



SINGAPORE HEALTHCARE MARKET-SHARE ANALYSIS

By Leslie Khoo¹

INTRODUCTION

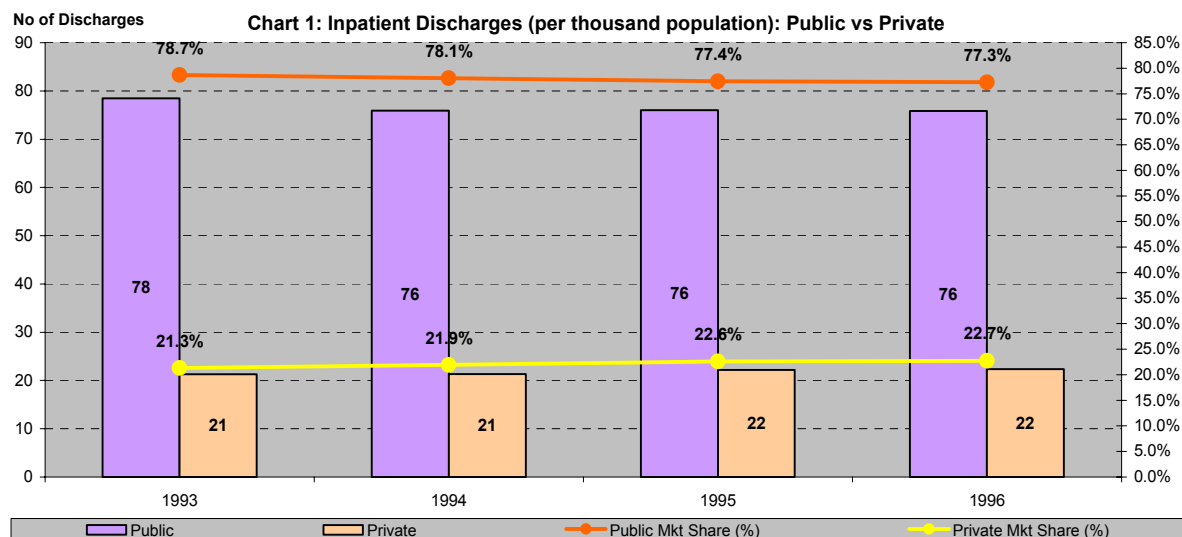
Singapore has a mixed healthcare market comprising competent public and private providers. Together they provide excellent healthcare services and offer choices for both Singaporean and foreign patients.

This report presents the trend in private and public market share of the Singapore healthcare market (in terms of workload and revenue based on inpatient discharges and day surgery) in 1993-2002².

PRE-CRISIS

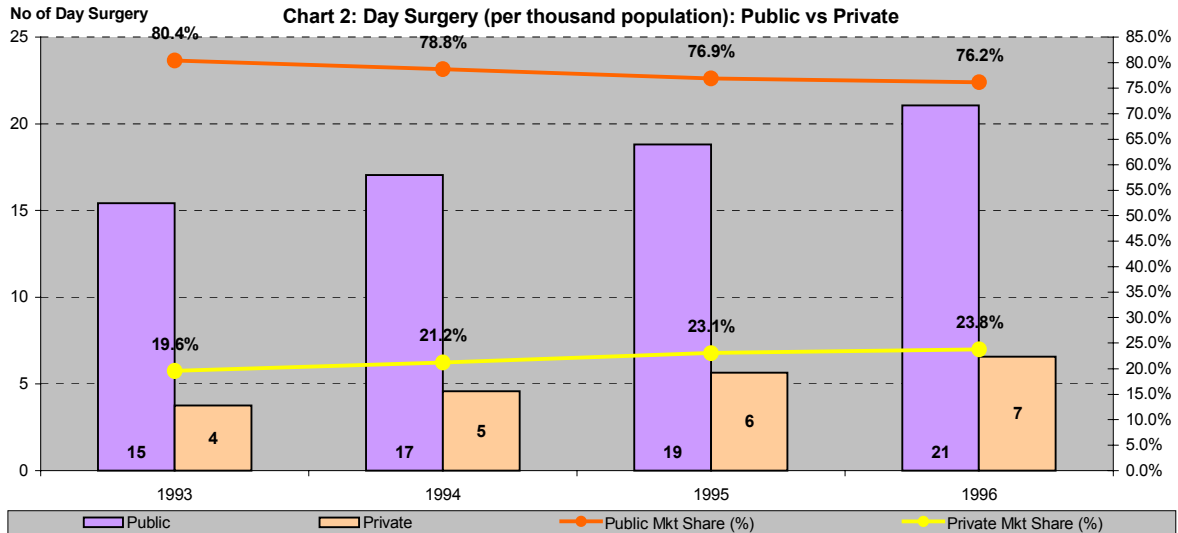
From 1993 up till the Asian financial crisis in 1997, the private sector grew in patient load and gained in market share.

