



**MINISTRY OF HEALTH**  
SINGAPORE

# Introduction to MediShield

27 September 2008

# Today's Programme

- **Our Healthcare System**
- **Introduction to Basic MediShield**
- **Q & A**

## We Achieve Good Healthcare at Reasonable Cost

Procedure	US Bill Size (in S\$)	Singapore Bill Size (50 <sup>th</sup> percentile) (S\$)		
		A	B2	C
Surgical removal of womb	29,000 – 42,000	6,320	1,560	1,310
Heart bypass	175,000 – 253,000	23,600	3,710	2,900
Knee replacement	59,000 – 84,000	14,780	4,300	3,730
Angioplasty (enlarging heart vessel)	82,000 – 119,000	15,850	4,590	3,600

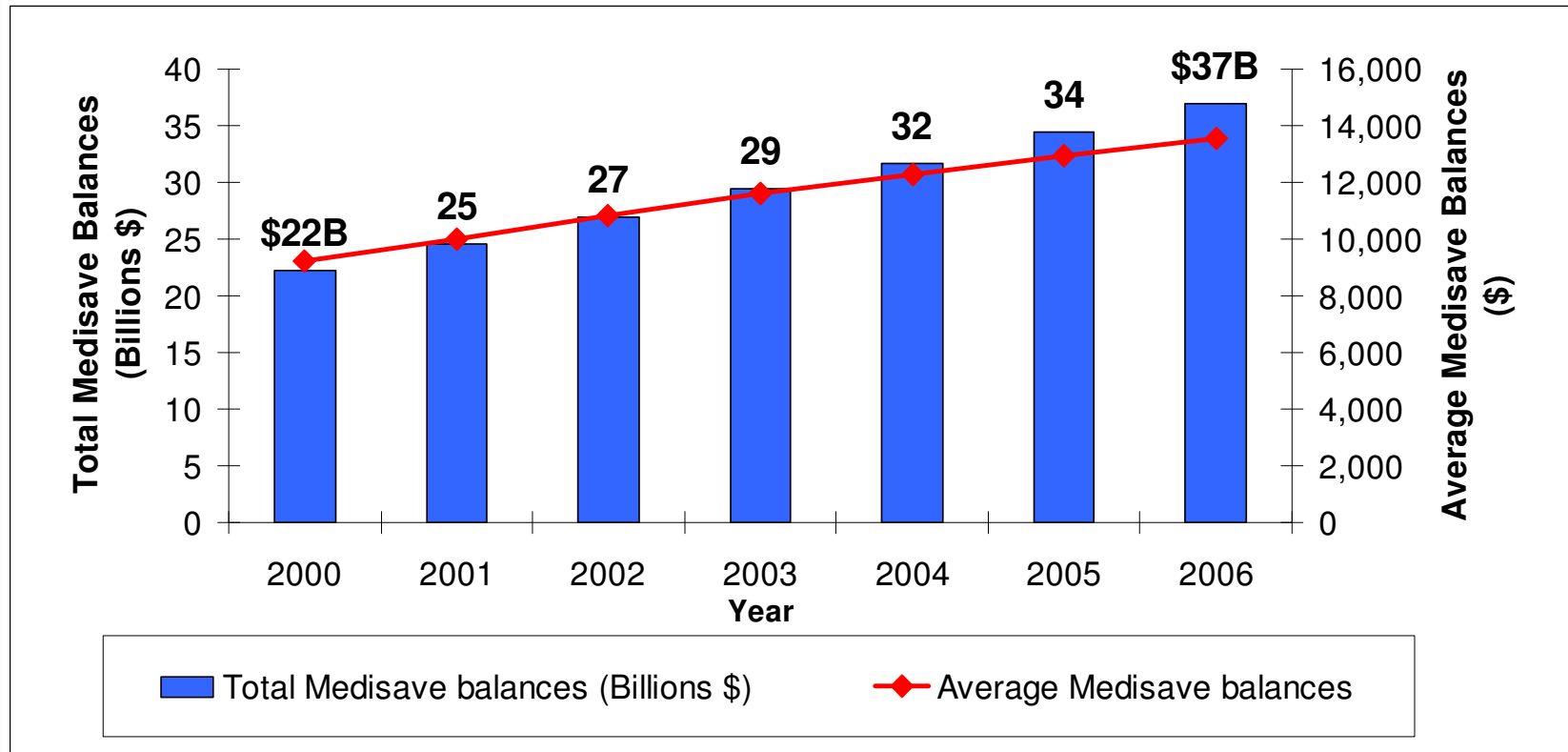
## We Heavily Subsidise Hospital Bills to make them Affordable

