Life Insurance Association Singapore
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Forum Letter to The Straits Times: Sustaining affordable healthcare is a shared responsibility

30 June 2025

We refer to the Forum letter "Insurers' restriction of patient choice undermines trust in system" (June 19) and wish to provide context on pre-authorisation and panel doctors.

To ensure a sustainable healthcare ecosystem, all parties need to play a part in making quality healthcare affordable and accessible. Insurers and patients are payers of healthcare services. Healthcare providers who recommend treatments and charges must do so responsibly to manage healthcare inflation.

The year-on-year increase in medical costs is untenable, and Integrated Shield Plan (IP) insurers will continue to be proactive in introducing measures to ensure patients continue to receive quality care while balancing the collective needs of policyholders to keep premiums affordable.

Ultimately, policyholders bear the brunt when medical and claims costs escalate. This is why IP insurers regularly review claims data and update their practices, measures and controls to ensure a sustainable healthcare system.

Pre-authorisation and panel doctors were among measures recommended by the multilateral Health Insurance Task Force in 2016 to address escalating healthcare costs.

Pre-authorisation is a service – not a contractual clause – that gives policyholders assurance that their treatment will be covered when deemed fair and medically necessary. Not all IP insurers offer this service, and where it is limited to selected hospitals, it is often due to cost or implementational considerations. The absence of pre-authorisation does not restrict a policyholder's choice of healthcare provider.

Besides pre-authorisation, policyholders may apply for an electronic letter of guarantee as a waiver of deposit, reducing the need for upfront payment.

Panel doctors provide quality treatment at pre-agreed rates, and policyholders may enjoy additional benefits such as lower co-payments. The introduction of panel doctors has reduced instances of over-treatment and over-charging, helping to ensure a more sustainable healthcare system for all.

Despite rising premiums, the total IP portfolio continues to operate at single-digit gross margin and sometimes at a loss. The insurance industry is committed to policyholders' interests and to communicate any changes to benefits and coverage.

We urge all parties – including doctors, hospitals, government agencies and patients – to work collaboratively in managing healthcare costs to ensure continued access to quality healthcare in Singapore.

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