

Singapore Government

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**SPEECH BY BG LEE HSIEN LOONG, DEPUTY PRIME MINISTER,
AT THE OPENING OF THE NEW WOODBRIDGE HOSPITAL
OFF HOUGANG AVENUE 8
ON FRIDAY, 30 OCTOBER 1993 AT 10.00 AM**

Singaporeans enjoy excellent health care. Our standards are comparable, and in some cases higher than, the developed countries. This is the result of good health education, effective disease prevention, sound public health policies and universal and affordable health care.

To provide good health care to Singaporeans, the Government heavily subsidises operating budgets and capital costs of hospitals. Last year, the Government spent \$1.1 billion, or 1.4 per cent of Gross Domestic Product (GDP), on health expenditure. This formed nearly half of total health spending in the country, which was \$2.4 billion, or 3.1 per cent of GDP.

The rebuilding of the new Woodbridge Hospital and the establishment of the Institute of Mental Health at a cost of \$200 million are good examples of the Government's contribution. We are committed to providing all Singaporeans good basic health care, including care for the mentally ill. These modern facilities will enable Woodbridge Hospital to deliver better care to the mentally ill -- those requiring inpatient treatment and specialist outpatient treatment. With better facilities, Ministry of Health (MOH) will be better able to attract good staff and also retain the quality staff who have served many loyal years with these institutions.

Mental illness is an inescapable reality in any society, just like physical diseases. Those who are mentally ill need to be treated and tended to, like those who are physically sick.

We must recognise those who need help and provide them early treatment. This will greatly improve their prospects for recovery from mental illness, or at least for containing and managing the problem. Even if we cannot cure them, we must look after them humanely. In general, people who are mentally unwell need not be locked away as has been the traditional way.

However, we must not go overboard in the treatment of the mentally ill. In the developed countries, it is fashionable to refuse to discriminate between physical and mental illness. Unfortunately, the boundary between the mentally ill and those who just feel out of step with society is a fuzzy one. The continuum of treatment ranges from medication with powerful drugs to lying in a couch and unburdening one's soul to a therapist. Somewhere between these two extremes, we have to draw the line as to what will constitute basic health care for mental illnesses. You will not be surprised to learn that as far as the Government is concerned, psychotherapy is non-basic.

Other countries draw the line differently. For example, under the proposed new United States (US) health plan, every citizen will be entitled to 30 days of psychotherapy sessions per year, with the patient paying half the cost. By the year 2001, patient cost-sharing and the limits on the outpatient treatment will be eliminated. Mental health benefits will then be as generous as those for other types of medical care. We in Singapore cannot afford to do this if we hope to contain our health costs.

The amount that we spend on health care has been rising over the last few years. It will continue to rise as we provide better facilities, as the population grows older, and as their medical needs increase. This is the trend everywhere. In nearly all industrial countries, expenditure on health has grown faster than the economy as a whole. This is partly because health costs include a large component of wages, which rises more sharply than other costs. As a result when incomes rise, the unit price of

health services go up. But it is also because when incomes rise, real demand for health care grows even faster than incomes, just like demand for education, housing, and other services. Actual consumption of health services increases. Patients who earn more and are better educated demand new drugs, more sophisticated instruments and techniques, and better infrastructural facilities.

We cannot easily escape this trend. But we can recognise it early and take preventive steps to contain health spending, while assuring the population of access to the medical services which they really need. When we are spending 3.1 per cent of GDP on health, people feel that we can easily afford to up this, whether through private spending or government subsidies, to secure our health and our lives. But they do not realise how easily this three per cent can grow to the eight per cent or 10 per cent of GDP, which is more typical of the developed countries. All of them have serious problems of one sort or another with their health care system, and most of them have problems with money.

We should look on our relatively low spending on health care positively rather than negatively. Our success is gauged by the output of the health care system: the results we are getting; not the input: the amounts we spend on health care. For any given level of success, the less we spend on obtaining it, the better off we are.

How do we measure success? Two important measures are our infant mortality rates and our life expectancy. By both measures, we are doing well and have been getting better.

Our infant mortality rate is five per 1,000 live births. It is the lowest in the world except for Japan. It is better than United Kingdom (UK), France, Germany, Australia, Spain and Italy. A Singaporean baby has as good a chance of surviving beyond his fifth birthday as one born in Canada or Switzerland.

Our life expectancy is now 76 years, a gain of 13 years over the last three and a half decades. This is better than all other Asian countries except for Japan (79 years) and Hong Kong (78 years). But Japan spends 6.5 per cent of GDP on health care, and Hong Kong 5.7 per cent, compared to Singapore's 3.1%. We are getting good value for money. There is no question of Singaporeans being deprived of the health care which they need, or people's health suffering because they cannot afford to pay for medical treatment.

Throwing money at health care, especially taxpayers' money, is the wrong way to improve the health of the population. The World Bank has surveyed the experience of many different countries. It has found very little correlation between amount a country spends on health care and the standards of health of its population. It is not how much money you spend on health care, but how effectively you spend it, which counts.

What also counts is the general economic level of the population. The best way to improve the health of poor families is not to subsidise their medical expenses more heavily, but to raise their standard of living and make them less poor. This is why heavy spending on health care may even be counter-productive. It will be a drag on the economy, make us less competitive, and slow down our growth, resulting in lower living standards for all.

Our health care system has delivered value for money for several reasons. Rapid economic growth has improved life for all Singaporeans. Emphasis on public health and preventive medicine produced a healthier population, needing fewer medical services. Our hospitals run efficiently. Judging by the small number of complaints they receive, Singaporeans are satisfied with the service they provide.

Most importantly, our philosophy has been that families and individuals are responsible for their own health, and must

save to pay for at least part of their medical expenses, through their Medisave. This is radically different from the welfare state ideal that every citizen is entitled to unlimited free health care from the state, or the US system which shifts the burden of health care costs onto insurance companies through third party insurance. Our way has given Singaporeans the maximum incentive to stay healthy, keep fit and avoid over using health care services.

The Government has published the White Paper "Affordable Health Care", to ensure that this happy state of affairs continues for as long as possible. The White Paper seeks to lay a sound basis for our health care system for the decades to come. It proposes specific approaches to contain health costs, because this will not happen by itself. We have to make compromises, in terms of what the basic health care package contains, what treatments and drugs patients can ask for, what doctors are free to prescribe and to charge.

We will not have a system where people get whatever medical treatment they want, without any restrictions. Even the US, the wealthiest nation on earth, which spends 14 per cent of its GDP on health care, is learning that it cannot afford such a system. Neither can we.

Parliament will debate the White Paper next month. The Government will ask Parliament to accept the principles and approaches contained in the White Paper as the basis for policies to contain health costs and keep good health care affordable to all Singaporeans. By implementing the proposals in the White Paper, we can relieve Singaporeans of the worry that they will be unable to afford the health care which they may need, perhaps in their old age.

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