- 72% of patients in public hospitals stay in Class B2 / C

Ward Class	Subsidy Level	Bill Size (S\$)		
		Median	70 <sup>th</sup> Percentile	90 <sup>th</sup> Percentile
A	0%	2,390	3,870	7,820
B1	20%	1,870	3,170	6,910
B2	65%	740	1,180	2,710
C	80%	580	950	2,270

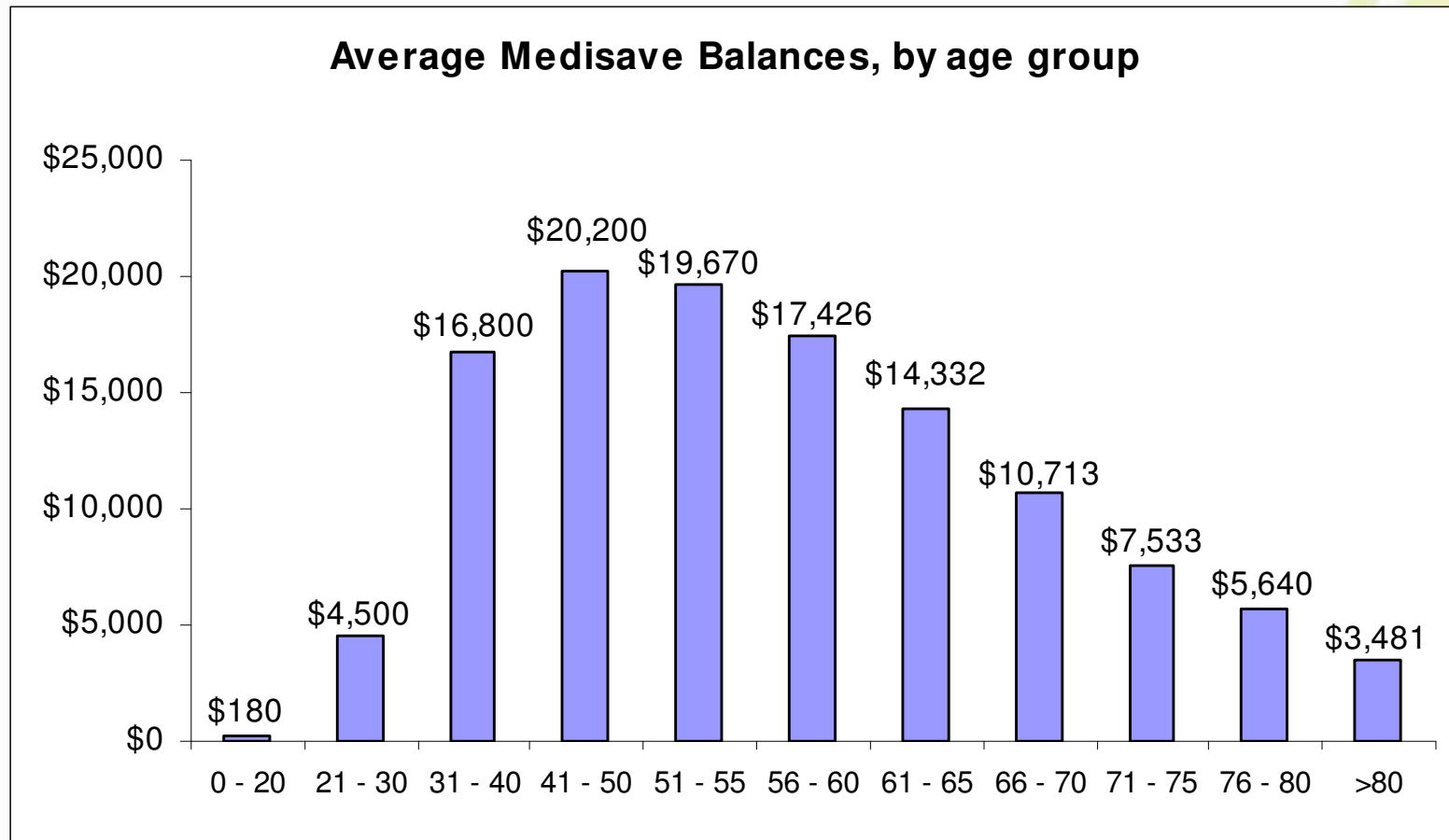
- But we do not subsidise 100% because “free” healthcare leads to wastage and over-consumption
  - Many negative examples in US, Europe and other developed countries