Market Share By Workload



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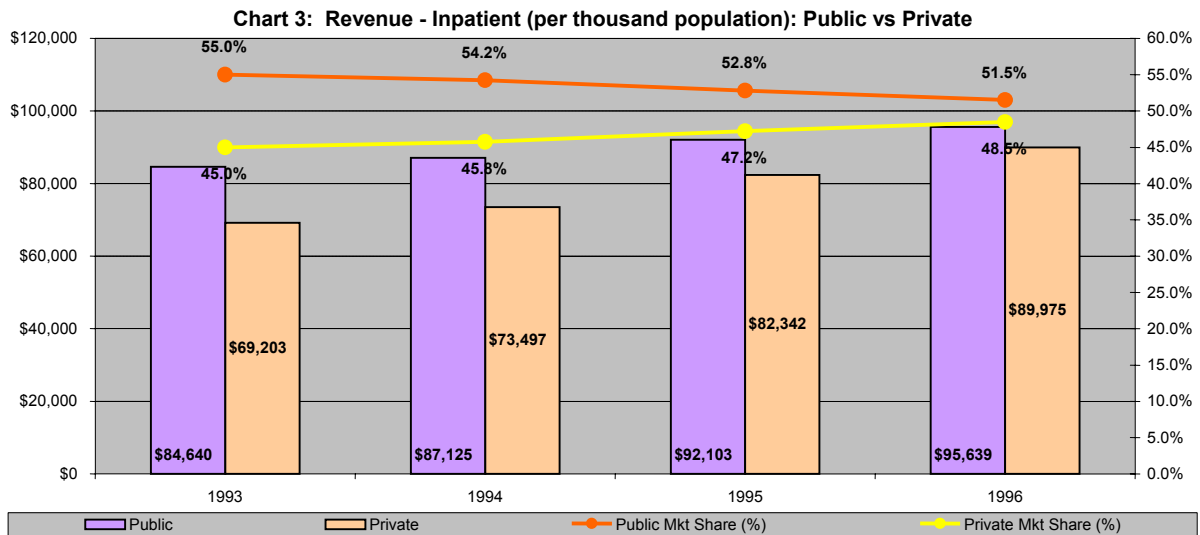
² As population growth would have affected market size, this analysis is also normalised to per thousand population.



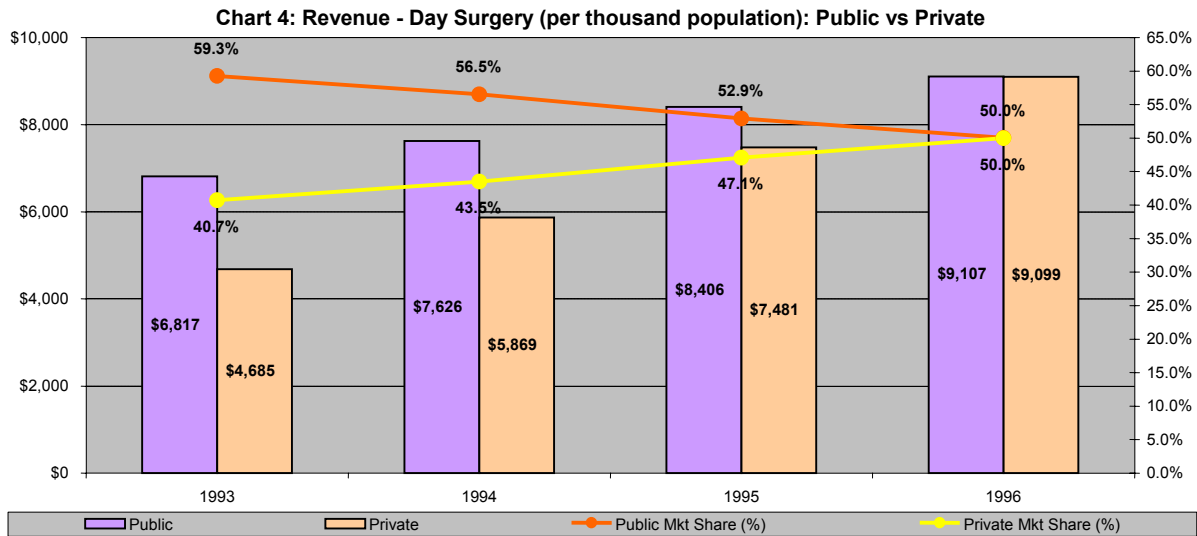
The shift was more prominent for day surgery than for inpatient discharges.

