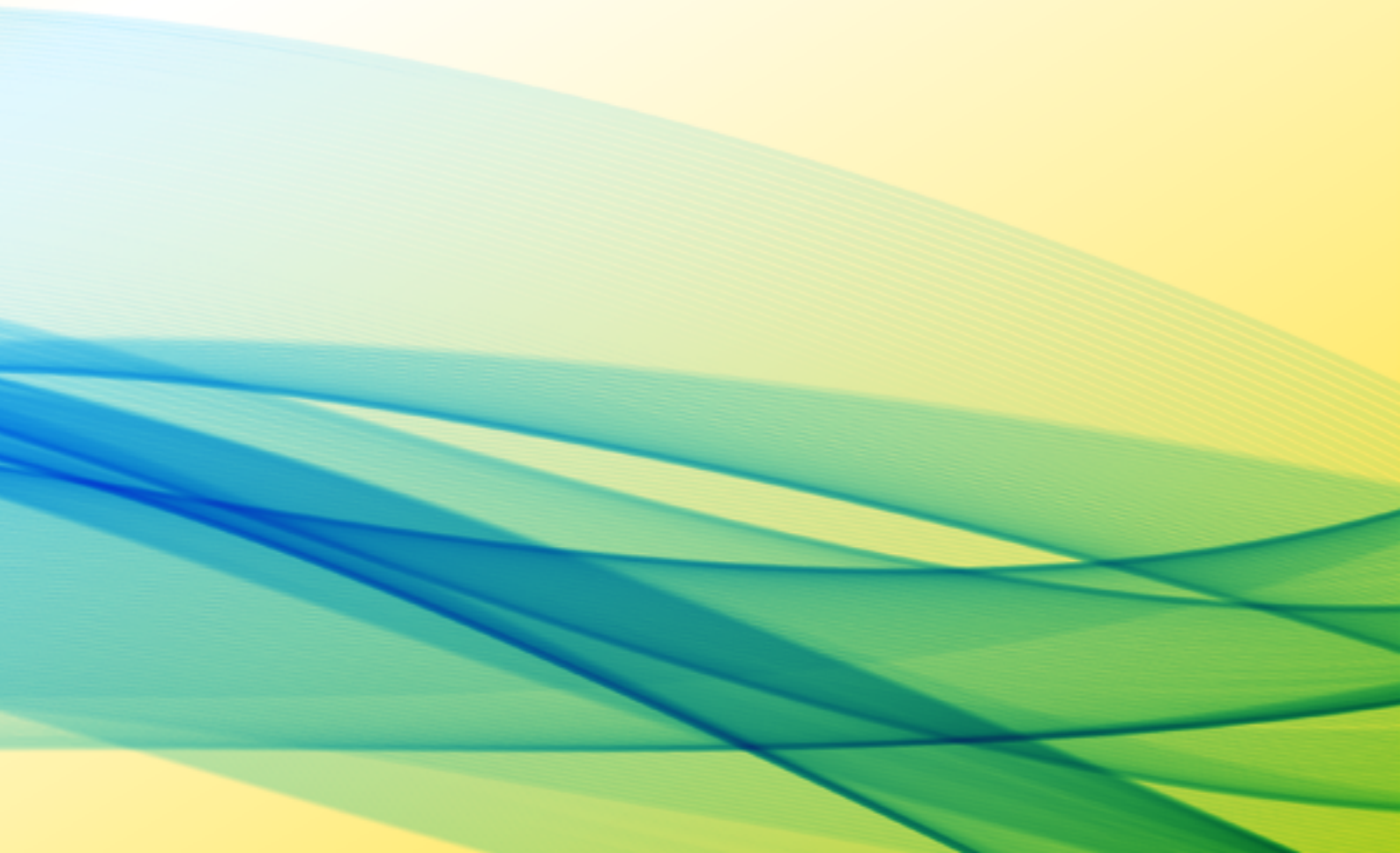


MEDISHIELD LIFE

COUNCIL REPORT 2020



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Message from Chairman,
MediShield Life Council, to Minister for Health

17 Dec 2020

Dear Minister,

On behalf of the MediShield Life Council, I am pleased to submit our recommendations for the MediShield Life 2020 review.