## Our Medisave makes Subsidised Bills More Affordable



- Average Medisave balance of \$14,100 can pay for:
  - 10 x Class B2 hospitalisations, or 11 x Class C hospitalisations
- Majority of inpatients use Medisave to pay for hospitalisation

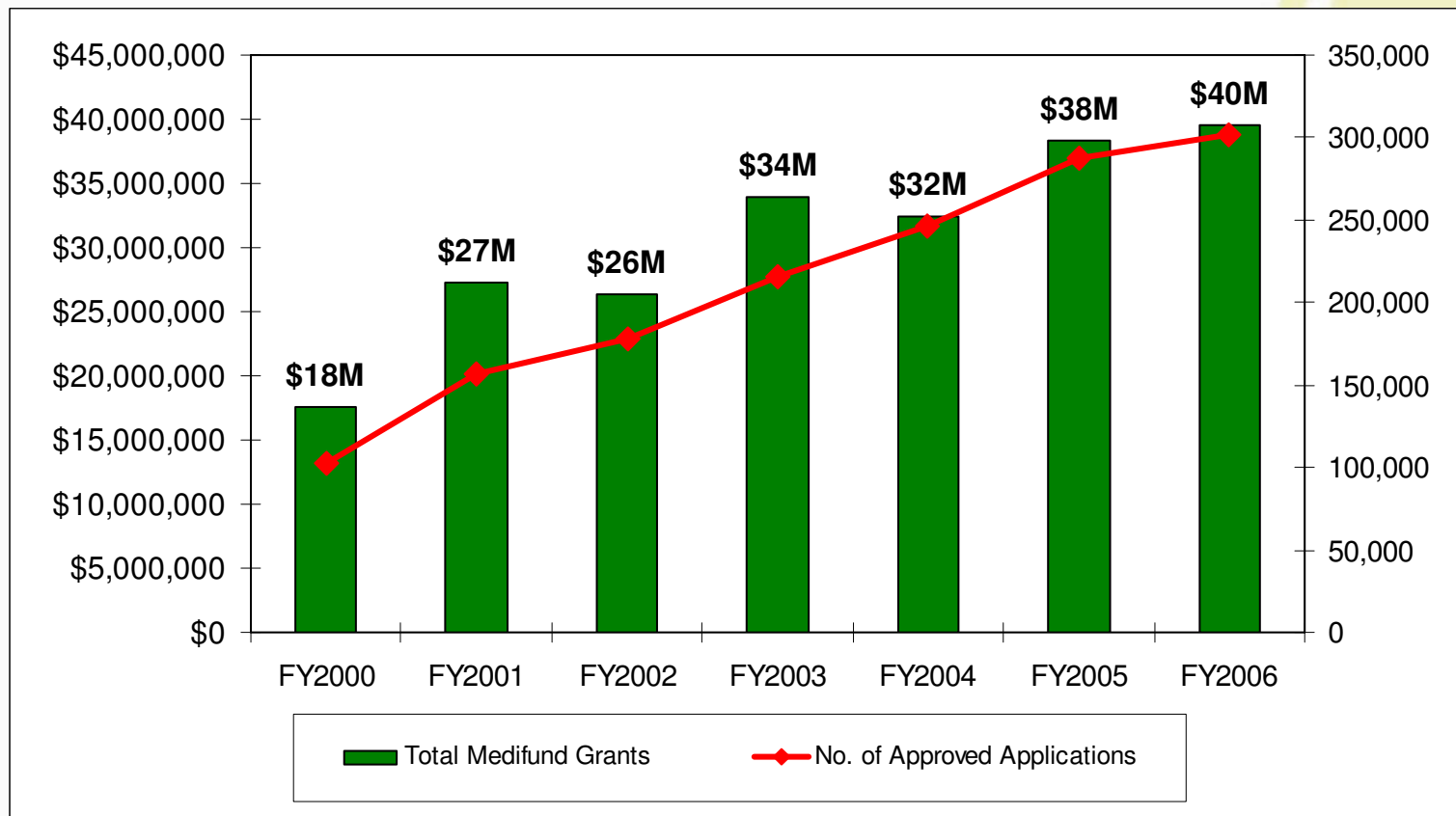
## Our Medisave makes Subsidised Bills More Affordable