Private market share gained 4.2 percentage points from 1993 to 1996.

Market Share By Revenue



More rapid growth of the private inpatient revenue has translated into a 3.5 percentage-point gain in market share from 1993 to 1996.

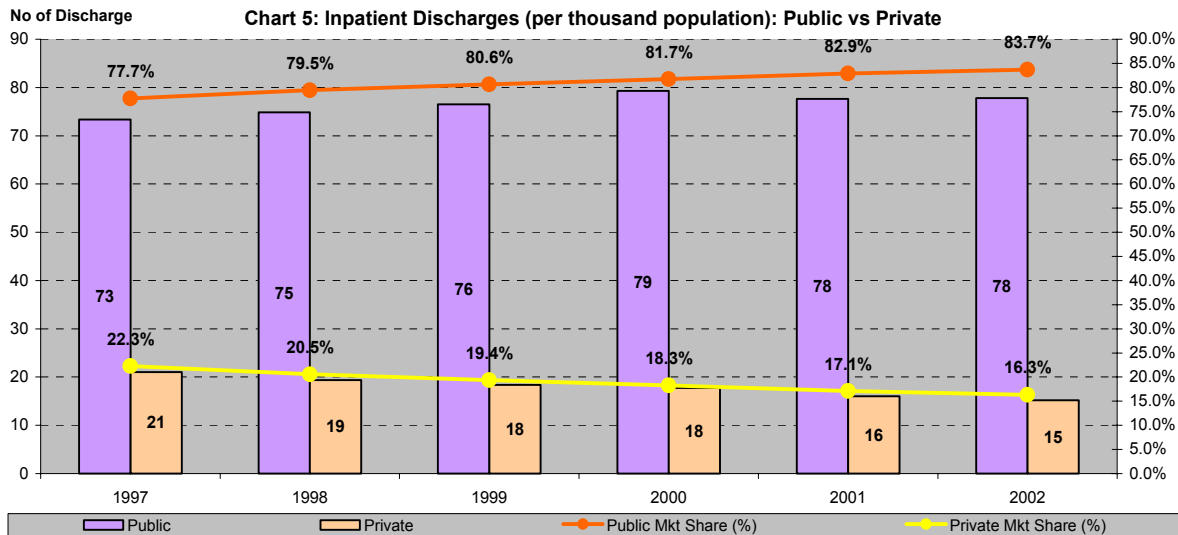


In 1996, the private sector shared half of the day surgery revenue market pie with the public sector, as compared to two-fifth in 1993.

