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## Managing the Healthcare System

Acceptance Speech by PM Lee Hsien Loong for the Conferment of Honorary Fellowship by the Academy of Medicine,19 July 2007, Raffles City Convention Centre, Singapore

ealthcare in Singapore has come a long way since the Academy of Medicine was founded. Half a century ago, we were struggling to keep malnutrition and infectious diseases under control. Today, Singaporeans enjoy standards of healthcare equal to or exceeding the advanced countries. Internationally, Singapore healthcare stands for quality and ethical practice. The growing numbers of foreign patients who seek advanced medical treatments in Singapore each year is testimony to this.

We owe this position to past generations of doctors who served with compassion, humility and high ideals. Indeed, Singapore is fortunate to have had a pioneering batch of doctors deeply steeped in the ethics and values of medicine. Professors Ransome, Sheares, Seah Cheng Siang,

S S Ratnam – they, together with many others, served selflessly with the single purpose of providing the best possible care for their patients, whether rich or poor. They inspired subsequent generations to aspire to the highest standards of professional excellence.

We must cherish and build on this precious legacy. This is particularly so because moving forward, our healthcare system faces some daunting challenges.

One challenge is the rapidly growing demand for healthcare services. Ours is one of the most rapid ageing populations in the world. On current demographic trends, the number of Singaporeans aged 65 years and above will double in 15 years. Older people are hospitalised more often, and each time the stay in hospital is longer on average. ◆ Page 11 – Managing the Healthcare System

Our public hospitals already run at near full capacity. The existing infrastructure clearly will be inadequate to meet the needs of this surge in elderly numbers, plus the steady growth of our overall population year by year.

The Government is investing to expand the capacity of our healthcare system. The Khoo Teck Puat Hospital in Yishun is already under construction, and should be completed by 2010. The Ministry of Health (MOH) has begun planning for another hospital in the Western part of Singapore. We will also reserve several sites scattered across the island, so that new hospitals can be built when the population and patient load builds up.

But building hard infrastructure is the easier part. We also need to train and recruit the people – doctors, nurses, other healthcare workers – to staff the new institutions and make them work. Without them, quality of care will be compromised, and we will fall short of the high standards that Singaporeans have rightly come to expect.

The numbers involved are large. MOH, for example, projects that we will need to recruit over 2,000 more doctors by 2015. Given our small local talent pool and competing needs from other sectors in the economy, there are limits to how far we can expand the local supply. It will not be a simple matter of just investing more money to train more Singaporeans to become doctors or healthcare workers. We have been raising the intake of medical students each year, but this will not be enough. Increasingly, we will have to recruit medical talent from abroad. We must be open minded in accepting such imported talent, while maintaining medical standards and helping foreign trained doctors to adapt to conditions in Singapore.

While we will invest more in healthcare, it is even more important to get the economics of healthcare right. Countries all over the world have taken different approaches. Their experience shows that more resources do not necessarily improve healthcare outcomes. The reality is that demand for healthcare is unlimited and has to be rationed. Some countries have gone for free healthcare at point of use, only

to face the intractable challenges of meeting insatiable demand and curbing abuse while keeping high standards of healthcare. Problems are compounded as populations age and vast amounts of high-tech resources are marshalled to manage the last few weeks of the terminally ill, delivering poor quality of life to the patients at very high cost to society.

The practice of medicine has its limits. It takes wisdom to know these limits and the true needs of the dying. Heedless pursuit of "pure" medicine to prolong life, without regard to cost or the wishes of the patients, cannot be sustained in the long term, not even in the wealthiest countries. This is a serious problem plaguing the US healthcare system today. Alas fixing it is politically difficult. We must not get into such a situation.

Singapore has opted for pricing and copayment to bring market forces into play, minimise waste of resources, and incentivise efficient delivery of healthcare. MOH has been pushing for greater transparency, publishing information on bill sizes of hospitals and encouraging hospitals to track and publish clinical quality indicators. This will enable patients to make more informed choices and the market to function better.

Our system relies on compulsory savings through Medisave and risk-pooling through MediShield, a medical insurance scheme to cover large hospital bills. Medifund provides the final safety net. This approach has helped us avoid the problems experienced elsewhere and contain national healthcare expenditure, yet with very good outcomes. But managing healthcare cost escalation requires continuous effort, particularly with the ageing population. We must keep on identifying better ways to keep Singaporeans healthy and help those with chronic diseases to manage their illness, so as to avoid future complications. We need to maintain our market-based system, while exploring new and creative approaches to improve it.

This includes exploiting IT to the full. The National Healthcare Group, for example, has introduced tele-radiology at its polyclinics, where x-ray images are sent to Bangalore to be read. As a result, prices have been reduced and turnaround

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time has been cut dramatically from two to three days previously to an hour or less. Increased competition has also led to local radiologists charging less for x-rays and reporting the results faster. Patients benefit all round, saving money and time as they no longer need to make return trips for their results.

We must press on with such initiatives. There are other applications of telemedicine, such as tele-pathology, where technology has advanced to a stage where it makes economic sense and improves the quality of care, while assuring patient safety. Complete computerisation of hospital information systems is an ideal goal which is still some way away. These changes may be unsettling for incumbent practitioners. But the response cannot be to dig-in and resist. Just like in other industries, incumbents must look for new niche areas on the value chain, where our more advanced capabilities and recognised quality standards justify our higher costs.

Finally, we must not lose sight of the core values which underpin and provide the moral compass for our healthcare community. Senior members of the community must lead by example, teaching and mentoring their younger colleagues. Financial incentives play

a role, and successful specialists can do very well, particularly in the private sector. There is nothing wrong in this. But values built up over many years, such as caring and compassionate service to patients and striving for the highest standards of professional excellence, must never be diluted or lost in the midst of change. Senior doctors must pass them on to the younger generation of doctors, so that they will in time produce a new generation like Gordon Ransome, Seah Cheng Siang and the other pioneers. This is perhaps the most fundamental challenge of all for the medical profession.

The Academy of Medicine is committed to advancing the art and science of medicine in Singapore, and promoting and maintaining the highest professional standards of competence and ethical integrity. It plays a leadership role in keeping the profession true to its mission of providing the highest quality of patient care in Singapore. I am confident that you will draw upon the rich values that have guided your profession through the years, to guide your way forward.

I congratulate you on the 50<sup>th</sup> Golden Anniversary of your Academy, and wish all participants of this Congress a fruitful and productive meeting. ■