

# OPINION

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The Straits Times says

## China faces prolonged trade tensions

**T**he pragmatic move by the Trump administration to reach a trade deal with Mexico should come as a relief to US businesses and consumers. But it is unlikely that this pragmatism will extend to the accelerated resolution of America's other trade disputes, particularly with China.

The US-Mexico trade agreement, reached earlier this week, will lay to rest apprehensions that the Trump administration might jettison the 24-year-old North American Free Trade Agreement (Nafta), which US President Donald Trump has repeatedly derided as "a disaster". Nafta has not been restored to its original state. Notably, in the US-Mexico deal, local content requirements have been raised (from 62.5 per cent to 75 per cent in

the case of cars, for example), which will divert some trade from Asia. Moreover, for reasons that remain unclear, Canada has so far been left out of the renegotiation, despite clearly expressed preferences from Mexico, US business interests and Canada itself for a trilateral deal. However, it is likely that some agreement with Canada will be reached in due course, although the negotiation promises to be more difficult than with Mexico, with US demands for improved access to Canadian markets for dairy and agricultural goods likely to harden. Even if Nafta is renamed, as Mr Trump wants, in the end it is likely that the North American market will remain roughly as integrated as before, albeit with some modifica-

tions in the provisions of the agreement.

Political observers suggest that the Trump administration's new-found pragmatism on trade may be driven by its desire to score a "policy win" prior to the mid-term congressional elections in November. The uncertainties surrounding Nafta were of great concern to US companies which not only engage in considerable cross-border trade but have also organised their sourcing and operations to maximise the opportunities opened up by Nafta. Moreover, several US states count Mexico or Canada as their top customers.

However, there appears to be no similar urgency to resolve the US trade dispute with China. Strikingly, the view that China indulges in

unfair trade practices has bipartisan appeal in the US. Not only Trump Republicans, but also moderate and left-of-centre Democrats such as senators Bernie Sanders and Elizabeth Warren support a hard line on trade policy towards China, even if they are not in favour of the tariffs imposed by the Trump administration. In addition, many of the differences the US has with China relate to structural policies such as indirect subsidies, the way state-owned enterprises operate and laws and regulations. Progress in US-China trade negotiations has been slow, and is likely to remain so. Thus, China, as well as Asian economies that participate in China-centred supply chains, must brace themselves for a prolonged period of trade tensions.

### HomeFront

## Are Singaporeans ready for Ah Kong to age in place?

Alternatives to nursing homes are being turned to more, such as care at home or in day centres. But is there enough capacity for such care, and enough staff? And is the financing system optimal to support this?



Rahimah Rashith

Eighty-six-year-old Madam Mak Seet Theng is paralysed on the left side of her body after a stroke in 2011.

Her condition means that she is bed-bound and has to be fed by a tube. She requires constant care and has to be moved throughout the day to prevent bed sores.

But rather than staying at a nursing home, Madam Mak prefers to live in her own home where she can still be around loved ones. Her daughter, who is single, and a helper are her primary caregivers.

Together, they take care of her every need. A doctor and nurses also visit.

"Caring for her at home requires a lot of discipline," said her daughter, who wants to be known only as Ms May. "But I am happy to let my mother age in place at home. Even though she is bedridden, we want to give her a good quality of life."

As Singapore prepares for a silver tsunami – by 2030, one in four Singaporeans will be aged 65 years and above – more people will spend their later years like Madam Mak at home or in a senior care centre.

In anticipation, the Ministry of Health's (MOH) long-term care expenditure grew from \$600 million in 2015 to \$800 million in 2016. That year, the Government pledged to add 6,200 daycare places, 10,000 home-care places and 17,000 nursing home beds by 2020. The MOH said earlier this month that it is still on track to achieve this.

The help is timely as a Lien Foundation report released this month cited the need to ramp up capacity of home and centre-based care. Its recommendations include boosting public spending on community and home care, tightening regulation of the sector and starting an informed conversation on what kind of care systems Singaporeans want.

Citing MOH figures, the study found that around 14,000 people used subsidised home and centre-based services in 2017, up from 12,000 the year before.

In contrast, the number of subsidised nursing home residents has remained stable at around 10,000 over the past two years, signalling a shift in the main mode of long-term care for seniors. This is in spite of ageing at home and in centres costing more than nursing homes in some situations.

While the shift from nursing homes was possible because of government initiatives to beef up community care capacity – for home and centre-based care it has more than doubled from 5,900 places in 2011 to 13,000 in 2017 – stakeholders are not convinced these are enough.

