

Singapore and USA National Healthy Longevity Comparative Analysis

East vs. West

Healthcare System in Singapore

Policy Tools in Singapore's Healthcare System

<p>Organization</p> <ul style="list-style-type: none"> • Public ownership of Hospitals • Active Management of Hospitals • Competition among hospitals 	<p>Fiscal</p> <ul style="list-style-type: none"> • Subsidy to Public Hospitals • Medisave, Medifund, and Medishield • Out-of-pocket payments
<p>Government</p>	
<p>Regulation</p> <ul style="list-style-type: none"> • Close monitoring of all significant aspects of providers' operations • Active regulation of providers 	<p>Information</p> <ul style="list-style-type: none"> • Publishing prices, bill sizes, and clinical outcomes • Public Campaigns

Unlike in the US, where the government's main role is to manage insurance programs, Singapore's government controls and pays for the healthcare system itself – many hospitals belong to the public sector, a majority of doctors work predominantly for the state, and the government subsidizes many medical bills directly. Basic care at government hospitals is affordable, and sometimes even free for Singaporeans, with more deluxe care in private rooms charging extra. Singapore's employees inject around 37 percent of their salaries in mandated savings accounts that may be spent on healthcare, housing, education, and insurance, with part of this being contributed by their employers.

The Singaporean government also uses its bulk purchasing power to spend less on drugs, controls the number of medical students and physicians, and plays a role in deciding how much they earn. The government also acts to keep medical costs low amid an aging population, and then uses these low costs to create a market-driven insurance system. For example, the Ministry of Health publishes public and private treatment fee benchmarks, which gives patients an estimate of what they can expect to pay for care. People can refer to the benchmark to see if they are paying a fair amount for treatment.

Sources:

[Pacific Prime Singapore](#)

[The Healthcare System in Singapore](#)

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Healthcare System in Singapore

Healthcare services available in Singapore

From primary care services to residential and long-term care, the Ministry of Health has designed their services to ensure all Singaporeans have access to affordable care. The Singaporean healthcare system is characterized by these major services:

- **Primary healthcare:** These services are usually provided by GPs in polyclinics and private clinics.
- **Hospital services:** There are currently 9 public and 8 private hospitals in Singapore. Private hospitals play an important role in alleviating the patient caseload in the public sector.
- **Dental services:** The health promotion board specifically focuses on preventative dentistry.
- **Intermediate and long term care:** These facilities offer care to those who no longer need hospital care, but need continued care.
- **Traditional Chinese Medicine:** The Ministry of Health's aim is to ensure the highest quality in the realm of Traditional Chinese Medicine practices.
- **Support services:** Support services to hospitals and primary care programs include blood transfusion, forensic pathology, and pharmaceutical services.

Singapore's health insurance system

The basic structure of Singapore's health insurance system is built around the '3Ms': Medishield, Medisave, and Medifund:

- **Medishield:** For big expenses, Singaporeans can access their Medishield Life, a basic health insurance scheme that all permanent residents and citizens can use to pay for large bills, as well as costly outpatient treatments like kidney dialysis. Those seeking to top up their Medishield Life plans can purchase Private Integrated Shield Plans, which are designed and managed by private health insurance companies.
- **Medisave:** This is a mandatory savings plan that consumes between 7 and 9.5 percent of a worker's wages. Singaporeans can use their Medisave accounts to pay for some types of routine care.
- **MediFund** is an endowment fund set up by the Government. It provides a safety net for patients who face financial difficulties with their remaining bills after receiving Government subsidies and drawing on other means of payment including MediShield Life, MediSave and cash. MediFund Silver and MediFund Junior are carved out from MediFund to provide more targeted assistance for the needy elderly and the young respectively.

Sources: Pacific Prime Singapore

Ministry of Health Singapore

Healthcare System in the United States

A lack of insurance coverage

Health care and health insurance are not equivalent—that getting more people insured will not necessarily improve health outcomes

Administrative inefficiency

They waste a lot of money on administration. It is not ideal that different insurance plans cover different treatments and procedures, forcing doctors to spend precious hours coordinating with insurance companies to provide care.

Underperforming primary care

The United States have a very disorganized, fragmented, inefficient and under-resourced primary care system.

Wasteful Healthcare Spendings

About \$1 of every \$4 spent on healthcare in the United States may be squandered due to a combination of potentially avoidable administrative hassles, failures in coordination and delivery of services, use of treatments of little care, and fraud, a study found.

