Life Insurance Association Singapore
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Forum letter response for The Straits Times: Having no medical panel at all will mean higher costs for all policyholders

24 April 2024

We would like to share the life insurance industry's perspective and provide clarifications regarding Integrated Shield Plans (IPs) and IP panel doctors (Should patient-doctor relationship be the cornerstone of healthcare system?, April 17, among others)

Managing healthcare sustainability and inflation is foremost on insurers' minds, and panel implementation is one of the measures of the 11-member Health Insurance Task Force in 2016 to address the issue of escalating claims costs for IPs and healthcare inflation.

We would like to assure policyholders that they will have continued access to doctors of their choice even if these specialists are not on their insurer's panel.

Policyholders who do seek treatment with panel doctors may receive additional benefits and they have access to a wide pool of specialists.

The inclusion of co-insurance and deductible features in IPs is to encourage policyholders to be more involved in managing their medical care costs, and to keep premiums sustainable for all.

Policyholders decide which doctor they wish to see. IP insurers do not impose restrictions on the policyholders but provide additional benefits with panel usage to ensure long-term sustainability of IPs and IP riders.

Having no panel at all will mean higher costs for all policyholders.

IP insurers refresh their list of panel doctors periodically to include new specialists. IP insurers have expanded their panels and the majority have more than 600 private specialists on their panels. Most private specialists participate in one or more insurers' panels.

There was a suggestion to consider implementing limits to reimbursements and allowing patients to top up the difference for a specialist of their choice. This may leave policyholders at risk of very large out-of-pocket payments.

Agreements between IP insurers and specialists on their panel are free-will commercial agreements aimed at mitigating healthcare inflation. IP insurers and their panel doctors are guided by and adhere to the Ministry of Health's fee benchmarks for procedures and daily attendance fees, letting them ensure appropriate charges. Such agreements are sustained mutually with either party able to exit if they wish.

Medical inflation is a continued challenge facing Singapore which requires the joint efforts of all parties within the healthcare ecosystem. The life insurance industry supports increased transparency across the entire healthcare system, including clear value and quality of care matrices. We are committed to collaborating closely with regulators and the medical industry through the Multilateral Healthcare Insurance Committee to address this challenge.

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