

## Effectiveness of the Community Health Assist Scheme in Reducing Market Failure in Singapore's Healthcare Sector

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**Abstract :** This study addresses the research question: How effective has the Community Health Assist Scheme (CHAS) been in reducing market failure in Singapore's healthcare sector? The CHAS policy, introduced in 2012 in Singapore, aims to improve accessibility and affordability of healthcare by offering subsidies to low and middle-income groups and elderly individuals for general practice consultations and healthcare. The investigation was undertaken by acquiring and analysing primary and secondary research data from 3 main sources, including handwritten survey responses of 334 individuals who were valid CHAS subsidy recipients (CHAS cardholders) from 5 different locations in Singapore, interview responses from two established general practitioner doctors with working knowledge of the scheme, and information from literature available online. Survey responses were analysed to determine how CHAS has affected the affordability and consumption of healthcare, and other benefits or drawbacks for CHAS users. The interview responses were used to explain the benefits of healthcare consumption and provide different perspectives on the impacts of CHAS on the various parties involved. Online sources provided useful information on changes in healthcare consumerism and Singapore's government policies. The study revealed that CHAS has been largely effective in reducing market failure as the subsidies granted to consumers have improved the consumption of healthcare. This has allowed for the external benefits of healthcare consumption to be realized, thus reducing market failure. However, the study also revealed that CHAS cannot be fully effective in reducing market failure as the scope of CHAS prevents healthcare consumption from fully reaching the socially optimal level. Hence, the study concluded that CHAS has been effective to a large extent in reducing market failure in Singapore's healthcare sector, albeit with some benefits to third parties yet to be realised. There are certain elements of the investigation, which may limit the validity of the conclusion, such as the means used to determine the socially optimal level of healthcare consumption, and the survey sample size.

**Keywords :** healthcare consumption, health economics, market failure, subsidies

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