MediShield Life has provided all Singaporeans with universal and lifelong protection against large medical bills since its introduction in 2015. To ensure that the scheme remains relevant and sustainable to Singaporeans, the Council undertook a review of the scheme benefits and premiums so that they keep pace with the evolving healthcare landscape, cost inflation and actual claims experience. This is the first major review of the scheme since its launch.

As the Council was unable to hold focus group discussions to seek public feedback on the preliminary recommendations given the COVID-19 situation, we published the preliminary recommendations on MOH’s website in September 2020 and invited Singaporeans to send in their feedback. A general population poll was also undertaken to ensure the opportunity to hear as full a range of views as possible. We also reached out to union and grassroot leaders to seek their assistance to encourage fellow workers at workplaces, grassroots volunteers, community partners and residents to submit their feedback on the preliminary recommendations. In all, more than 11,000 Singaporeans from diverse backgrounds, including insurers, medical professionals, union and grassroot leaders, contributed their views. The Council also took in views shared and discussed over social media, forum page letters and in Parliament.

In carrying out the review, the Council had to balance between providing better protection to Singaporeans, and keeping premiums affordable. As payouts are funded by premiums, this was necessary to ensure MediShield Life remains sustainable. This report outlines the Council’s recommendations to enhance the MediShield Life scheme, weighing these considerations as well as the feedback received.

The Council would like to thank the Government for your support of the review. The briefings and analysis supported robust discussions and helped us develop these recommendations. The Council is mindful that some Singaporeans may face greater challenges with their premiums given the impact of COVID-19 and had asked the Government to consider providing additional assistance during this exceptional period. We are pleased to note that the Government has agreed to do so.

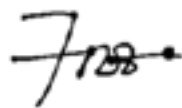
We would also like to express our gratitude to the Singaporeans who participated in the public consultation and shared their views. The feedback reflected diverse perspectives and challenged us to consider more angles before finalising our recommendations. We are confident that the recommended enhancements will provide Singaporeans with greater assurance for their healthcare needs.

Yours sincerely,



Fang Ai Lian
Chairman, MediShield Life Council

Members of the MediShield Life Council



Mr Hee Theng Fong
(Deputy Chairman)



Ms K Thanaletchimi




Mr Sallim Abdul Kadir



Mr Shekaran Krishnan



Prof Chia Sing Joo



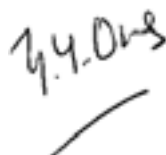
Mr Ng Soo Nam



Dr Tan Yew Oo



Mrs Hauw Soo Hoon



Prof Ong Yong Yau



Prof Walter Tan

**Response from the Minister for Health to Chairman,
MediShield Life Council**

18 Dec 2020

Dear *Si Lian*,

MediShield Life is a key pillar of our healthcare financing framework. Since its launch, the scheme has significantly improved protection against large hospital bills and provided greater peace of mind for all Singaporeans.

The Council has played a key role in ensuring that MediShield Life continues to meet its objectives over the past few years, through recommendations on various enhancements to the scheme and its administration. The 2020 review represents the Council’s most significant effort to date.

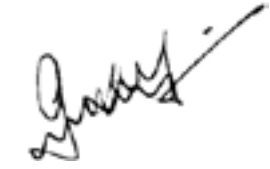
The Government accepts the Council’s recommendations. The proposed benefit changes will ensure that MediShield Life continues to provide adequate and meaningful protection to Singaporeans. The recommended and actuarially determined premium adjustments are necessary to support the rising number of claims and payouts, as well as the benefit changes. We will study how we can help the public understand how premiums are actuarially priced, to provide added assurance about the methodology and assumptions.

