Singapore Medical Association
For Doctors, For Patients

ACADEMY OF MEDICINE SINGAPORE

18 Jul 2025

[via email]

Mr Gan Kim Yong
Chairman, Monetary Authority of Singapore
Deputy Prime Minister and Minister for Trade and Industry

Dear Mr Gan,

Introduction

Currently, close to 70% of Singapore residents have purchased an Integrated Shield Plans (IP) provided by seven insurers with annual premiums paid exceeding $3B in 2024. There have been quite a few incidents reported in the media in recent years of practices by some of these insurers that policyholders and healthcare providers have been unhappy about.

2 The most recent incident involves an insurer announcing that it is stopping the issuance of pre-authorisation letters to two private hospitals, which has attracted much media attention.

3 The Singapore Medical Association (SMA) and Academy of Medicine, Singapore (AMS) believe that while these incidents may appear to be separate and independent events, there is an underlying and structural cause contributing to these events, which is that of poor insurance design of IP policies which the Minister for Health has mentioned in a recent Facebook post (1 July 2025). The Minister has rightfully stated that the “current situation …. is clearly unsustainable”.

4 In addition to the issue of insurance design, the Singapore Medical Association and Academy of Medicine Singapore believe that the lack of adequate regulation of IP insurers in terms of how they can heavily influence, even determine how healthcare is delivered to its policyholders is another key factor leading to the current unsatisfactory and unsustainable state of affairs. It leaves policyholders and healthcare providers inadequately protected against inequitable practices by the IP industry.

5 To better protect public interest, we propose for your consideration,

a) An improved framework for IP industry regulation
b) A platform to educate the public and policyholders and to provide a collective and organised voice to policyholders
c) A non-voluntary platform to resolve disputes of a clinical nature

An improved platform for IP industry regulation

6 Currently, the main regulator of the insurance industry is the Monetary Authority of Singapore (MAS) through its administration of the various legislation, including the Insurance Act, among several others. Their noticeable efforts as the primary regulator of IP insurers are focused on ensuring the financial sustainability of the IP insurers and the

safeguarding of policyholders' premiums. On the other hand, it appears that there are few, if any legislation levers at the Ministry of Health's (MOH) specific disposal that can compel an insurer to act in a certain way so that public and policyholders' interests are safeguarded when it comes to how healthcare is organised and delivered. We should not conflate persuasion with regulation.

7 We propose that the Insurance Act be amended to have a new section that specifically mentions the regulation of IP insurers would include matters on how healthcare is influenced, organised and delivered to IP policyholders by IP insurers and their intermediaries such as Third Party Administrators (TPAs). A proposed list of the specific measures is listed in Annex A. In addition to MAS, MOH can be added into the Amended Insurance Act as the "Authority" for this new section.

8 Alternatively, an entirely new Act (e.g. a "Health Insurance Act") can be enacted to achieve this. The regulator or administrator for this new Act would be MOH and not MAS.

A platform for policyholders and public education

9 Today, policyholders' concerns and rights are not addressed in a collective way, even though 70% of Singapore residents have bought IP policies. Individual policyholders find it difficult for their voice to be heard. There is a pressing need to organise a permanent forum for policyholders' concerns to be heard collectively and for the public to be educated on how to evaluate IP products and their rights as IP customers and policyholders.

10 The relevant authority, whether MAS and/or MOH can facilitate the founding and funding of an IP Policyholders' Association or Society, similar to how the Consumers Association of Singapore (CASE) or Securities Investors Association Singapore (SIAS) was set up and now operates. This proposed non-governmental organisation (NGO) will be responsible for educating the public on what to look out for when they wish to buy an IP, and also policyholders on their rights and how to best make use of the policies they have bought.

11 This NGO would require start-up funding as well as some recurrent funding from either MOH or MAS. The NGO can also source for funding from other corporate stakeholders such as IP insurers and healthcare providers, in addition to government funding.

A non-voluntary platform to resolve disputes of a clinical nature

12 Currently, should policyholders want to complain against insurers, they can use either the Clinical Claims Resolution Process (CCRP) or Financial Industry Disputes Resolution Centre (FIDREC) as alternative dispute resolution platforms. But participation by IP insurers on these platforms for complaints related to clinical matters is voluntary. The Courts are of course, the final arbiter, but this process is often too resource-consuming and beyond the means of many IP policyholders.

13 We propose that a separate forum be set up and managed by MOH, and under the provisions of an amended Insurance Act or a new Health Insurance Act. This 3-way forum will handle complaints from policyholders, insurers and healthcare providers, such as facility providers and doctors. This forum can be called the IP Dispute Platform (IPDP). Policyholders complaining against insurers and doctors will be charged a nominal fee, since as individuals, they probably have limited resources. When the complainants are insurers and doctors, the fees charged by this forum can be higher.