Healthcare is subject to extensive regulation at both the federal and the state level. Under this system, the federal government cedes primary responsibility to the states under the McCarran-Ferguson Act. Essential regulation includes the licensure of healthcare providers at the state level and the testing and approval of pharmaceuticals and medical devices by the U.S. Food and Drug Administration (FDA), and laboratory testing.

Healthcare facilities in the United States are largely privately owned. American citizens obtain health insurance through their employers, independently through private purchase, or through government-based programs. Some low-cost and cost-free health care services exist through non-profit organizations, charities, and publicly funded programs. However, international visitors should always carry their insurance when they visit the United States. The cost of treating a serious emergency can be catastrophically high.

The United States is home to some of the best hospitals and research facilities in the world. Their top treatment hospitals include the Mayo Clinic, the Cleveland Clinic, Johns Hopkins Hospital, UCLA Medical Center, and Massachusetts General Hospital. The United States is also considered one of the best destinations in the world for cancer care, cardiac care, and orthopedic medicine. In major cities, there's a wide range of public and private hospitals, surgery centers, urgent care clinic, and specialty clinics. In smaller communities, care options are more limited and may include everything from a county hospital, a community care clinic run by nurse practitioners, to telehealth services.

Sources:

[International Insurance](#)

[MIT Medical](#)

Healthcare System in the United States

The United States spends more on health care than any other country in the world, and a large share of that spending comes from the federal government. Federal health spending has grown significantly over the past several decades and is projected to grow in the future. Most federal health care resources go toward financing items: Medicare, Medicaid, the tax exclusion for employer-sponsored health insurance, the exchange subsidies established under the Affordable Care Act.

Medicare

Medicare is the largest federal health care program, serving 58 million elderly and disabled people at a gross cost of \$702 billion in 2017 and a cost net of premiums of \$591 billion. Medicare consists of three programs: Part A covers hospital and inpatient care, Part B covers physician and outpatient care, and Part D covers prescription drugs. Part A is funded primarily by a payroll tax while Parts B and D are funded through a combination of premiums and general revenue.

Medicaid and CHIP

Medicaid is a state-run and jointly-financed health insurance program serving lower-income residents. Medicaid provides benefits for both acute and long-term care, covering nearly 100 million people over the course of a year. The Children's Health Insurance Program (CHIP) is a similarly structured program that covers almost 10 million children in a given year.

Exchange Subsidies and Other Spending

This category includes subsidies for insurance purchased on the exchanges, veterans' health care provided through the Department of Veterans Affairs, and health care for active-duty military and their dependents. Both military health care and veterans' health care are discretionary programs, meaning that they are appropriated each year rather than allowed to function automatically.

The Employer-Sponsored Health Insurance Exclusion and Other Tax Benefits

The tax code also provides several subsidies for health care and insurance. By far the largest is the exclusion for employer-provided insurance. Other tax subsidies totaled about \$25 billion in 2017. The largest of these benefits is the medical expense deduction, available only to taxpayers who itemize their deductions and have medical expenses that exceed 7.5 percent of their income (or 10 percent after 2018).

Source:

CRFB

Projections: US Health Care Costs to Rise, Life Expectancy to Plummet

US **health expenditures** are projected to grow at an average annual rate of 5.5% during 2018–27 and represent **19.4% of gross domestic product in 2027**. During that period, prices for health care are projected to grow 2.5% per annum – faster than during the last decade. Among the major payers, annual spending growth in Medicare (7.4%) is expected to exceed that in Medicaid (5.5%) and private health insurance (4.8%).

Although expected life span will rise globally in 2040, the United States, despite the projected increase in its health care spending, is expected to further plunge in life expectancy rankings in 2040 – from 43rd place to 64th – the largest decrease for a country defined as high income. With a projected lifespan of 79.8 years (just 1.1 years increase), the US will sit behind countries including the United Kingdom, Colombia, Japan, Costa Rica, Saudi Arabia and Turkey. China's global ranking is projected to rise from 68th to 39th place.

The underlying study projected a **significant increase in deaths from noncommunicable diseases**, including diabetes, chronic obstructive pulmonary disease, chronic kidney disease, lung cancer, and worsening health outcomes linked to obesity. The top 5 health drivers that explain most of the future trajectory for premature mortality are high blood pressure, high body mass index, high blood sugar, tobacco and alcohol use, and air pollution. However, the future is not preordained; adequately addressing these drivers by health systems will be key to progress or stagnation.