The Government is very mindful of Singaporeans’ concerns about the premium increases, especially given the impact of COVID-19. We remain committed to helping Singaporeans, especially the vulnerable groups with their premiums, and will provide additional assistance during this exceptional period. No one will lose their MediShield Life coverage due to inability to pay.

Looking ahead, the sustainable way to ensure that premiums remain affordable is to slow the rise in overall healthcare costs. Everyone has to play their part, and the Government will continue with our efforts on this front, such as in strengthening primary and preventive care. Together, appropriate care can remain affordable for all Singaporeans.

On behalf of the Government, I would like to thank the Council for the time and effort you and your members have committed to the MediShield Life 2020 review. We will work towards implementing the recommendations in March 2021.

Yours sincerely,



Gan Kim Yong
Minister for Health

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

This report lays out the MediShield Life Council's (see Annex A) recommendations for changes to MediShield Life benefits and premiums, to ensure that the scheme remains sustainable and relevant to the needs of Singaporeans. We considered the feedback and perspectives that Singaporeans shared with us over the course of our public consultation.

RECOMMENDATIONS

The Council was guided by two key considerations in our review. First, MediShield Life should remain as a basic scheme designed to protect against large Class B2/C bills, while keeping premiums affordable. Second, as our national health insurance scheme, MediShield Life should support the larger healthcare transformation efforts to keep healthcare costs sustainable in the long term.

With these considerations in mind, we made the following recommendations:

- Refresh claim limits to cover 9 in 10 Class B2/C bills
- Introduce treatment-specific claim limits for costlier types of community hospital care and outpatient radiotherapy
- Raise the policy year claim limit from \$100,000 to \$150,000
- Introduce higher claim limits for daily ward and treatment charges for the first two days of acute hospital stay
- Lower the deductible for day surgeries for older patients from Class B2 to Class C level
- Lower the pro-ration factor for private hospitals from 35% to 25%
- Remove the standard exclusions for treatments arising from attempted suicide or intentional self-injury

- Remove the standard exclusions for treatments arising from addiction involving drugs that are not illicit controlled substances, alcoholism, or while under the influence of such drugs or alcohol
- Adjust the premiums to support the rising utilisation and payouts, as well as the recommended changes to benefits
- Increase the indicative premium rebate amounts for all eligible cohorts by 5%

Taken together, these enhancements ensure that MediShield Life continues to provide adequate coverage for patients who choose B2/C wards, while supporting larger healthcare transformation to keep our healthcare system sustainable. The premium adjustments will enable MediShield Life to continue protecting Singaporeans and paying out for our healthcare bills.

GOVERNMENT SUPPORT FOR PREMIUMS

Many Singaporeans who responded to our public consultation expressed concerns about the premium increases amidst the COVID-19 outbreak and economic downturn.

We are heartened to note that the Government will provide additional support to help Singaporeans through this difficult period. All Singapore Citizens will receive a one-off COVID-19 subsidy for two years, on top of the existing premium subsidies and support for the lower and middle income, Merdeka / Pioneer Generation seniors and the financially needy. With these support measures, the net premium increases for all Singapore Citizens will be no more than about 10% in the first year.

In addition, premium payment will be deferred till end Dec 2021 for Singapore Residents who have insufficient MediSave balances and are unable to pay for their premiums in the coming year due to the economic impact from COVID-19. The lifetime annual MediSave top-ups for Pioneer Generation seniors will also be increased. MediShield Life premiums are fully payable through MediSave, and no additional cash outlay is needed for most households. We are assured that premiums will be kept affordable

and no one will lose their MediShield Life coverage due to inability to pay.

KEEPING MEDISHIELD LIFE PREMIUMS SUSTAINABLE

During the public consultation, many Singaporeans also expressed concern that healthcare costs have continued to rise at a high rate and called for more to be done to contain the rising healthcare costs.