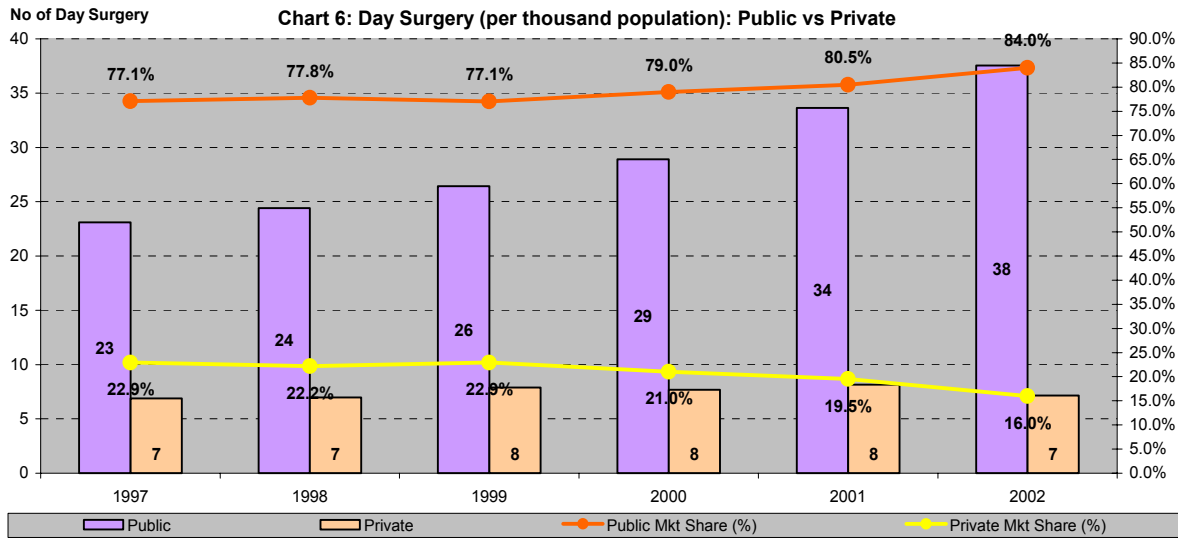
IMPACT OF FINANCIAL CRISIS AND POST-CRISIS DEVELOPMENT

The Asian financial crisis in 1997 dampened the demand for private healthcare services. The downtrend of the private sector market share continued, post-crisis. In contrast, the public sector has increased market share in workload and revenue since 1997.

Market Share By Workload



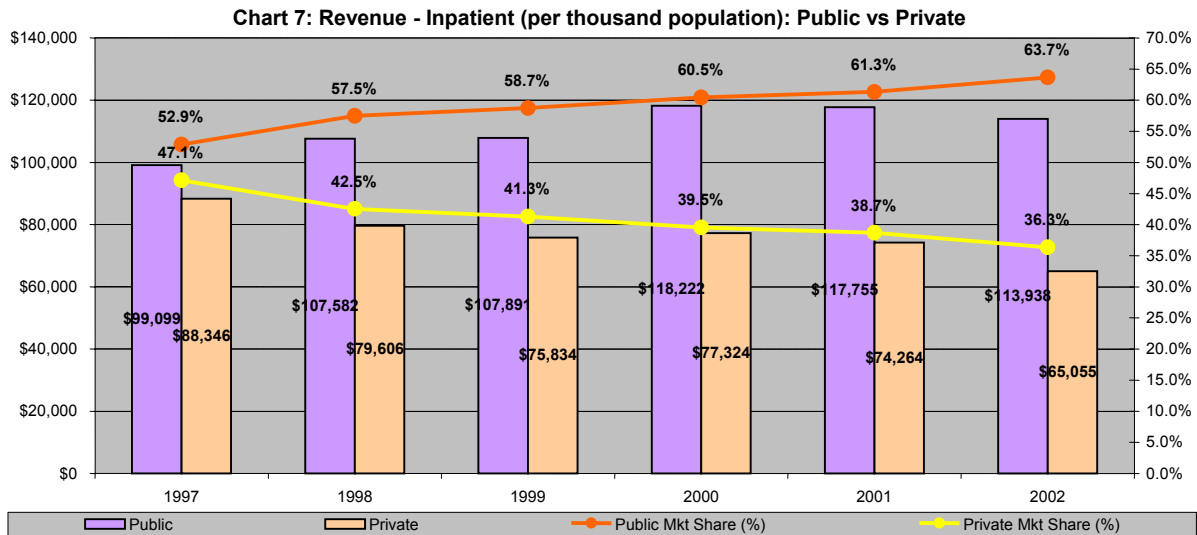
Against the public sector's average growth of 0.5% p.a., private inpatient discharges fell 6.2% p.a. in 1997-2002, reversing the 1.0% p.a. growth from 1993-1996.