#### A YOUNG SECTOR TASKED TO LOOK AFTER THE OLD

They point to an emerging sector that does not have enough of a track record to cover all the bases.

One area of concern is the small pool of local and experienced caregivers. Care providers compete with one another, and especially against hospitals, for a limited pool of care workers. Currently, the sector is heavily dependent on foreigners, especially for lower-end personal care needs.

Regulation of the sector, especially among private providers, is also a pressing concern. While the Government has guidelines for home and centre-based care providers, these are not legally binding. Unlike nursing homes and childcare centres, home and centre-based care is not licensed in Singapore.

Only providers that receive government funding are subject to regulation. In the case of licensed care professionals such as doctors and nurses, if there is misconduct, disciplinary action is taken only against the individual rather than the errant employing agency. A private provider can simply replace one poor worker with another.

Affordability of long-term care services is also a concern for many Singaporeans. Cost concerns result in many dropping out of beneficial programmes or not following through with rehabilitation

treatments after leaving hospital.

Lien Foundation's study found that the unsubsidised monthly cost of looking after a severely disabled senior at home can be as high as \$3,100, while the full cost of using daycare services including transport can be nearly \$2,500 a month.

Tsao Foundation, one of the earliest providers of home and centre-based care services, estimates home-care charges before subsidies hover at \$108 for visit by nurse and \$252 for visit by doctor. Centre-based charges range from \$1,600 to \$2,200 a month. Meanwhile, the cost of home-care services from private care provider Homage ranges from \$18 to \$25 an hour and centre-based services from \$25 to \$40 an hour.

Even with subsidies, co-payment is a concern. Lower-income families still need to fork out 20 per cent after means-tested subsidies, while lower middle-income households have to co-pay 40 to 50 per cent for such services.

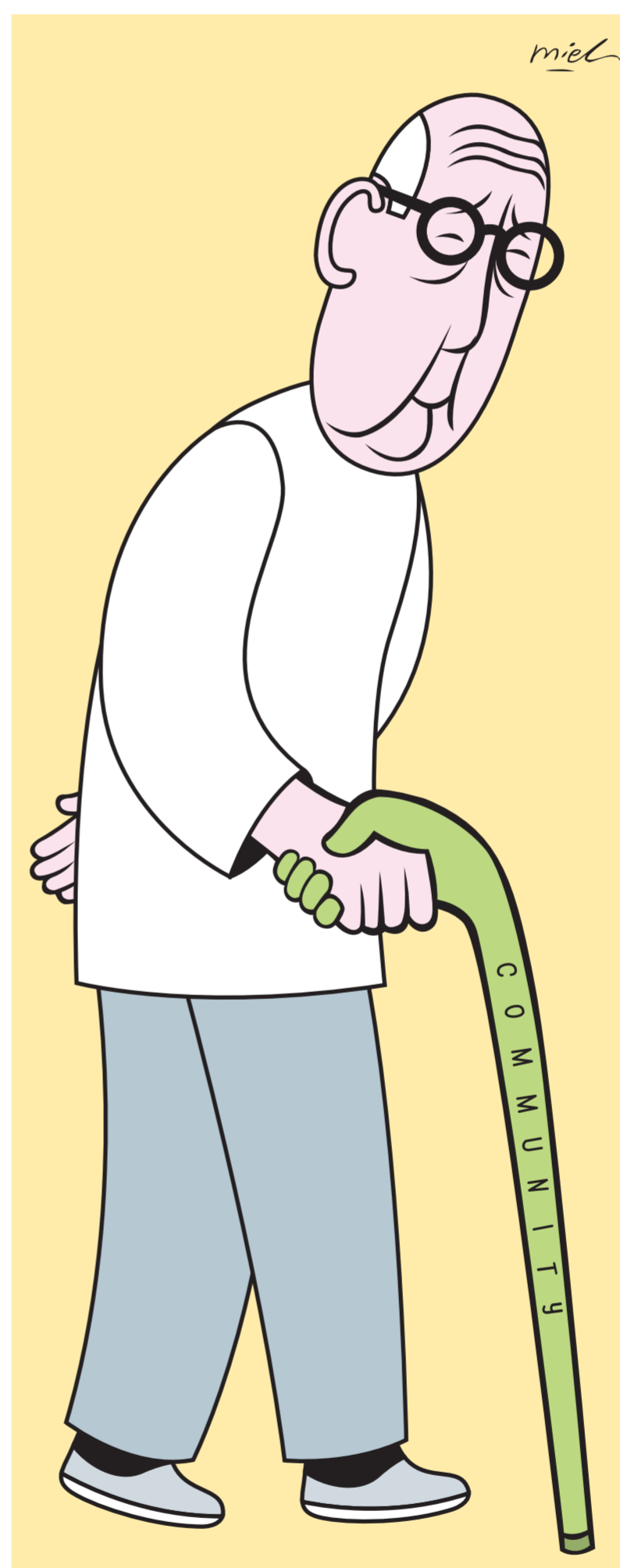
The chief executive of Tsao Foundation, Ms Peh Kim Choo, said there are older people who fall through the cracks and are unable to bear co-payment costs. "Their inability to pay often comes with deep embarrassment and fear of burdening their families."