The Council will continue to study how MediShield Life can play a part in this. One area of concern is chemotherapy, where overall costs have been growing rapidly. With the rising cancer prevalence and emergence of higher cost therapies, MediShield Life coverage and payout for cancer drugs will need to be reviewed to ensure sustainability in both coverage and premiums.

The Council will appoint a committee of oncologists to study this further over the next few months and make recommendations on how to re-design MediShield Life coverage to ensure that cancer therapies continue to be affordable and sustainable for Singaporeans.

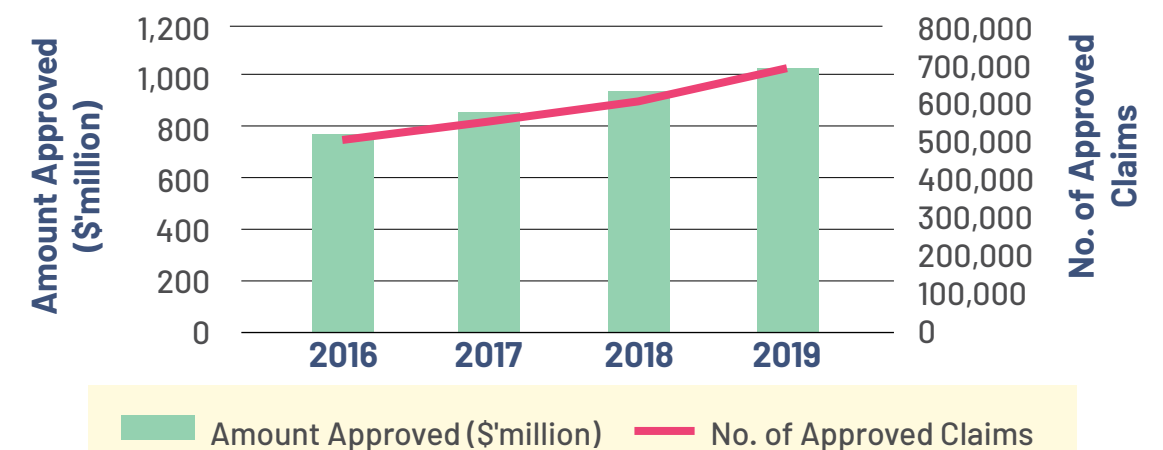
A LOOK AT MEDISHIELD LIFE TODAY

A LOOK AT MEDISHIELD LIFE TODAY

MediShield Life is a basic health insurance scheme that provides Singaporeans with universal and lifelong protection against large healthcare bills. Launched in November 2015, it replaced the MediShield scheme with three key enhancements:

- 1 Better Protection:** MediShield Life provides stronger protection against large hospital bills and expensive outpatient treatments. Between 2016 and 2019, about \$3.5 billion was approved for 2.3 million claims, with MediShield Life paying a higher share for larger bills. Among the largest 10% of subsidised hospitalisation bills in 2019 (or bills above \$4,000), the average payout per claim was \$6,000.

Figure 3.1: MediShield Life Claims Experience



- 2 For All, For Life:** All Singaporeans including the previously un-insured are now protected by MediShield Life throughout their lives, without exclusions for pre-existing conditions. Between 2016 and 2019, \$538 million (or 15%) of MediShield Life payouts were for 347,000 claims from the previously un-insured. MediShield Life has marked a major step towards a more inclusive and compassionate society.

