

Overview of Subsidy Changes

Enhancements to Medication Assistance Fund (MAF) Subsidy Framework – effective from 1 September 2022

As announced earlier, more Singapore residents will benefit from the extension of MAF subsidies at our PHIs from 1 September 2022. Singaporeans with per capita household income (PCHI) between \$2,800 and \$3,300 will be eligible for 50% subsidies, while those with PCHI between \$3,300 and \$6,500 will be eligible for 40% subsidies. MAF subsidies of 20% will also be extended to Permanent Residents (PRs) with monthly PCHI up to \$6,500. This subsidy enhancement will be extended to all eligible patients automatically for all new prescriptions, and will apply to all drug-indications listed on MAF. The list of subsidised drugs will be regularly reviewed to ensure it is sufficiently comprehensive to meet the needs of our local population, while taking into account evidence on clinical and cost effectiveness. [Table 1](#) shows the revised MAF subsidy framework for Singaporeans and PRs.

Table 1: Subsidies for drugs under the Medication Assistance Fund

Monthly PCHI	Subsidy	
	Singaporeans	Permanent Residents
$\$0 \leq \text{PCHI} \leq \$2,000$	75%	20%
$\$2,000 < \text{PCHI} \leq \$3,300$	50%	
$\$3,300 < \text{PCHI} \leq \$6,500$	40%	
$\text{PCHI} > \$6,500$	0%*	0%*

*In exceptional deserving cases, MAF may be extended upon appeal.

Changes to the Acute Inpatient Subsidy Framework – effective from 1 November 2022

2. MOH will change the basis of means-testing in the acute inpatient setting from individual monthly income to PCHI which better reflects the means of the patient. For example, an income-earner supporting a family of four will get more subsidies than an income-earner with the same income but with just one dependent. In addition, while drugs in the acute inpatient setting are currently subsidised at 50%, MOH will introduce means-testing by PCHI, and subsidies for the lower-income group will be raised to 75%.

3. MOH will also adopt a single common subsidy framework for B2 and C wards. The revised framework that will apply to both subsidised B2 and C wards will continue to range from 50% to 80%. There is no change to the maximum and minimum subsidy levels, as the purpose of the revision is to better target subsidies. Ward charges will remain differentiated for B2 and C wards, and patients can continue to choose between these wards. The B2/C wards subsidy framework will also be applied to day surgeries where subsidies are 65% today.

4. Table 2 shows the revised subsidy framework for Inpatient B2 and C wards, as well as Day Surgery, for Singapore Citizens (SCs) at public acute hospitals. Table 3 shows the revised subsidy framework for Inpatient Drugs for SCs.

Table 2: Day Surgery, and Inpatient B2 and C subsidy framework for SCs

Monthly PCHI	Subsidy
No PCHI	AV ¹ ≤ \$13k: 80% AV > \$13k: 50%
\$0 < PCHI ≤ \$1,800	80%
\$1,800 < PCHI ≤ \$2,000	75%
\$2,000 < PCHI ≤ \$2,200	70%
\$2,200 < PCHI ≤ \$2,500	65%
\$2,500 < PCHI ≤ \$2,800	60%
\$2,800 < PCHI ≤ \$3,100	55%
PCHI > \$3,100	50%

Table 3: Acute Inpatient Drugs subsidy framework for SCs

Monthly PCHI	Subsidy
No PCHI	AV ≤ \$21k: 75% AV > \$21k: 50%
\$0 < PCHI ≤ \$2,000	75%
PCHI > \$2,000	50%

Changes to the Community Hospital (CH) Subsidy Framework – effective from 1 November 2022

5. The maximum subsidy level at community hospitals will be raised and aligned with that of the acute inpatient subsidy framework at 80% of the hospitalisation bill. The minimum subsidy level will also be raised to 30%. Overall, almost all patients will see an increase in subsidies. The revised CH subsidy framework will apply to inpatient sub-acute and rehabilitative care at community hospitals. MOH will also introduce means-testing to CH drugs subsidies, and subsidies for lower PCHI groups will be raised from the current 50% to 75%.

¹ Annual value (AV) is the estimated gross annual rent of a property if it were to be rented out, excluding furnishings and maintenance fees. It is determined by the Chief Valuer's Office based on estimated market rentals of similar or comparable properties, and not on the actual rental income received. All references to AV refer to AV of the patient's residence.

6. Table 4 shows the revised CH inpatient subsidy framework for SCs. Table 5 shows the revised subsidy framework for CH Drugs for SCs.

Table 4: CH inpatient subsidy framework for SCs

Monthly PCHI	Subsidy
No PCHI	AV ≤ \$13k: 80% AV > \$13k: 30%
\$0 < PCHI ≤ \$1,200	80%
\$1,200 < PCHI ≤ \$2,000	70%
\$2,000 < PCHI ≤ \$2,200	60%
\$2,200 < PCHI ≤ \$2,800	50%
\$2,800 < PCHI ≤ \$3,300	40%
PCHI > \$3,300	30%

Table 5: CH Drugs subsidy framework for SCs

Monthly PCHI	Subsidy
No PCHI	AV ≤ \$21k: 75% AV > \$21k: 50%
\$0 < PCHI ≤ \$2,000	75%
PCHI > \$2,000	50%

Changes to the Specialist Outpatient Clinic Subsidy Framework – effective from 1 January 2023

7. MOH will introduce two new subsidy tiers in public specialist outpatient clinics (SOCs) for patients whose PCHI is above \$3,300. For those with PCHI above \$3,300 and not more than \$6,500, subsidies will be set at 40%. For those with PCHI more than \$6,500, it will be set at 30%. For a family of four, these PCHI levels correspond to household incomes of \$13,200 and \$26,000 a month respectively. These changes will allow resources to be distributed to those who are of greater need.

8. With better targeted subsidies at SOC, MOH will allow private patients in the inpatient setting to opt for subsidised follow-up care at the SOC based on the means testing framework.

9. Table 6 shows the new SOC subsidy framework for SCs.

Table 6: SOC subsidy framework for SCs

Monthly PCHI	Subsidy
No PCHI	AV ≤ \$13k: 70% \$13k < AV ≤ \$21k: 50% AV > \$21k: 30%
\$0 < PCHI ≤ \$1,200	70%
\$1,200 < PCHI ≤ \$2,000	60%
\$2,000 < PCHI ≤ \$3,300	50%
\$3,300 < PCHI ≤ \$6,500	40%
PCHI > \$6,500	30%