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Thomson Medical to offer early start to lifelong wellness

It wants to help patients take preventive action while still young and healthy so that they need not have to spend so much on treatment for age-related diseases later in life.

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"With fewer and later marriages, every birth becomes so precious. The proportion of births that would require some form of assistance will grow, not just in Singapore, but across the region." - Roy Quek, chief executive (above), Thomson Medical Group, explaining why fertility will be an area of focus for the group. BT PHOTO: KUA CHEE SIONG

As lifespans lengthen, Thomson Medical Group (TMG), known for its expertise in obstetrics and gynaecology, is broadening its horizons to include healthcare services to ease ageing pains.

No, TMG is not venturing into geriatrics. But the Singapore-listed group is embracing preventive care, which starts when individuals are young and healthy, to reduce the amount of treatment and costs needed to tackle age-related diseases later in life.

"A lot of personalised healthcare has been about fighting diseases. But it needs to start before that (happens). It should be a personalised roadmap to staying healthy for longer, and that includes preventive action against certain diseases we can identify early," said TMG chief executive Roy Quek.

Mr Quek spoke with The Business Times at TMG's flagship Thomson Wellth Clinic, which opened at Paragon Medical Centre last month. It serves as the physical manifestation of Thomson Wellth, its one-stop health and wellness service platform launched two years ago to encourage a more holistic approach to lifelong care.

TMG plans to leverage its involvement in people's lives from birth to get them started early on the wellness journey, and will be targeting professionals, managers, executives and technicians (PMETs) and families. Thomson Wellth offers services such as health screenings and diagnostic radiology under one roof.

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In the case of cancer, consistent early detection could eventually allow doctors to treat it as a chronic disease rather than a terminal illness, Mr Quek said. "But all this can only be done if people are aware and knowledgeable, particularly about themselves," he added.

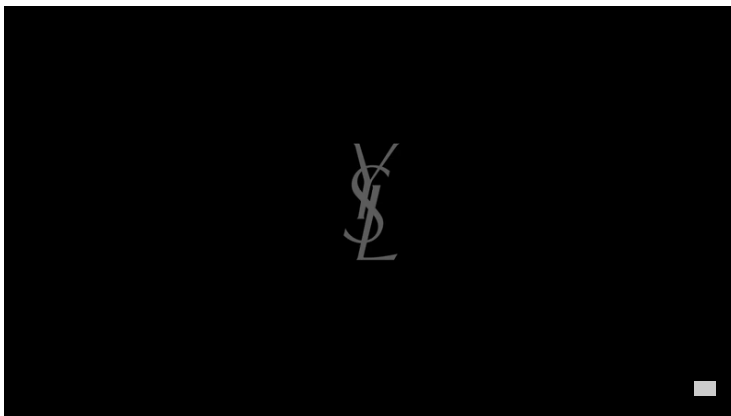
Although TMG wants to provide medical care for more stages of life, it plans to focus on being best in class for a select range of specialisations.

The five areas of obstetrics and gynaecology, paediatrics, fertility, oncology and preventive health and wellness will make up its main scope, said Mr Quek. Its hospitals will provide other healthcare services as required, but TMG is not looking to be a Jack of all trades.

"We don't need to do everything. I am a firm believer in partnerships, so if there are things we don't do, we can easily make referrals to partners that we work with," said Mr Quek.

In March this year, the group teamed up with Brigham Health International and Dana-Farber Cancer Institute to promote advances in women's health and oncology. These partnerships will enable TMG to delve into research and deliver better outcomes for patients, Mr Quek said.

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Another area of focus, fertility, is expected to get a boost as demand for fertility treatments grows with more couples choosing to get married and have children later in life.

Noted Mr Quek: "With fewer and later marriages, every birth becomes so precious. The proportion of births that would require some form of assistance will grow, not just in Singapore, but across the region."

He cited a 2018 study by the Malaysian Healthcare Travel Council (MHTC), which estimated that around 90 million couples in China are trying to conceive a second child. About half of these couples are over 40 years old, which means they will likely face some challenges in having their second child, while a proportion of the other half, who are in their 30s, will also face challenges.

TMG hopes to tap this demand through its Malaysia hospitals. While foreign patients currently make up about 10 per cent of its clientele, it is working to accommodate more by tripling capacity at its 200-bed facility in Kuala Lumpur. It also plans to open the Thomson Iskandar Medical Hub in 2024, which will include the 500-bed Iskandariah Hospital.

"We do get a lot of patients from China coming into our operations in Singapore, but more so in Malaysia, in particular for fertility," Mr Quek noted. "They come to Malaysia for fertility treatments because Malaysia is open and welcoming, and MHTC goes out and actively promotes Malaysia as a tourist destination."

The Thomson Wellth business will be another key area for TMG, as it breaks into the trillion-dollar global health and wellness industry. Mr Quek projects that Thomson Wellth will soon represent a quarter of the group's earnings.

"Knowing potential problems and being able to do something about it, to me, is worth doing. Going forward, more people will see this as important and will want to do it," he said. "Eventually, we will create a virtuous circle of people coming to us when they're very healthy, and we'll help them stay healthier for longer."

Nodal centres

The Thomson Wellth Clinic is also just the first of TMG's nodal centres - larger platforms where several services are co-located, enabling individuals and even families to get multiple needs met in one visit.

Not only does this concept increase convenience for patients, it also results in cost savings for TMG. For instance, TMG pays less per square foot when leasing larger spaces, and for each nodal centre built, several smaller clinics in the area can be closed down.

TMG intends to build one or two more in Singapore, and set up nodal centres in Malaysia as well. "The services could be slightly different at each one, but the concept is co-location, multidisciplinary services with a Wellth component," Mr Quek said.

He is acutely aware of cost and profitability issues, as financing costs associated with the acquisition of the healthcare business in April 2018 continue to eat into TMG's bottom line. This will be the case for a while more, he said, "certainly for this financial year".

The group will work on keeping the fundamentals of its business strong, and consider taking corporate actions to pare down the debt. Its maiden bond offering in July was twice subscribed, which Mr Quek believes shows underlying trust in TMG.

Its facilities in both Singapore and Malaysia are currently operating at full capacity, and while the capacity expansion in Malaysia will likely take up to three years to turn profitable, the group expects a significant revenue boost once that happens.

"At that hospital (in KL) alone, if I look at the numbers, my costs will not double or triple (with the capacity increase)," Mr Quek explained. "They will rise slower because we can manage synergies and economies of scale, whereas the revenue potentially

will double or triple."

These profitability concerns were part of the reason why TMG spun off its real estate business in January 2019, as the market was faring poorly and it was eager to focus on healthcare services without having to bear the real estate losses.

"It works for both groups. They are in the process of rebuilding and transforming RSP (Holdings) as well. It's been around for a long time, so it's timely to have fresh impetus," he added.

The road ahead for TMG leads further into Asia. The group intends to form joint ventures with local partners in Indonesia, Vietnam and China to build and run hospitals together.

"Local knowledge plus our experience and expertise - if you put the two together, it will make for a very powerful combination," Mr Quek said. "Based on our discussions with partners we've identified in these countries, that seems to be how they want to operate with us as well.

"For us, it's very simple - we want to learn from the locals as much as they want to benefit from our capability and capacity."

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