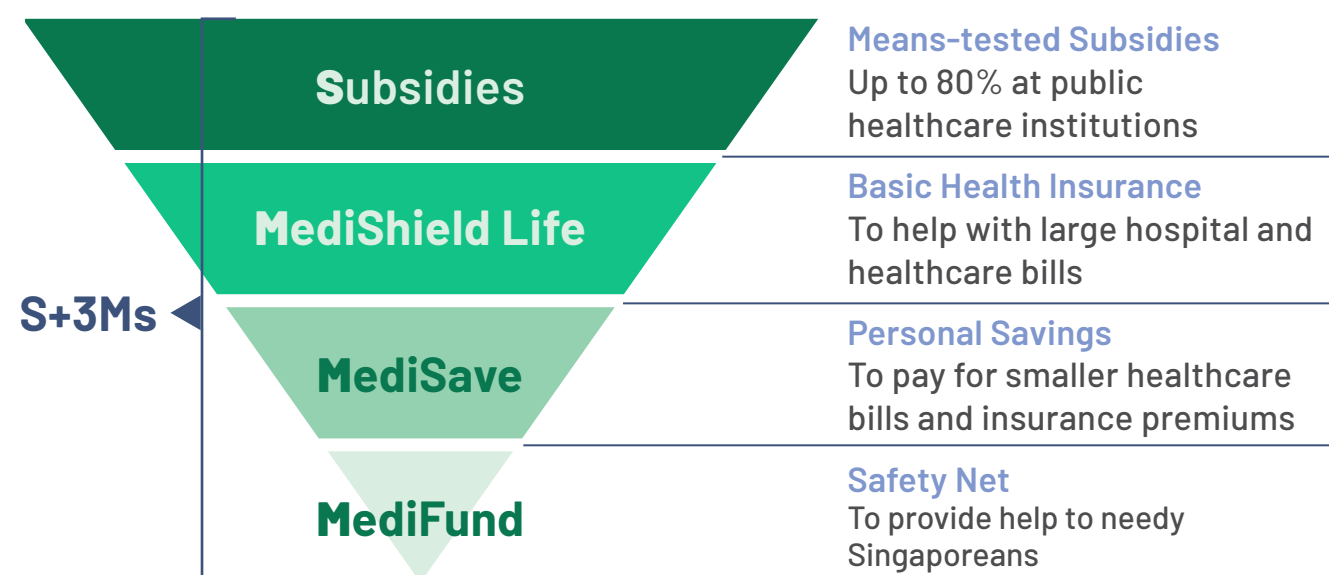
3 Affordable Premiums: The Government provides significant support to keep premiums affordable for all. Between 2016 and 2019, the Government provided \$3.1 billion in premium subsidies and other forms of support, including \$31 million in Additional Premium Support for the needy. In 2019, about 35% of total premiums were paid by the Government through premium subsidies. For seniors above 65 years old, the contribution from the Government was higher, at about 50% of their premiums.

RISK-POOLING UNDER MEDISHIELD LIFE

MediShield Life works by pooling financial resources from individuals in similar age cohorts to protect them from large hospital bills. While these are rare, the cost can be very high for the few among us who fall seriously ill. Through MediShield Life, we can each pay a smaller premium and not have to worry about a large bill.

MediShield Life is an integral part of Singapore's healthcare financing framework "S+3Ms" (Subsidies, MediShield Life, MediSave and MediFund). Taken together, the "S+3Ms" ensures that no Singaporean is denied appropriate and necessary healthcare because of inability to pay. About 8 in 10 Singaporeans pay little or no cash for their subsidised hospitalisation bills today.

