

For better aged care: The gaps in Singapore's nursing home market and alternative models of care for the elderly

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THE issue of how - and where - to age well is growing ever more pertinent in Singapore, as demographic changes mean that fewer elderly will be able to rely on family care in their golden years.

While about a dozen government-built nursing homes are in the pipeline, such facilities are generally handed over to voluntary welfare organisations (VWOs) or private operators.

Yet one might ask if there is a larger role for the government in providing residential aged care - not simply in the context of the existing nursing home model, but perhaps in alternative areas too. The news of the Republic's first assisted living public housing development, for instance, suggests one possible area for development.

As the demographic landscape changes, how should the aged care landscape itself evolve?

Nursing homes have often been seen as a "last resort", not least given Singapore's traditional emphasis on the family as the first line of support.

There are good reasons - cultural, financial, social, emotional - for upholding the ideal of family support, says Institute of Policy Studies senior research fellow Christopher Gee. "But the demographics don't work out so well for everybody."

With singlehood and smaller families getting more common, "relying on children as caregivers may not be feasible", says Paulin Straughan, director for Singapore Management University's Centre for Research on Successful Ageing.

To meet the growing need for long-term residential care, the Ministry of Health (MOH) has expanded nursing home capacity in the last decade. While there are four government-run homes operated via MOH Holdings unit Vanguard Healthcare, most public involvement is via the Build-Own-Lease (BOL) approach: the MOH bears the capital costs of building homes, which are tendered out to VWOS or private operators.

"This model allows us to encourage quality care as operators are evaluated on the quality of their proposals," says an MOH spokesperson.

Singapore's nursing homes may be private, public - under the BOL framework - or not-for-profit. Out of 77 nursing homes in 2019, 23 were public, up from just one in 2011, with 6,238 beds.

The number of not-for-profit homes fell to 23, with 5,963 beds. This was down from 31 facilities and 6,137 beds in 2011.

The level of private provision has not changed greatly, with 31 homes offering 3,858 beds in 2019, compared to 32 with 3,303 beds in 2011. But these are now a smaller part of the landscape.

According to a November 2019 Parliamentary reply, the utilisation rate of nursing home beds in June that year was 85 per cent. In last year's Committee of Supply, then-Senior Minister

of State for Health Amy Khor said that with nursing home bed capacity up 30 per cent since 2015, Singapore now has "sufficient capacity nationwide".

What about cost? The MOH's Agency for Integrated Care estimates that the basic cost to stay in a nursing home, before subsidies, ranges from S\$2,000 to S\$3,600 a month. At the premium end, this might be in the range of S\$7,000 to S\$8,000.

This price gap - and the spectre of past reports of mistreatment or poor conditions in some homes - could lead one to wonder if there is a corresponding gulf in quality, or if more should be done to make private options more affordable.

With MOH's Enhanced Nursing Home Standards in place since 2016, quality might be less of a worry now. Yet with government subsidies only available to households with per capita income of up to S\$2,800 a month, there might well be a sandwiched class that cannot afford an ideal level of nursing home care.

To focus on private provision, however, might be to miss the point. As Mr Gee puts it: "That premium end exists anyway." Rather than trying to cap prices or subsidise at that extreme, the issue should be how to develop public provision.

The question he proposes is not about access to premium care, but instead: "What's the minimum level of provision that we will ensure for everybody?" In a parallel to public housing, one could ask what the 'HDB standard' is for other publicly-provided goods or services, he adds.

Associate Professor Jeremy Lim, director of the Leadership Institute for Global Health Transformation at the NUS Saw Swee Hock School of Public Health, shares that focus.

"At the premium end, customers and their families are relatively price insensitive," he says. "At the other extreme, the priority is to adhere to minimum standards or medical necessity, which is very different from a focus on quality of life, dignity of ageing, et cetera."

The challenge, he says, is for society to agree on minimum standards for non-medical aspects: "Is merely staying alive the key endpoint and funding outcome? Or can we have a cogent and intentional national discussion about mental health, psychological well-being and sense of community in the nursing home setting?"

There is already a movement to improve the standards and approach of nursing homes here, notes Associate Professor Wee Shiou Liang, of the Singapore Institute of Technology's Health and Social Sciences faculty.

"There has been a nursing home culture change movement over the past few decades, in an attempt to reverse how nursing home residents perceive their lives," says Prof Wee, who is also research director of the MOH's Geriatric Education and Research Institute (GERI).

The movement, sometimes called "person-centric care", stresses improvements in both the physical and social environment, as well as the quality of care, enhanced resident autonomy, non-invasive staff support, and humane care.

This has received government support as well, with some of Prof Wee's recent research being funded by grants to design and build sustainable person-centric nursing homes.

Yet even as the minimum level of care is raised, questions of access and provision remain.

Kitty Lee, Oliver Wyman partner and head of its health and life science practice in Asia Pacific, identifies several different gaps. First is an overall gap in the supply of services and support for a rapidly ageing population.

There are gaps in specific options: "There remain few 'premium' or private purpose-built facilities in Singapore, and for some facilities the beds dedicated to subsidised residents are limited."

Then there is a more fundamental shortfall: not in beds, but options beyond nursing homes.

Bridging the gaps

"We recognise that our seniors have a spectrum of needs, and many may not be suited for nursing home care," says the MOH. Since 2015, to support ageing in place, 4,600 day care places and 3,400 home care places have been added.

Nursing homes are meant to provide long-term care for people who need help with most activities of daily living, have no family support, and have exhausted other options.

Yet a relative lack of alternatives might be precisely what pushes some to nursing homes, even if they might have done well in other settings.