- Balances are generally healthy although Medisave only started in 1984
- Most Medisave balances can pay for several hospitalisations

## Our Medifund Further Helps the Most Needy Patients

- An endowment fund set up in 1993 with a fund size of \$1.6 billion in 2008
- Interest income used to help needy Singaporeans pay for their medical expenses



## **Our Medifund Further Helps the Most Needy Patients**

- Safety net for Singaporeans who cannot afford medical expenses, even after government subsidy, Medisave and MediShield
- Ensures no Singaporean is denied access to basic medical care because of inability to pay

# **Introduction to Basic MediShield**

## **MediShield Covers Large B2/C Hospitalisation Bills**

- MediShield is a basic national medical insurance scheme
- Meant to protect against very large Class B2/C hospital bills that Medisave may not be sufficient to cover
- MediShield premiums can be paid for by Medisave (self or immediate family members)

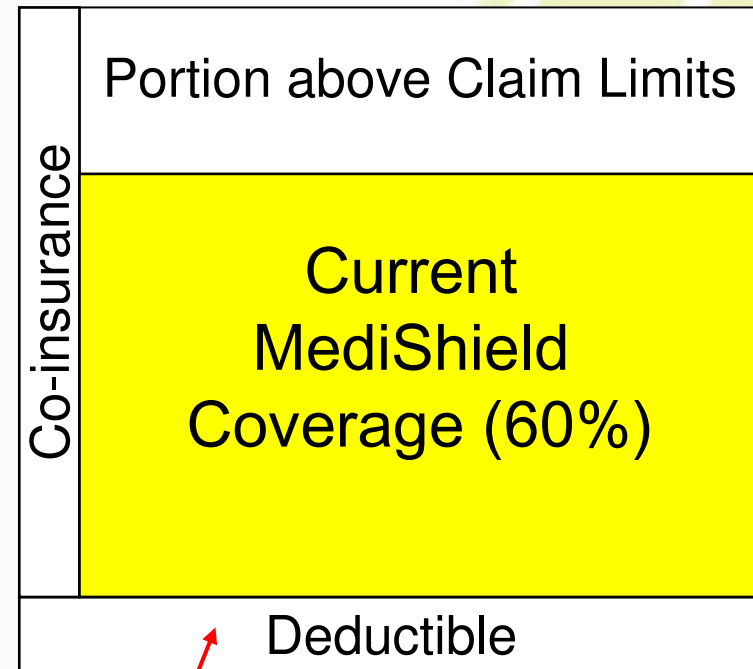
## Co-payment under MediShield

### Deductible

- Patient pays the first \$1,500 / \$1,000
- Pay small bills with Medisave / cash, to keep premiums affordable
- MediShield kicks in after the deductible

### Co-Insurance

- MediShield pays majority of claim
- Patient pays small 10-20% co-insurance
- This reduces over-consumption and over-servicing, and avoids “buffet syndrome”



