



**Forum letter response to The Straits Times: Insurers to continue to work on refining implementation of task force recommendations**

**Attributed to the Life Insurance Association Singapore (LIA Singapore)**

**Pauline Lim, Executive Director, LIA Singapore**

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We write in response to Dr Tan Chi Chiu's opinion piece ([Insurance doctor panels face poor prognosis, March 5](#)).

Ensuring the continued affordability of healthcare in Singapore is a joint responsibility of all parties involved - insurers, policyholders, doctors, healthcare providers and the Government.

All health claims costs are ultimately borne by policyholders, and it is in the long-term interest of policyholders to bring down the rate of health claims inflation.

The Health Insurance Task Force (HITF), which included the Singapore Medical Association (SMA), recommended a suite of measures to do so, including panels, pre-authorisation, fee benchmarks, and co-pays.

These measures have been progressively introduced since the publication of the HITF report, and they are collectively intended to address overcharging, overservicing, and overconsumption of healthcare services.

Dr Tan said that insurers' reviewing doctors have a "perverse incentive" to help insurance companies reduce payouts by restricting options, implying that they may decline coverage for inappropriate reasons.

The situation involving an insurer not approving diagnostic endoscopy was quickly addressed together with the Ministry of Health (MOH) when surfaced.

Those with such concerns are encouraged to resolve these disputes with the insurer and/or regulator.

We disagree with Dr Tan's statement that doctors "should certainly never have to answer to insurance companies for... clinical decisions".

All health insurance contracts stipulate that insurers will pay only for what is medically necessary.

Insurers must therefore assess the reasonableness of treatments as part of claim assessment. This is to be fair to claimants and other policyholders bearing the costs of treatment through their premiums.

Dr Tan has also made several claims about panels.

First, he said insurers "disrespect" MOH's benchmarks by contracting doctors at rates "lower than the MOH benchmarks". All but one of the Integrated Shield Plan (IP) insurers have panel fees within the MOH fee benchmarks. The remaining insurer is in the process of adjusting fees.

Upward adjustments in panel fees must be calibrated as they require corresponding increases in premiums.

In addition, panel doctor charges span the full range of the MOH benchmarks and may even exceed the upper bounds of the benchmarks. This indicates that insurers allow for cases that are more complex than the norm.

Second, insurers do not cut off doctors "ad lib". Removal of doctors from panels is rare and done only as a last resort. Insurers have an interest in ensuring that their panels are comprehensive and provide good quality and affordable care, as this helps insurers to manage claims costs.

Panels have expanded over time, and Life Insurance Association (LIA) Singapore's guidance to IP insurers is that panels should offer a wide range of medical services to policyholders.

Third, Dr Tan said insurers provide "highly preferential coverage" to policyholders who use panel providers.

IPs provide coverage for treatment by both panel and non-panel doctors. Policyholders who seek treatment at panel providers may have some benefit enhancements, such as being able to have a co-payment cap without needing to do pre-authorisation, having lower deductibles, or a longer period of pre- and post-hospitalisation cover.

However, the differences may not be large enough to constitute "highly preferential coverage".

Fourth, Dr Tan said insurers - by stating that panel doctors are selected based on quality and reasonableness of charges - are implying that omitted doctors are "not as reputable, qualified or experienced, and have no commitment to offering affordable care".

Insurers seek to ensure that panel doctors provide good quality and affordable care - it is in their interest to do so. This requires time and effort to properly vet and monitor panel doctors, which therefore imposes limits on how large panels can be. It does not mean that non-panel doctors are sub-par.

Finally, it is ironic that Dr Tan takes issue with the "capture of specialist healthcare in Singapore by... profit motives", as most private specialist clinics are for-profit entities.

MOH has announced the formation of a trilateral committee, comprising LIA, SMA and the Academy of Medicine, Singapore, to discuss and resolve IP-related issues.

LIA will continue to work through this committee to refine the implementation of HITF recommendations, including panel design.

**Pauline Lim**

Executive Director

Life Insurance Association Singapore