Then there is the issue of lengthy waiting times. The median waiting time for general daycare is about 20 days, while that for dementia care is about 35 days. A forum letter to The Straits Times by reader Francis Lim also shone light on waiting times for respite care. To have a couple of days' rest from taking care of his brother, he had to give three months' notice and arrange an appointment with a doctor to do a medical assessment of him.

Some stakeholders suggest the Government pump more money into community and home care to ease the burden on users and providers. Up to two-thirds of all Singaporean households are eligible for subsidies, but families still have difficulty co-paying, say providers.

They may decline community- and home-care services and opt to use a domestic foreign worker, who is more affordable but untrained.

More subsidies can be targeted at seniors who are not severely disabled and so do not qualify for ElderShield or CareShield Life. Funding can also be extended to meet manpower needs. Post-tax salaries of support-care workers in other fast-ageing societies such as Japan and Hong Kong are at least twice that of Singapore.



Others, however, say that it may not be so simple nor sustainable to give unlimited subsidies in the long run. A balance needs to be struck, say experts.

Mr Keith Lee, director of Awwa Health and Senior Care, suggested that households can take the initiative to find out more about subsidy options and understand what help is already available. The Government could push for more public education and information through community touch-points such as residents' committees (RCs), community centres and polyclinics, he added.

Big strides have been made in eldercare over the recent years. But to have the Government alone shoulder the weight of a greying society may not be sustainable. Ultimately, to enable seniors to

age in the community, the community needs to lend a helping hand. This would mean enabling stakeholders – including families, eldercare providers, healthcare professionals and seniors – with more resources such as information.

Indeed, industry players have called for more data to help with long-term planning, such as on demand for services and supply plans by the Government.

For example, estates with the highest concentration of elderly folk such as Kallang/Whampoa, Marine Parade, Clementi and Queenstown would need more community and home eldercare services.

Every area has different demographics and data would help providers prioritise services

according to geographical area needs, said Mr Lee, adding that the information can also come from the community such as RCs and community centres.

Learning from successful models from around the world can also help cut costs. For instance, On Lok is a long-term care organisation that has served the San Francisco elderly for the past 48 years. Its programme provides eligible seniors medical, social and long-term care by coordinating services at both homes and centres, depending on individual needs. Seniors may be transported to centres for care services and transported back home for continued home care at the end of the day.

#### IS AH KONG READY TO AGE IN PLACE?

So are families ready for Ah Kong (grandpa) to age at home?

Not quite yet. The cost of community and home care continues to burden many families. Some cannot afford to pay for home or community care, even after subsidies.

The current financing structures continue to direct many elderly folk towards hospitalisation, rather than home and community care, even when they do not require hospital treatment.

Experts said that many people find community or home care less appealing than being in hospital because they cannot use their Medisave to pay for the former and have to fork out cash. A 2015 study of daycare centres found that clients preferred to attend accredited rehabilitation centres because they could use Medisave or Medifund to pay.

From 2020, schemes like Medisave, CareShield Life and Elderfund will give additional help to severely disabled seniors, but the benefits should be expanded to an even wider group of seniors because, after all, only 6.6 per cent of the current cohort of seniors are severely disabled.

Allowing more elderly folk to use Medisave for long-term care before they reach the stage of severe disability can encourage people to use eldercare services that help to delay ill health and frailty. Safeguards can be put in place to prevent abuse, such as medical screening and assessment of family circumstances.

More can be done to ease the later years of seniors. As plans are afoot to fortify the sector down the road, immediate help can be given to regulation and administrative matters in dealing with issues such as waiting times.

Ageing has enormous implications for both the elderly and their families. Even as Singapore works to enable seniors to remain healthy and active for as long as they can, increasing numbers will need care.

A paradigm shift is needed if more seniors are to age in the community with dignity. To make ageing in the community a reality, collaborations and conversations with stakeholders in the community, including the Government, healthcare providers, families and the elderly, are needed.

It is often said that it takes a village to raise a child. Similarly, it takes a community to care for the aged.

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