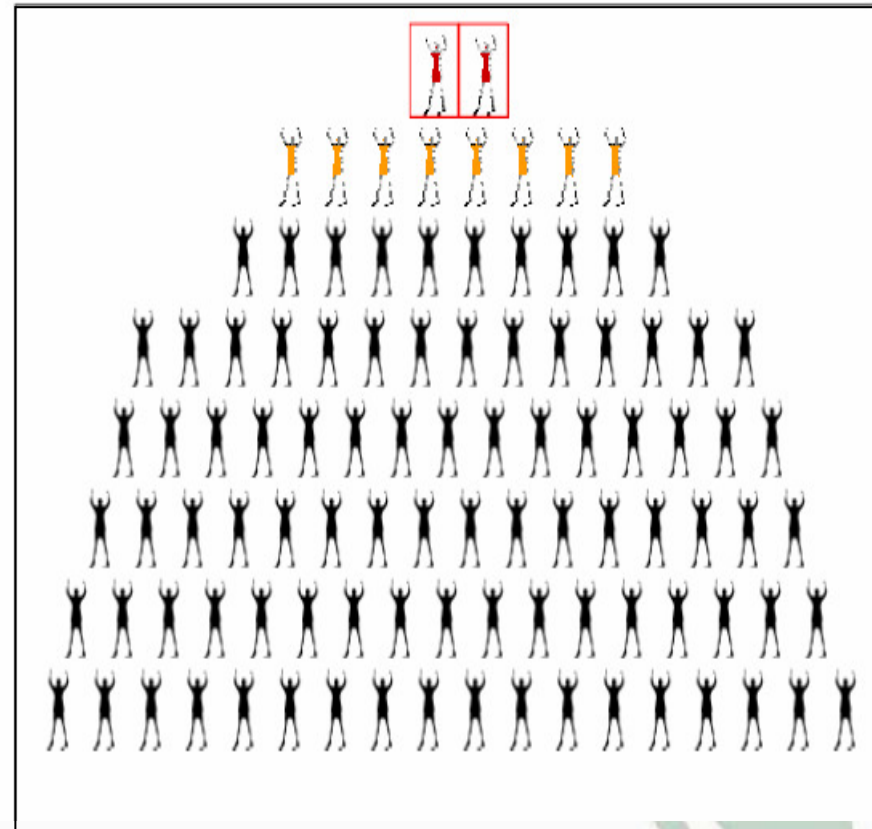
**MediShield insures against the small risk of catastrophic bills: 7 in 10 Class B2/C bills are less than the deductible**

## Any Application for MediShield is Subject to Good Health

- MediShield does not outright reject applicants with special needs.
  - Each applicant is assessed based on their medical conditions, if any
  - This means the same entry condition is required for all applicants, i.e. whether they are healthy at the point of entry and have no pre-existing illnesses
- Persons with congenital or pre-existing conditions can join MediShield to obtain coverage for medical treatment that is not related to their condition
  - Only a few cases may be rejected from MediShield: can re-apply if condition improves

## Why Exclude Pre-existing conditions?

- An individual would not know his/her likelihood of incurring a large or catastrophic bill
- **Solution:** Through insurance, bring large numbers of people together to share the risk of incurring a catastrophic bill
- If pre-existing illnesses were covered, potential policyholders would delay subscription until they are sick
  - This defeats the principle of insurance
  - Hence, encourage early subscription before illnesses develop e.g. cancer



