wang has been generous, the success of Chang Gung rested ultimately on its people. Two challenges lie ahead in its ambitions to become recognised as a world-class healthcare provider: "Transplantability" to other cultures and locations, and changing attitudes of the young.

#### "Transplantability"

Across the straits, Chang Gung's forays have been less scintillating. In an article "Is Chang Gung good medicine for reform?" reporter Xu Hegian writing for Caijing Magazine describes: "Xiamen Chang Gung Hospital, straddling the western shore of the Taiwan Strait in Fujian Province, is sick. The four-year-old facility has been weakened by major hurdles from doctor recruitment issues to medical supply quotas - since its inception. Now it's running a deficit, and only about 250 of its 500 beds are occupied."

This is actually not unusual, and the Mayo Clinic too struggled in the initial years to establish hospitals in Arizona and Florida. During those difficult years, critics questioned whether the Mayo model could exist only in Rochester with its "corn fields, harsh winters and nothing better to do." The Mayo Clinic has thrived through perseverance and belief in the fundamental soundness of its model and values, and Chang Gung can hope to achieve the same. Dr Delon Wu, former

consultant with Xiamen Chang Gung Hospital disdained offering expensive health screenings and the like which was common practice amongst Chinese hospitals, despite the potential of these to pull the hospital out of its deficit and help recruit Chinese doctors, remarking, "If we offer the same, then why did we come?"

#### **Changing Attitudes of the Young**

The Chang Gung path is a difficult one to take. The journey is long and requires much personal sacrifice, albeit for an eminently worthy cause. But today's doctors may not be ready to pay the same price as the pioneers of Chang Gung. Prof Chen somewhat woefully concluded our first interview, bemoaning that "young doctors of today want higher income, more free time and so on. They tend to choose easier specialties like Dermatology."

The Chang Gung story continues to evolve; an inspiring narrative of how a group of committed men and women, enabled by the right opportunities, can change the world. CGMH is reportedly the most profitable hospital chain in Taiwan but interestingly, despite two presentations by Chang Gung's senior leadership in Singapore and two hearty meals with frank exchanges, I did not hear once any CGMH leader speak of profits or market shares. Instead, conversations centred on clinical excellence, doing one's best for patients, research and grooming the next generation of healthcare professionals. And perhaps that is why Chang Gung can reflect on the past with pride and look to the future with hope and optimism.

Caption for cover images:

- Department of Plastic Surgery, CGMH, posing in the main hall of CGMH Linkou. The Chinese calligraphy captures the philosophy of CGMH: hard work and simplicity.
- 2. Clinical area in CGMH Linkou illustrating the simplicity and functionality of the hospital consistent with the founding ethos, and belies the depth of clinical expertise and talent in CGMH.
- Changi General Hospital's Annual Scientific Meeting where the CGMH faculty were honoured guests. Prof Li Hsueh-Yu (fourth from left) lectured at the International Sleep Symposium, while Prof Chen Miin Fu (fifth from left) spoke at the inaugural CGMH-CGH Lecture Series, on "Intra-Hospital Integration of Care".

Editor's Note - SMA News thanks the management and staff of Changi General Hospital, which enjoys a close partnership with CGMH, for enabling the interviews and providing the background information which has made this feature possible.