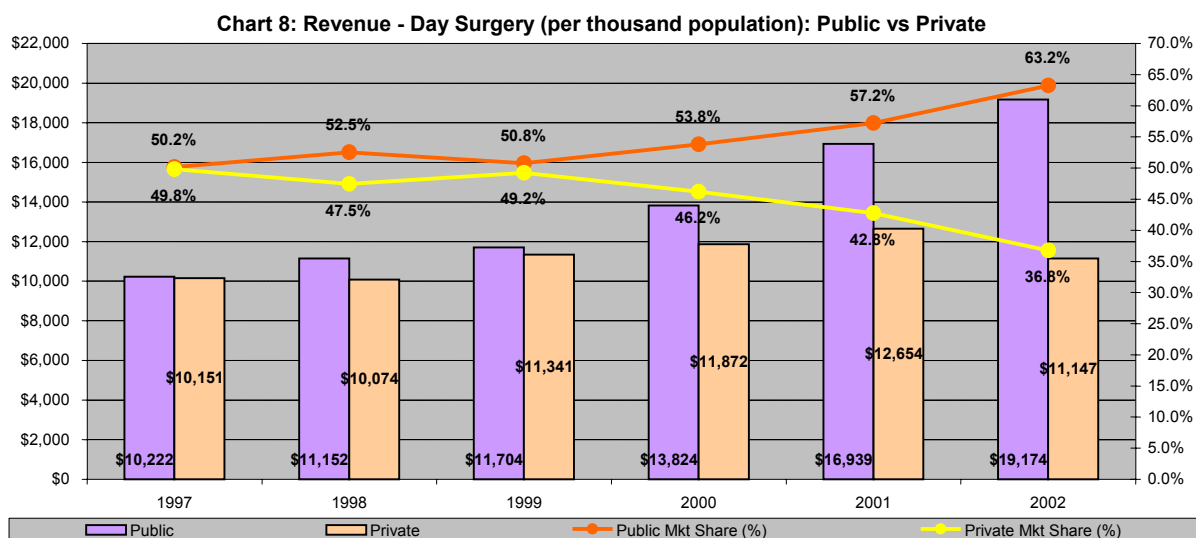
Private and public day-surgery growth slowed down after 1997 to 1.7% p.a. and 10.2% p.a. respectively from 20% p.a. previously.

With much slower growth in patient load, private market share in day surgery lost 6.9 percentage points from 1997 to 2002.

Market Share By Revenue



The reduction in the private inpatient revenue led to the loss in private market share in the post-crisis period, from 47.1% in 1997 to 36.3% in 2002.



After 1999, private market share of day surgery revenue decreased against the public sector's continued growth.

CONCLUSION

Before 1997 when the macro-economic environment was more favourable, the demand for private healthcare services was stronger, thereby raising the private sector market share. However, the Asian financial crisis in 1997 derailed the growth of the private sector market share and increased the demand for public healthcare services. The demand shift in favour of the public healthcare services in the post-crisis period is likely caused by a combination of lower consumer spending power because of negative income effect, weaker consumer sentiments, and also the government rebates during that period³.

In summary, changes in public-private market share over the last ten years are given in *Table 1*. On average, the private sector market share has shrunk from 20% to 16% in terms of workload, and 43% to 36% in terms of revenue, as compared to a decade ago.

	1993		2002	
	Public	Private	Public	Private
Inpatient Discharges	78.7%	21.3%	83.7%	16.3%
Day Surgery	80.4%	19.6%	84.0%	16.0%
Revenue:				
Inpatient	55.0%	45.0%	63.7%	36.3%
Revenue: Day Surgery	59.3%	40.7%	63.2%	36.8%

³ A rebate scheme was implemented for 1 year in 1999 where 5-10% rebates were given by the Public Hospitals and Specialty Centres to the subsidized patients. A similar scheme was introduced again in 2001 where subsidized patients would automatically receive a 10% fee rebate on their hospitalization bills.

Feedback to MOH

If you have any comments or questions on the information paper, you can either email us directly at moh_info@moh.gov.sg. Alternatively, you can also fax or write to us at:

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