"This is almost certainly the reality," says Prof Lim. "The limitation of providing only at the extremes - ageing at home or in a nursing home - is that these don't fully meet the needs of the much larger middle, and we then have to force fit individuals into either end of the care spectrum."

This may create artificially high demand for nursing homes, due to the lack of alternatives.

"The future likely will need a vibrant mix of ageing-related services and facilities of varying intensity and pricing," adds Prof Lim. Seniors living at home can use services such as tele-consultation and ad hoc medical support, while frailer seniors may need more sophisticated real-time remote monitoring in designated facilities.

Assisted living facilities, where residents are not wholly reliant on caregivers, provide a "tailored level of support between that of community-based care support and nursing home care", says Prof Wee. "More assisted living facilities may reduce demand for nursing homes, by delaying entry into a nursing home."

While there is no published data on the proportion of nursing home residents who might do well in other settings, Ms Lee notes "evidence suggesting this is the case", such as overly long stays.

In Singapore, the average duration spent in nursing homes can be quite long, from five to six years, to up to 10 to 15 years. In contrast, in the United States - with diverse aged care options such as retirement villages and assisted living - the typical nursing home stay is about two years.

Dr Belinda Wee, director of the Assisted Living Facilities Association of Singapore (ALFA), decided to start an assisted living facility with her husband in 2015 after seeing a high percentage of residents in the nursing home which they ran, who would have benefited from such a setting.

"A good 30 per cent didn't actually need to be with us. But there was no other option," she says.

A large swathe of seniors are not catered for, she adds: those who may not be capable of fully independent living, but do not have the high care needs for which nursing homes are meant.

Assisted living bridges this gap, and addresses the preference that Singaporeans have for ageing in their own homes, as found in various government and academic studies.

"As far as possible, most will try to avoid institutionalisation, i.e. entering a nursing home or facility," says Prof Straughan. "So moving forward, we should turn towards a model where facilities are situated in communities to support elderly residents in the enclave."

Or as Prof Lim puts it: "Ideally, individuals should be able to remain in the same communities with trusted relationships even as they clinically deteriorate and need more nursing and medical care." To preserve social connections, it would be best if these changing care needs could still be provided for in the same location.

Moving into a new flat is very different from moving into a nursing home, and there is precedent for the former. Many seniors have moved from old homes to studio apartments, for instance, which allows them to realise the value of their initial property, notes GERI's Prof Wee.

"It may be more attractive for someone to gradually progress, rather than suddenly move from your home (to a facility)," he adds.

The Housing and Development Board's entry into the assisted living space might encourage this. In December, it announced the upcoming Community Care Apartments at Bukit Batok, the first assisted living public housing development here, which has just been launched in February's Build-to-Order exercise.

Residents must subscribe to a basic service package including 24-hour emergency monitoring, and may choose optional care services such as help with activities of daily living, meal delivery, and housekeeping.

The main advantage that nursing homes have over traditional home care is efficiency, notes Mr Gee. But similar efficiency can be achieved via shared services, provided to individual homes, he adds - such as what assisted living offers.

ALFA's Dr Wee imagines more flexible possibilities, such as having floors of assisted living units in public housing, instead of entire blocks.

She thinks the focus should not be on building facilities, but on providing care in existing settings: "What we have is lots of buildings. What we don't have is the software, the care."

The role of the state

If aged care is seen not as a luxury or a last resort in the absence of family care, but instead as a necessity which calls for a minimum level of public provision - akin to housing or education - then the questions to ask will change accordingly.

Rather than starting from a business perspective and looking at market structure, the discussion has to begin from "what we want the aged care sector to look like", says Mr Gee.

As a society, Singapore should collectively decide on the degree to which aged care is expected to be provided by the family or the state, he adds. Only after establishing that level of provision does the private sector come in, to provide options for those who prioritise and can afford to pay for premium care.

Says Prof Lim: "We will need a plurality of options and a good mix of public and private providers would probably be best to meet the different needs and expectations."

At least 11 government-funded nursing home facilities are on the way, on top of the 17 that have been opened since 2015.

Yet private-sector enthusiasm does not seem high, when it comes to providing residential care in forms other than the current premium options. In 2020, a tender for what would have been Singapore's first dementia care village at Gibraltar Crescent ended fruitlessly, after the sole bid of S\$15 million was rejected by authorities as too low.

"I think land cost is certainly an issue in land-scare Singapore," said Prof Straughan. "So if we want to encourage more private providers to enter the market so that we can have a variety of options for our older adults who need assisted living arrangements, there has to be some incentive for businesses which venture in this sector."

These incentives do not necessarily have to take the form of simple financial subsidies or grants for existing models of aged care.

If anything, what should be incentivised is innovation, says Oliver Wyman's Ms Lee: "We should think beyond just subsidising to 'copy-paste' another similar facility that already exists."

"I'm talking about incentivising development of living and care options that target specific needs of seniors," she adds. There could be innovations in processes and operations, using technology and digitalisation; and new sorts of services and solutions to meet health and social needs.

The government should target "potential players that could bring new capabilities and experiences to the table", such as operators or developers experienced with different models, she adds. "Subsidies or investments with different horizons could also be granted to encourage awareness and adoption for consumers."

But if adequate public provision exists, is there still an argument for subsidising private providers? "I'm quite sanguine about perceived government handouts to the private sector here," says Prof Lim. "The common enemy is ageing poorly and the consequent need for horrendously expensive hospital care."

"If 'subsidising' the private sector results in a net benefit to society through better ageing and cost avoidance, then so be it."