

Insuring the “Uninsurable”

By Dr Jeremy Lim, Editorial Board Member

We grow up hoping for good health and we grow old hoping for good healthcare. As the year draws to a close and a new year brings new hopes, it is timely to ask what our hopes for healthcare in Singapore are. I have only one for 2011: that every Singaporean, whether with pre-existing illnesses or not, comes under the umbrella of MediShield.

The media has been crusading on and off for a number of years for this with the most recent being journalist Lorna Tan’s appeal to cover pre-existing illnesses (“Extend insurance cover to pre-existing illnesses” Straits Times 10 Dec 2010). Why are the “uninsurable” uninsurable? To quote the Ministry of Health’s position as reported by Ms Tan: “The concern is that the majority of Singaporeans without such conditions will end up cross-subsidising these policyholders through higher premiums across the board.”

Have no illusions that insuring the “uninsurable” will be pain-free. There is no free lunch and someone ultimately has to pay the price. If we want congenital diseases in newborns covered by MediShield, premiums will have to go up. But is that a bad thing for us as individuals and for us as a society? Let’s examine the issues.

11.3% of adult Singaporeans are diabetic. Obesity has skyrocketed to 11%. Almost one quarter of Singaporeans have high blood pressure. Every Singaporean will either have a

pre-existing condition or a family member with one.

The concern of cross-subsidising or risk pooling is precisely what insurance is supposed to do. The issue is the quantum of premiums and whether the amount will deter enrollment of the healthy. Annual MediShield premiums for working adults range from \$33 to \$332, which is almost laughable compared to the US\$4,000+ Americans may pay. Will Singaporeans flee MediShield in droves if premiums went up from \$33 to \$50? Or \$60? Why don’t we ask Singaporeans how much we would pay to ensure that every Singaporean, including our “uninsurable” family member, is included in MediShield and we have a health system we can be proud of not just for its quality but also for its coverage of every last Singaporean?

The naysayers will frighten with woeful tales of million dollar expenses, but MediShield already has a lifetime cap of \$200,000. Besides, our hospitals do not turn away patients with no money in their pockets; society will ultimately bear the cost of care anyway.

How can we banish the term “uninsurable” to the dusty pages of history? A nuanced, pragmatic approach may be helpful. I would advocate three measures. Firstly, increase premiums “modestly” for everyone, explaining the added costs are to cover our previously uninsurable Singaporean brethren. “Modestly”

because I have faith in the humanitarian impulse of the Singaporean, but not that much. Secondly, accept premium loading (charging a higher premium for pre-existing conditions) but capped at a level not punitive and designed to deter, perhaps 10-20% more than their healthy counterparts. Thirdly, maintain the lifetime cap. The principle of “fair innings” is important here: everyone deserves a fair chance, but not an overly generous package at the expense of others.

Finally, and most importantly (at least to me), what sort of society do we want to live in? One where everything is measured in terms of dollars and cents, cost-benefit analyses and a purely utilitarian approach of “the greatest good for the greatest number and too bad if you are in the minority”? We are by GDP per capita the 4th wealthiest country in the world; “no Singaporean should be left behind”*. Let’s give each other and ourselves the gift of this reality, at least in healthcare. Blessings and hope for a new year.

*From “Staying Together, Moving Ahead” People’s Action Party Manifesto 2006 http://www.pap.org.sg/uploads/ap/587/documents/papmanifesto06_english.pdf (Accessed 15 Dec 2010)



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