

LONG TERM CARE PLANNING - THE SINGAPORE'S PERSPECTIVE

BY ADRIAN PAUL ANUGRAHAM

Long term care is a global concern. Nations are grappling with the criticality of how best to address the needs faced by their elderly in the absence of adequate financial means and family support or both. Singapore's situation is no different. It is in fact, a serious issue on our shores since we are among the fastest greying populations in the world and whereby, 1 in 2 healthy Singaporeans could become severely disabled during their lifetime.

A Background into the Past & Present

What is Long Term Care (LTC) and how has this matter been approached here? LTC refers to care needed by individuals with severe disability, specifically being unable to carry out 3 out of 6 activities of daily living such as washing, feeding, dressing, toileting, mobility and transferring. In response to this, the Government introduced EldersShield in 2002 and appointed 3 insurers, GE, Income and Aviva, to manage the Scheme. This ensures a payout of \$300 per month for 5 years to those impacted by severe disability. Following in 2007, the payout was increased for the cohort turning 40 that year end September and those thereafter to \$400 per month for 6 years.

Critical Challenges

EldersShield is a vital first step mooted by the government with the interest of an aging population at heart. Important questions though remained, one of which is its future sustainability. What if this does not hold, wherein premiums collected now aren't able to deliver on claims decades down the road? Where does this lead to, will it be a response too late or too little or both. How will we look at this as a society, could we have done it better?

In some cases as in the United States, LTC is left at the behest of the private sector but as a result of the high claims experience, premiums have shot up & out of the reach of those most in need of it. It does demonstrate that, tried and tested trickle-down economics does not necessarily work in every situation. As much as we espouse the many merits and benefits of a profit-driven private sector, LTC is altogether a different state of affairs. It's a national issue, one that can translate into a formidable pillar of Singapore life or has a potential to descend down a slippery road. Would we hinge for infinity the care and concern of our elderly upon the hands of a few, as good as the intentions are and as financially sound as they are. We trust they will continue to be always, that way. However, as a societal approach, does this principle bode well going into the future?

Who then, is the Right Custodian?

The call then, is for an able custodian, one that is driven by public interest and hence not-for-profit. This thinking, surely in & of itself, generates public confidence since profit isn't in the picture. Thus, the answer lies in responsible governance and foresight. In order to carry out such as a monumental responsibility, this custodian must also be one that has the experience and a steady handle on public financial matters such as Medishield Life, the political resolve and resource to steadily navigate the grounds, now and into the unpredictable future, as a single administrator strictly in public interest. The Singapore Government is demonstrably showing this at this pivotal junction of time, it has stepped forth and responded to the call. In the next article, we examine the nature of this response called CareShield Life, by unpacking each recommendation and relating this to long term care needs in Singapore.



About the Author

Adrian Paul Anugraham is a licensed financial practitioner. He is an active IFPAS member and is currently serving in the IFPAS Education & Training Working Committee. He is currently pursuing the Chartered Financial Consultant (ChFC) qualification and is assisting in the long term care planning research for the E & T department.