

- 7 JUL 1986

Singapore Government PRESS RELEASE

Information Division, Ministry of Communications & Information, City Hall, Singapore 0617 • Tel. 3307269 / 3307270 / 3307271

86-GCT-5

Release No.: 22/JUN
05-1/86/06/17

SPEECH BY MR GOH CHOK TONG, FIRST DEPUTY PRIME MINISTER
AND MINISTER FOR DEFENCE, AT THE OPENING OF
THE NATIONAL UNIVERSITY HOSPITAL AT LOWER KENT RIDGE ROAD
ON TUESDAY, 17 JUNE 1986 AT 4.30 PM

MORE TO CHOOSE FROM

Ageing Population and Increased Demand for Hospital Services

Each time I walked through the hospital wards, I could not help but notice the relatively large number of elderly patients. This is to be expected as older people are more prone to ailments than younger ones. But as our population is getting older, we must anticipate a sharp increase in the demand for hospital beds by elderly patients. To elaborate, for every 10 Singaporeans now, there is only one person over 60 years. In the year 2030, out of every 10 Singaporeans, three will be over 60 years old. These older patients now account for less than one-fifth of total hospital admissions. By the year 2030, they will account for more than one-half. (Annex 1). You can imagine for yourself the demand placed on our health services. The year 2030 is not that far away. It is only 44 years from now. Those under 30 years old today have more than a fair chance of being around.

More Sophisticated Needs

Not only that. The young of today will be the old Singaporeans of tomorrow. They will be well-educated and very aware of the types and range of medical service available to treat illnesses. They will demand better and

more sophisticated medical services. With Medisave, they will have the funds to pay for them. Already, spare-part surgery is becoming commonplace in Singapore. For example, each year, our hospitals do more than 150 coronary by-pass operations. One of these days they will be performing heart transplant operations. (See Annex 2 for examples of increased demand).

Singaporeans want better medical services. Medisave data show that Singaporeans are prepared to pay to stay in better class wards. Since April 1984 when use of Medisave was introduced, the occupancy rate of 'A' and 'B' Class beds has risen. Conversely, the demand for 'C' Class beds has dropped. (Annex 3). The more expensive private hospitals have also experienced an increase in the number of admissions since use of Medisave was extended to them.

What does this signal to us? It signals a health-conscious population wanting better medical services and are prepared to pay for them.

Re-organise To Adjust

Hospital planners and administrators should take note of this signal. There will be not only a quantitative increase in demand for medical services but also a qualitative increase. Singaporeans will want a wider range of medical services to choose from. Our government hospitals must be re-organised to give Singaporeans more to choose from. It is in recognition of this trend that the Ministry of Health began to restructure government hospitals a few years ago.

Need for Restructuring

The Ministry of Health has over 8,000 beds and 13,000 staff. It has grown too big to be managed centrally. It is on the right track when it decided to decentralise the

management of Government hospitals. Autonomy in hospital management gives hospitals greater flexibility in financial and personnel management. It will help them to motivate staff, and to provide the public with a more personalised service.

NUH is the first of many government hospitals we intend to run as a private hospital, independent of the centralised control of the Ministry of Health. We use the term 'private hospital' to mean that it will be subject to the discipline of company accounting, and not to mean that it must make a profit, and declare dividends. In fact, the NUH is not expected to make a profit. Rather, it is expected to need to rely on Government grants for capital expenditure and subsidised beds.

The lessons learnt at NUH will be applied to other government hospitals, but it is still too early to document the full lesson. Has the experience at NUH been a pleasant one so far? Have services improved?

The environment in NUH certainly has less of a hospital ambience than a government hospital. When I first stepped into the lobby I had to rub my eyes to make sure that I had not stepped into a hotel lobby. But the real improvement comes in better medical and more courteous bed-side manners. You can even ring for room-service like a hotel. This high standard of medical and ward service is achieved without patients having to pay higher ward charges. The benefits of privatisation would be lost if it were otherwise. The objective of privatising government hospitals is to provide patients with better services for the same cost. Otherwise, there is no reason to run government hospitals like private hospitals.

Beds for the Needy

There have been fears that with privatisation, poorer Singaporeans may be deprived of proper medical treatment.

May I assure them that this will not be so. There will always be a certain number of highly subsidised beds in each hospital for the needy. The Government will provide an annual grant to each privatised hospital to cover the cost of running these subsidised beds. The rates and fees charged on these beds will be controlled by the Government. They will be set at levels within the reach of the lower income group. No one will be left at the doorsteps of the hospitals simply because he cannot afford medical attention.

Role of Private Hospitals

Will this grant give privatised government hospitals an unfair advantage over private hospitals and force them out of business? It will not, because it is only to subsidise beds for the needy. Far from wanting to close down private hospitals, the Government wants to encourage them to do more. They are part of the health system of Singapore.

Conclusion

We have to upgrade the standard of hospital services to meet the rising expectations of Singaporeans. The key to this lies in the restructuring of Government hospitals to give each one of them more autonomy. Those which can be run like a private hospital like NUH and SGH would do so. The objective is not profits but cost-effectiveness, not more expensive services but greater efficiency. With Medisave, Singaporeans will have the financial ability to pay for good medical services. We have to meet their demand for more and better medical services. We will have to anticipate what the demand will be like in the 21st Century when there will be more old people around. We should anticipate this demand correctly so that Singaporeans will have more good medical services to choose from.

It is now my pleasure to declare the National University Hospital open.

@@@@@@@@@@@@@@@@@@@@

Annex 1

**NUMBER OF ADMISSIONS IN GOVERNMENT HOSPITALS BY AGE,
1977 - 2030**

Year	Less than 60 years		60 years & above		Total	
	No.	%	No.	%	No.	%
1978	182,600	87	26,500	13	209,100	100
1980	195,100	83	39,400	17	234,500	100
1985++	192,600	82	42,400	18	235,000	100
1990+	202,600	80	49,300	20	251,900	100
1995+	206,300	79	56,400	21	262,700	100
2000+	207,800	76	65,600	24	273,400	100
2030+	178,600	48	193,900	52	372,500	100

++ Preliminary figures

+ Projected figures

Source : Research & Evaluation Section
Ministry of Health

**NUMBER OF CORONARY BYPASS OPERATIONS AND
INTRA-OCULAR LENS IMPLANTS
CARRIED OUT IN SGH**

Year	No of Coronary Bypass Operations	No of Intra-ocular Lens Implants*
1982	37	32
1983	55	154
1984	81	485
1985	177	1,108

* Previously, cataracts, a common problem of old age, were treated by the simple removal of the opaque lens in the eye. Since 1982, it has progressed to removal of the opaque lens coupled with replacement of the lens through an intra-ocular lens implant.

Source : Research & Evaluation Section
Ministry of Health

Annex 3

**GOVERNMENT ACUTE HOSPITAL BED UTILIZATION
BY CLASS OF BED
SINCE USE OF MEDISAVE WAS INTRODUCED**

3

	Bed Occupancy Rate			
	A	B1	B2	C
1984 1st quarter	51	60	67	73
1985 1st quarter	61	80	70	69
1986 1st quarter	64	76	68	65

Source : Research & Evaluation Section
Ministry of Health