



**Singapore Healthcare Management 2022**

# Mitigating Financial Risk - Collection and Bad Debt Management During COVID-19

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## Introduction

During the early days of COVID-19 pandemic, foreigners were still allowed to enter into Singapore. Those diagnosed with COVID-19 were admitted by law into designated hospitals including BVH.

Foreign patients pose a high financial risk to hospitals because:

- Due to the urgency to prevent the spread of COVID-19 to the community by isolating them from the public, they are hospitalised regardless of their affordability, which are to be dealt with afterwards.
- Their stay in Singapore is short without a local address.
- Once they return to their countries of origin, hospitals have little or no legal recourse to collect the payment.
- Many are without insurance coverage. Those who do, are insured by foreign insurers of which the hospital have little recourse.

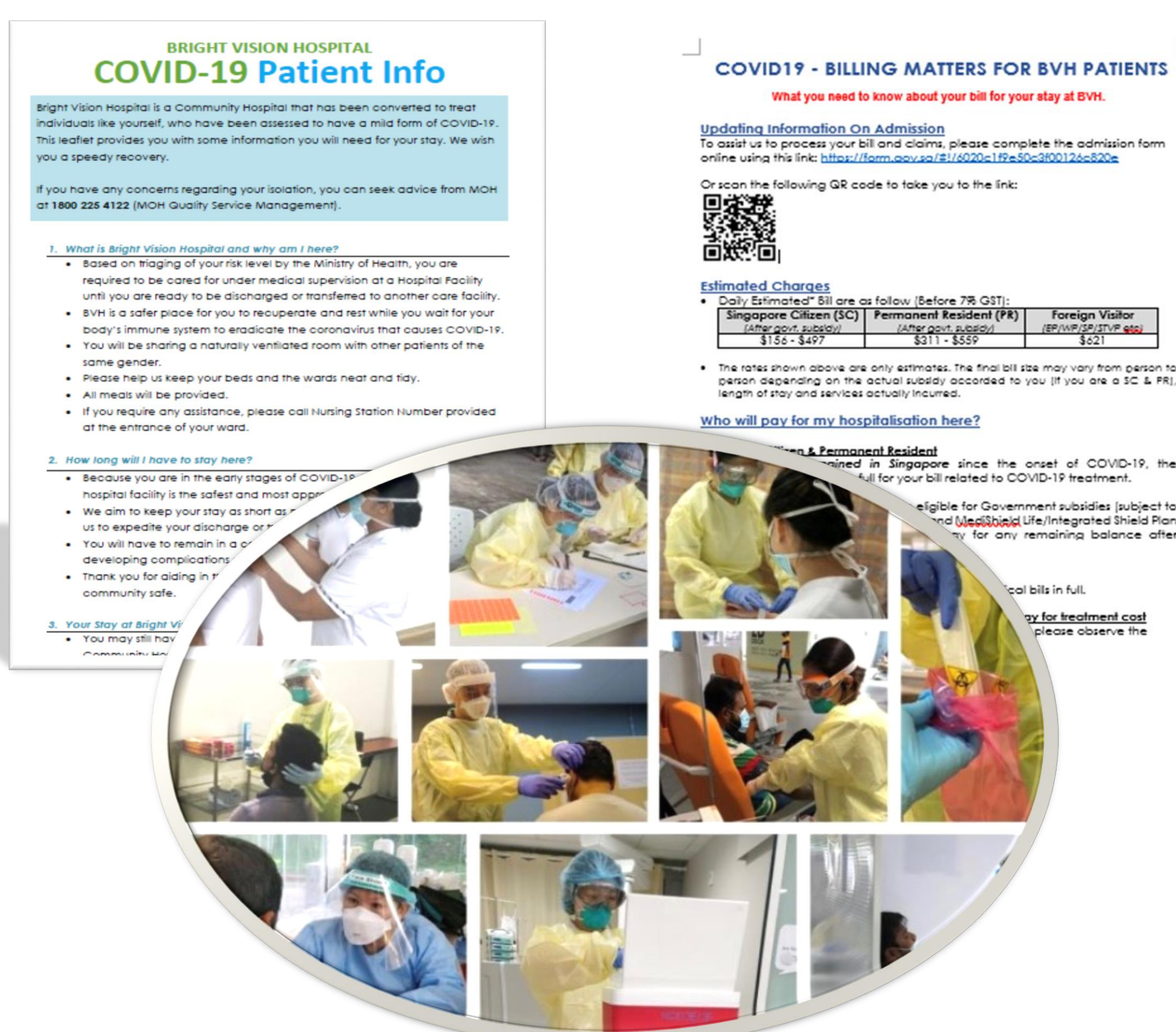
## Objectives

1. Mitigate financial risk of bad debt arising from foreign patients admitted in BVH due to COVID-19.
2. Ensure that foreign patients remain admitted and continue to receive care in BVH.
3. Find ways to engage and maintain patient whereabouts and that they are trackable.
4. Provide alert and feedback to MOH on challenges faced on the ground and what can be done to improve the protocol.

