



MEDIA RELEASE

19 August 2010

CCS DECIDES AGAINST SINGAPORE MEDICAL ASSOCIATION (“SMA”) GUIDELINES ON FEES

1. In 2009, the Competition Commission of Singapore (“CCS”) received from the Singapore Medical Association (“SMA”) a formal application for CCS’ decision on whether the issue of a set of Guidelines on Fees (“GOF”) will infringe the Competition Act. After a thorough evaluation of the application, CCS issued a Statement of Decision (Provisional) to SMA on 16 June 2010. In accordance with Regulation 11(1) of the Competition (Notification) Regulations 2007, SMA was given up to 30 July 2010 to make written representations to CCS. As no further representation was received by the stipulated deadline, this Provisional Statement of Decision has now become a final Statement of Decision.
2. CCS has therefore, on 18 August 2010, formally advised SMA that the GOF would contravene the Section 34 prohibition of the Competition Act. However, as no GOF has been issued since April 2007, no further action or direction by CCS is required in respect of this Statement of Decision.
3. CCS understands that the GOF is an attempt to address information asymmetry in the medical sector. However, CCS notes that there are other more effective measures in place today.
4. In particular, the government provides Hospital Care services for 80% of the population. These restructured hospitals make their pricing decisions without referring to the GOF. The charges in the restructured hospitals are available to provide a benchmark for comparison by patients who choose to go to private hospitals.
5. The Ministry of Health (“MOH”) requires patient medical bills to be itemised and financial counselling be provided, and publicises hospital bill sizes on MOH’s website for public information. MOH also requires all private medical clinics to display their common charges. CCS would like to encourage SMA to work with MOH and hospitals to further improve the delivery of pricing information in the healthcare sector so as to allow patients to make more informed choices.

6. In general, price recommendations by trade or professional associations are harmful to competition because they create focal points for prices to converge, restrict independent pricing decisions and signal to market players what their competitors are likely to charge. This is a common position adopted by many competition agencies in the world, even for the medical sector.
7. The Statement of Decision issued to SMA is available on our website www.ccs.gov.sg.

Background Information

SMA is an association which represents the majority of medical practitioners in Singapore. It should not be confused with the Singapore Medical Council, a statutory board under MOH, which regulates the conduct of registered medical practitioners amongst other functions.

The GOF is a set of recommendations issued by SMA on private doctors' professional fees, which includes fees for consultations, surgeries, preparation of medical reports and court appearances. The GOF is meant only for the private sector doctors. The public sector hospitals and polyclinics do not refer to the GOF when setting prices.

The GOF should not be confused with the requirement for individual private medical clinics to display their respective charges at their clinics. The latter requirement helps pricing transparency and is also encouraged by CCS.

SMA withdrew its GOF on 1 April 2007. In October 2008, SMA wrote to the Ministry of Trade & Industry ("MTI") to request that the GOF be excluded from Section 34 of the Competition Act. In June 2010, MTI, after consultation with MOH, declined SMA's request.

About CCS

CCS is a statutory body established under the Competition Act on 1 January 2005 to administer and enforce the Competition Act. The Competition Act empowers CCS to investigate alleged anti-competitive activities, determine if such activities infringe the Competition Act, and impose suitable remedies, directions and financial penalties.

For more information, please visit www.ccs.gov.sg or our microsite www.casebank.ccs.gov.sg

For media clarifications, please contact:

Ms Abigail Han
Assistant Director, Corporate Communications
Competition Commission of Singapore
Email: abigail_han@ccs.gov.sg
DID: 6325 8219