2040 Rank	2040 Projected LE	2016 Rank & LE
1. Spain	85.8	82.9 (4th)
2. Japan	85.7	83.7 (1st)
3. Singapore	85.4	83.3 (3rd)
4. Switzerland	85.2	83.3 (2nd)
5. Portugal	84.5	81 (23rd)
6. Italy	84.5	82.3 (7th)
7. Israel	84.4	82.1 (13th)
8. France	84.3	82.3 (8th)
9. Luxembourg	84.1	82.2 (10th)
10. Australia	84.1	82.5 (5th)
39. China	81.9	76.3 (68th)
64. USA	79.8	78.7 (43rd)

Source: Peterson-Kaiser Health System Tracker

Healthcare System in Singapore: What can U.S. Healthcare System Learn?

1. Healthier Population

Singapore is an island city-state of around 5.8 million without rural or remote areas. Everyone lives close to doctors and hospitals. Citizens there have much less poverty than one might see in other developed countries. Rates of smoking, alcoholism and drug abuse are relatively low. So are rates of obesity. All of this predisposes the country to better health and accompanying lower health spending.

2. Use of policy tools simultaneously

A concerted use of different tools promote complementarities that are unavailable when they are used in isolation. For example, instead of running hospitals in traditional command-and-control ways, the Singapore government uses its ownership rights to force them to compete with each other and with private hospitals for users' funds with the objective of promoting customer focus and operational efficiency on their part. Its ownership also makes it easier for the government to force them to disclose information on costs and clinical outcomes, a requirement vehemently resisted by private hospitals but essential if users are to make informed decisions.

3. Cost-efficiency

Government in Singapore decides where and when the private sector can operate. In the United States, the opposite situations is true. The private sector is the default system, and the public sector comes into play only when the private sector doesn't want to. In Singapore, the government strictly regulates what technology is available in the country and where. It makes decisions as to what drugs and devices are covered in public facilities. It sets the prices and determines what subsidies are available.

4. Large focus on delivery of care that on insurance

Singapore gets a lot of attention because of the way it pays for its health care system. Primary care, which is mostly at low cost, is provided mostly by the private sector. About 80 percent of Singaporeans get such care from about 1,700 general practitioners. Polyclinics have been designed to process as many patients as quickly as possible. The government encourages citizens to use their online app to schedule appointments, see wait times and pay their bills.

Sources:

[The New York Times](#)

[The Healthcare System in Singapore](#)

pdf

Healthcare System in Singapore: What can U.S. Healthcare System Learn?

5. Public health initiatives

Government control applies to public health initiatives. Officials began to worry about diabetes, so they acted. School lunches have been improved. Regulations have been passed to make meals on government properties and at government events healthier. In the United States, the American Academy of Pediatrics and the American Heart Association recently called on policymakers to impose taxes and advertising limits on the soda industry. But that is merely guidance. In Singapore, campaigns have encouraged drinking water, and healthier food choice labels have been mandated. The country, with control over its food importation, even got beverage manufacturers to agree to reduce sugar content in drinks to a maximum of 12 percent by 2020.

6. Combination of public ownership, market competition, and price transparency

Public ownership allows the Ministry of Health to directly acquire operational information from public hospitals and respond with appropriate directives as necessary. This is particularly relevant in healthcare as the governance failures are multi-faceted and deeply intertwined and, hence cannot be addressed in isolation.

Singapore's healthcare system shows that an combination of conservative and liberal ideas in healthcare is possible. Unlike in the US, where the government's main role is to manage insurance programs, Singapore's government controls and pays for the healthcare system itself – many hospitals belong to the public sector, a majority of doctors work predominantly for the state, and the government subsidizes many medical bills directly.

Singapore made progress, relatively inexpensively (with lower health spendings), in infant mortality and increased life expectancy. It did so in part through better vaccinations, better sanitation, good public schools, public campaigns against tobacco.

But in recent years, as in the United States, costs have started to rise much more quickly with greater use of modern technological medicine. The population is also aging rapidly. It's unlikely that the country's spending on health care will approach that of the United States (18 percent of G.D.P. in 2018). The health care system in Singapore seems more geared toward raising up all its citizens than on achieving excellence in a few high-profile areas.

Source: The New York Times