## Method

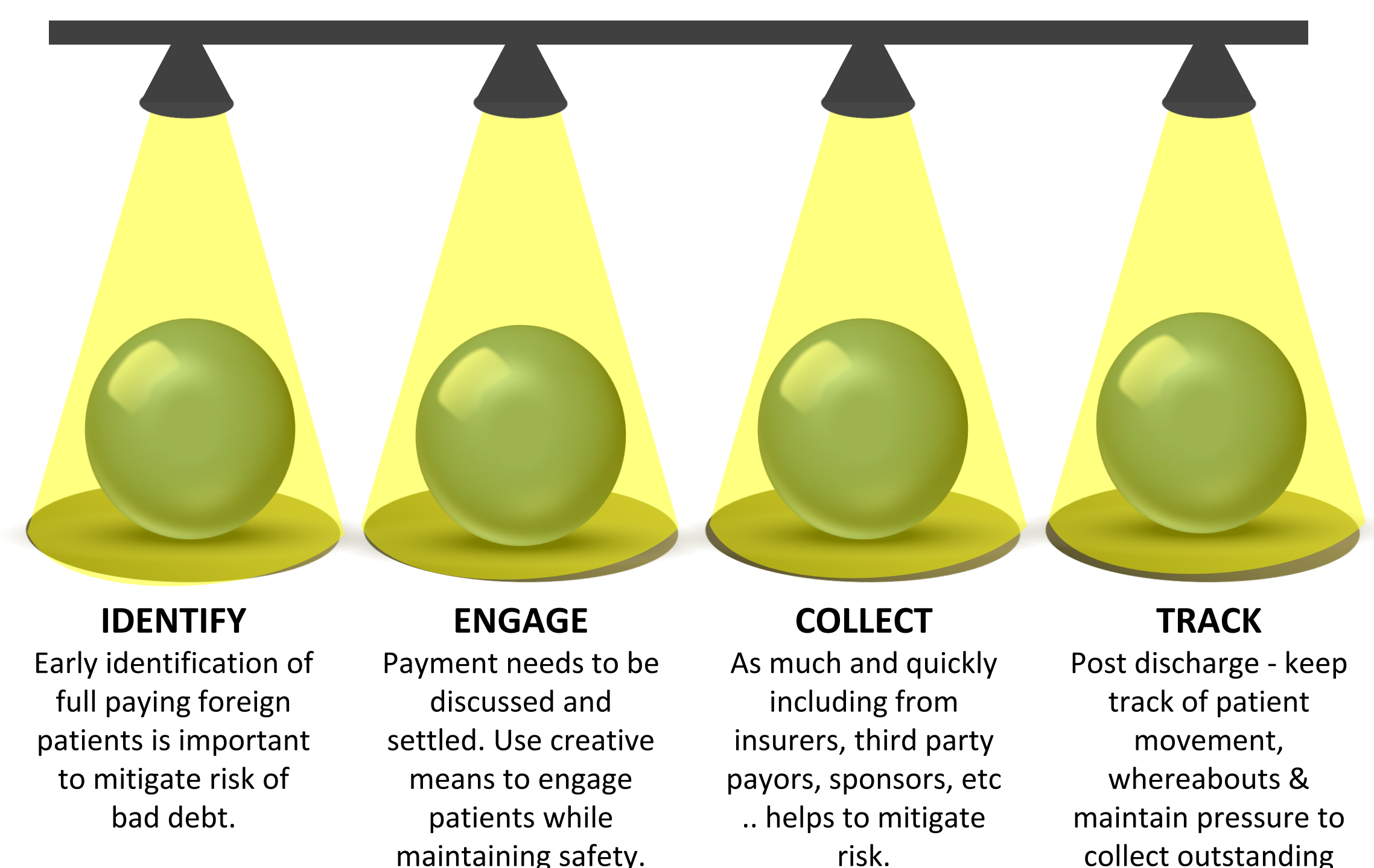
We adopt the PDCA (Plan-Do-Check-Act cycle) approach for this project.

In the “Planning” stage, we conducted a change analysis to identify the impact of changes in government rules and policies on COVID-19 and study the impact on BVH revenue and collection. Thereafter, we brainstorm the potential solutions and mitigation. E.g. admission of foreign patients with no deposit nor safety net could lead to uncollectable and bad debt. Yet, it is necessary to keep them off the streets and prevent spread of COVID-19. What other means can we do to mitigate this risk?



At the “Do” stage we executed the plans, schedule resources & time them well. We modified BO processes and the way we engage the patients to ensure safe, timely and effective collation of data for processing claims, aggressively tracking payment status and sending of reminders. By ensuring that patients whereabouts remain trackable and collecting as much as we could whilst they are still in constant communication.

## CORE STRATEGIES IN COLLECTION



This follows the “Check” phase where we track & review effectiveness of our strategies and make modification or improvements before “Act” stage of implementing the improved initiatives. The cycle is repeated from time to time making a system of continuous and on-going improvement.

## Result

The result is the recovery of revenues that would have otherwise been uncollectable and written-off as bad debt.

Out of the total billings of S\$1.2m due from Foreign Patients, we initially anticipated to be able to collect 50% but targeted 60% revenue recovery to push ourselves.

The actual recovered/collected was S\$1.0m or 83%.

Foreigners	FY2020 Jan to Mar21	FY2021 Apr to Jun21	FY2021 Jul to Sep21	FY2021 Oct to Dec21	FY2021 Jan22	FY2021 Feb22	FY2021 Mar22	Total
Billed (FB) \$	616,740.42	518,961.64	32,363.55	10,337.18	-	2,064.03	4,816.07	1,185,282.89
- Paid	521,035.94	385,307.19	19,271.53	-	-	-	1,376.02	926,990.68
- O/S	95,704.48	133,654.45	13,092.02	10,337.18	-	2,064.03	3,440.05	258,292.21
Known Cases with Issues reported to MOH	53,178.40	70,135.29	-	-	-	-	-	123,313.69
Billed (FB) Nos	270	247	7	2	1	1	2	529
- Paid	229	182	3	-	-	-	1	415
- O/S	41	65	4	2	-	1	1	114
Known Cases with Issues reported to MOH	25	34	-	-	-	-	-	59

## Conclusion

Responding to changes requires a systematic and coherent approach. It encompasses understanding the extent of the changes, the impact and the laying down of the strategic options to respond to the changes. PDCA is a systematic approach and has been very helpful in achieving the desire outcomes.