14 This forum will have the power to decide on matters such as claims denial, pre-authorisation denial or delay, matters pertaining to doctors being empanelled or removed from insurers' preferred physician panels, fee schedules for healthcare providers, billings and coding practices by both facility providers and doctors.

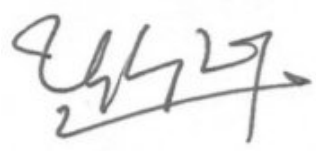
If any party is dissatisfied with the decision of IPDP, they can appeal to the Courts.

Conclusion

15 We would be most grateful if you can consider these proposals favourably so that public and policyholders' interests are adequately protected. Both SMA and AMS would be pleased to work with the relevant government agencies to develop and refine these recommendations further.

Yours sincerely,

Dr Ng Chee Kwan
President
Singapore Medical Association



Dr Wong Chiang Yin
Master
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cc

Mr Lawrence Wong
Prime Minister and Minister for Finance

Mr Ong Ye Kung
Minister for Health and Coordinating Minister for Social Policies

Annex A

Specific Measures Requiring Regulation

1. Mandate that the claims ratio should be at least 80% and preferably 85%; this will ensure that the appropriate proportion of the premiums go towards funding healthcare rather than insurers' overheads.
2. IP insurers should not be allowed to change coverage and benefits of IP contracts without approval from the Regulator.
3. There should be a minimum number of doctors on Preferred Physician Panels, e.g. 600. In addition, the panel size should be a function of the number of policyholders the insurer has.
4. The turnover (i.e. rate of removal) of doctors on panels should be limited to no more than 5% in one calendar year so as not to disrupt continuity of care.
5. Removal of doctors from panels must be accompanied by disclosing the reason(s) for the removal to the doctor.
6. Insurers should not oblige panel doctors to admit patients to any particular hospital or facility, as the choice of hospital or facility should remain a shared decision-making process between doctor and patient. Instead, insurers that choose to have preferred facility providers must provide options for the policyholders, not unlike how a vehicle owner can choose to purchase a vehicle insurance policy that allows coverage for only certain car workshops and the owner can choose to purchase an insurance policy that allows the owner to choose his own car workshop.
7. Insurers' commercial arrangements with facility providers (and penalties, if any, to policyholders and panel doctors for not using such facility providers) must be disclosed upfront to all policyholders and in all promotional and marketing materials.
8. Exclusion clauses must be evidence-based. For example, colorectal cancer can be excluded in the coverage if colorectal polyps had been discovered previously, but colorectal cancer cannot be excluded just because there was a previous diagnosis of piles.
9. Insurers can choose whether to use pre-authorisation as a standard practice for their policyholders. However, when and if they do use pre-authorisation, denial or delay in granting of pre-authorisation must be accompanied by reason(s). Pre-authorisation practices, if adopted by the insurer, must be considered to be an insurance policy benefit.
10. Insurers can ask questions to clarify diagnosis and treatment given by doctors but they would not be allowed to ask questions that indirectly promote unsafe and suboptimal healthcare delivery, e.g. "Why do you need to do two ward rounds a day?"
11. When offering alternative care options, insurers and their medical care concierges and third-party administrators (TPAs) are subject to the same duty and standard of care as licensed healthcare professionals in Singapore, and should not be assessed based on the lower "suitability standard" that applies to financial institutions. To elaborate, today, a doctor must offer treatment and referral options that in his opinion are in the patient's best interest. On the other hand, the insurer or its financial advisors and medical concierges need only offer "suitable" options to policyholders. The "suitability standard" or test does not adequately protect a patient/policyholder's interest, unlike the test of duty of care that a healthcare professional such as a doctor or nurse owes his patient. This fundamental difference in standards between health professionals and the finance industry needs to be urgently resolved to protect public interest.
12. Every IP insurer must employ a medical director that has full-registration with the Singapore Medical Council (SMC) to ensure that the medical-related practices of the

insurer are in line with the ethical requirements of SMC. This medical director may be subject to SMC disciplinary action if the policies and practices of an insurer contravene the Ethical Code and Ethical Guidelines (ECEG) of the SMC.

13. All medical concierges employed by the insurer or their TPAs must have been licensed sometime in the past 5 years with the SMC, Singapore Nursing Board or Allied Health Professions Council. (i.e. recent retirees from these professions are acceptable) This is to ensure that these persons have a basic level of understanding of how clinical care is delivered at a level of quality and safety that is acceptable to Singapore Residents.