## Benefits of MediShield

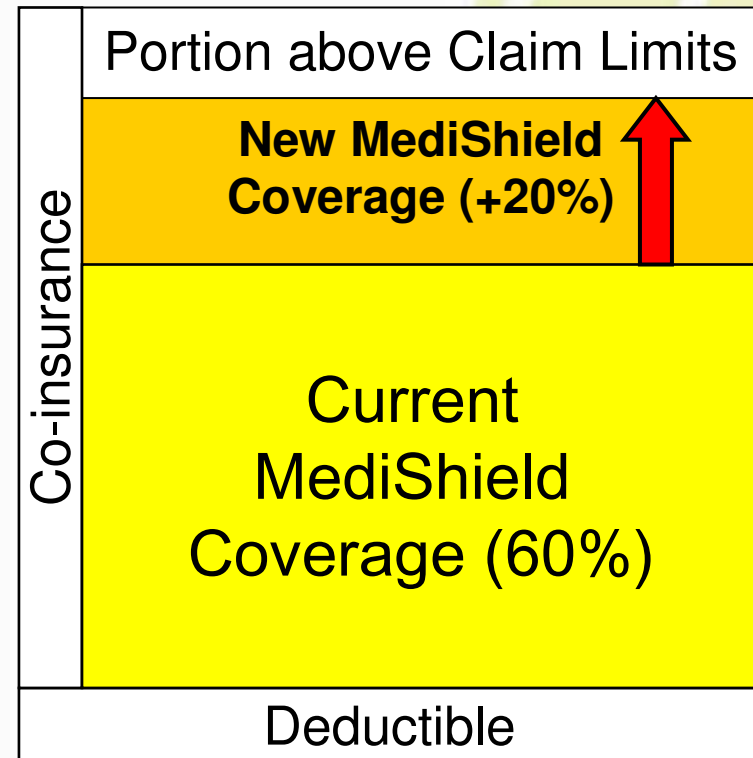
- MediShield can be used for the following:
  - For hospitalisation
    - Daily claim limits for normal hospital stays and for ICU
    - Claim limits for surgical procedures
    - Claim limits for implants
  - For expensive outpatient treatments
    - Chemotherapy for cancer treatment
    - Radiotherapy for cancer treatment
    - Renal Dialysis

## MediShield is a Basic Insurance Scheme

- MediShield does not cover certain treatments, e.g.:
  - Overseas medical treatment
  - Cosmetic surgery
  - Infertility and assisted conception or any contraceptive operations
  - Maternity charges
  - Congenital anomalies, hereditary conditions and disorders (e.g. Down Syndrome, Muscular Dystrophy, Atrial Septal Defect)
  - Treatment of pre-existing illnesses
  - Mental illness and personality disorders
  - Vaccinations
- Introducing new benefits into MediShield will cost more in premiums
  - Premium increases need to be acceptable to Singaporeans
  - We continue to study changes in population needs and expectations

## We are Further Improving Basic MediShield from 1 Dec 08

- We are improving Basic MediShield, to further reduce the burden
- Today's patient co-payment is at least 40%
- We will halve patient co-payment, to 20%
  - i.e. MediShield to cover **up to 80% of large Class B2/C bills**



## We are Further Improving Basic MediShield from 1 Dec 08

MediShield Claim Limits	Current	New
<b>Inpatient / Day Surgery Benefits</b>		
<b><i>Daily Ward and Treatment Charges</i></b>		
- Normal Ward	\$250 per day	<b><u>\$450</u></b> per day
- ICU Ward	\$500 per day	<b><u>\$900</u></b> per day
- Community Hospital	\$250 per day	\$250 per day
<b><i>Surgical Procedures</i></b>		
- Table 1 (less complex)	\$150	\$150
- Table 2	\$300	<b><u>\$360</u></b>
- Table 3	\$600	<b><u>\$720</u></b>
- Table 4	\$720	<b><u>\$800</u></b>
- Table 5	\$840	\$840
- Table 6	\$960	\$960
- Table 7 (more complex)	\$1,100	\$1,100
<b><i>Implants / Medical Consumables</i></b>	\$2,500	<b><u>\$7,000</u></b>

## We are Further Improving Basic MediShield from 1 Dec 08

- Outpatient cancer limits for chemotherapy and stereotactic radiotherapy will be updated to take into account medical inflation

MediShield Claim Limits	Current	New
<b>Outpatient Cancer Benefits</b>		
- Chemotherapy for cancer <ul style="list-style-type: none"> <li>• Per 7-day treatment cycle</li> <li>• Per 21- or 28-day treatment cycle</li> </ul>	\$150 \$700	<u><b>\$270</b></u> <u><b>\$1,240</b></u>
- Stereotactic Radiotherapy for Cancer <ul style="list-style-type: none"> <li>• Per treatment</li> </ul>	\$1,000	<u><b>\$1,800</b></u>

## **Working with Singaporeans to Keep Healthcare Affordable**

1. We will continue to invest heavily in healthcare
2. We will continue to raise healthcare standards
3. We will keep good healthcare affordable for Singaporeans

# Thank you

## Q&A

For more details, visit

MOH website: <http://www.moh.gov.sg>

CPF website: <http://www.cpf.gov.sg>