Figure 3.2: S+3Ms

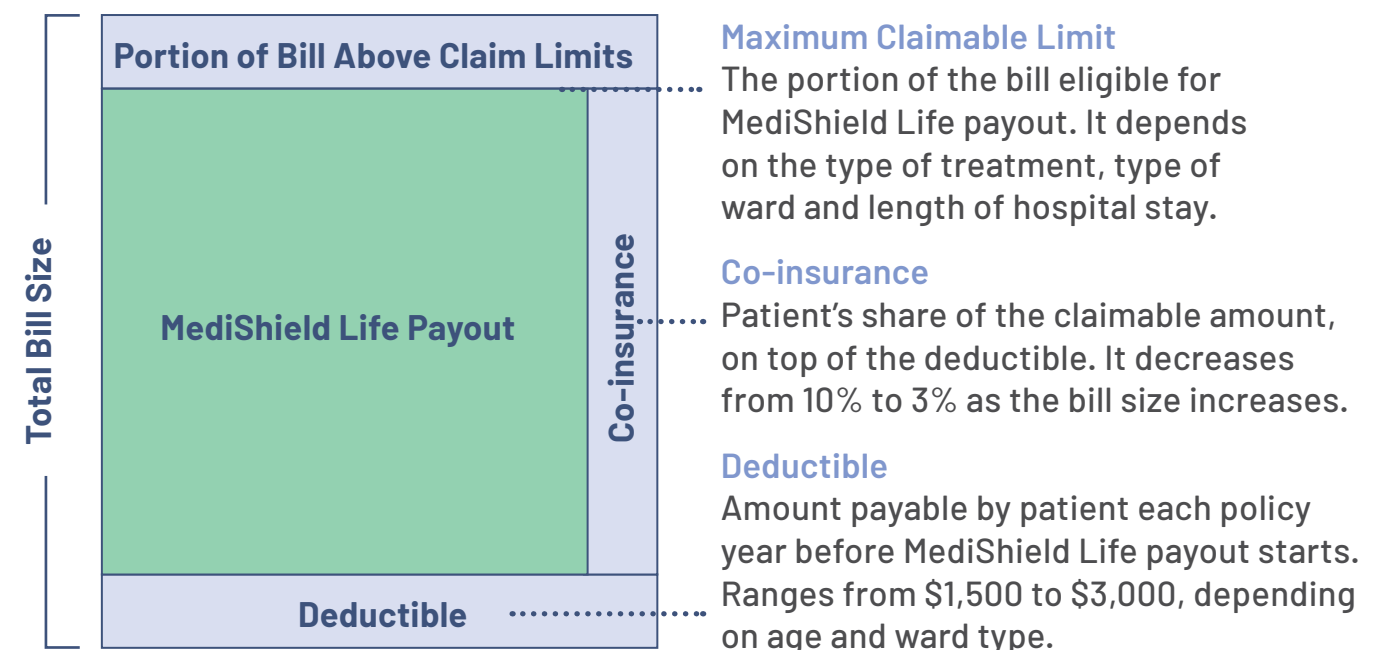


KEY DESIGN FEATURES OF MEDISHIELD LIFE

Benefit Features

MediShield Life covers large hospitalisation bills and selected costly outpatient treatments. (See **Annex B** for the detailed benefits.) The key benefit features are the claim limits, the co-insurance and the deductible.

Figure 3.3: How MediShield Life Claims are Calculated



Note: The deductible, co-insurance, and bill above the claim limits are payable by MediSave and/or cash.

Claim Limits. MediShield Life claim limits are designed to fully cover the vast majority of Class B2/C bills. These bills can be fully paid for by MediShield Life, with the patient co-paying for his deductible and co-insurance only. For the remaining bills, MediShield Life pays up to the claim limits.

Claim limits strike a balance between ensuring adequate coverage and keeping premiums affordable. Over time, coverage levels of the claim limits will decrease with medical inflation and advancement. Hence, they are updated regularly to cover 9 out of 10 Class B2/C bills.

There is also a policy year claim limit that caps the total MediShield Life payouts at \$100,000 per year.

Co-payment: Deductible and Co-insurance. Deductibles sieve out smaller, more affordable bills that can be paid for using MediSave. This helps to keep premiums affordable by focusing MediShield Life payouts on the larger bills, where support is more critical. Co-insurance helps to prevent over-consumption of medical services and over-servicing by healthcare providers.

Pro-ration Factor. As private hospital bills and Class A/B1 bills in public hospitals are generally higher than the Class B2/C bills that MediShield Life is designed for, they are pro-rated to the equivalent level of a Class B2/C bill before MediShield Life payouts are computed. This ensures comparable payouts for subsidised and private patients. The current pro-ration factor for private hospital bills is 35%. Other pro-ration factors can be found in **Annex C**.

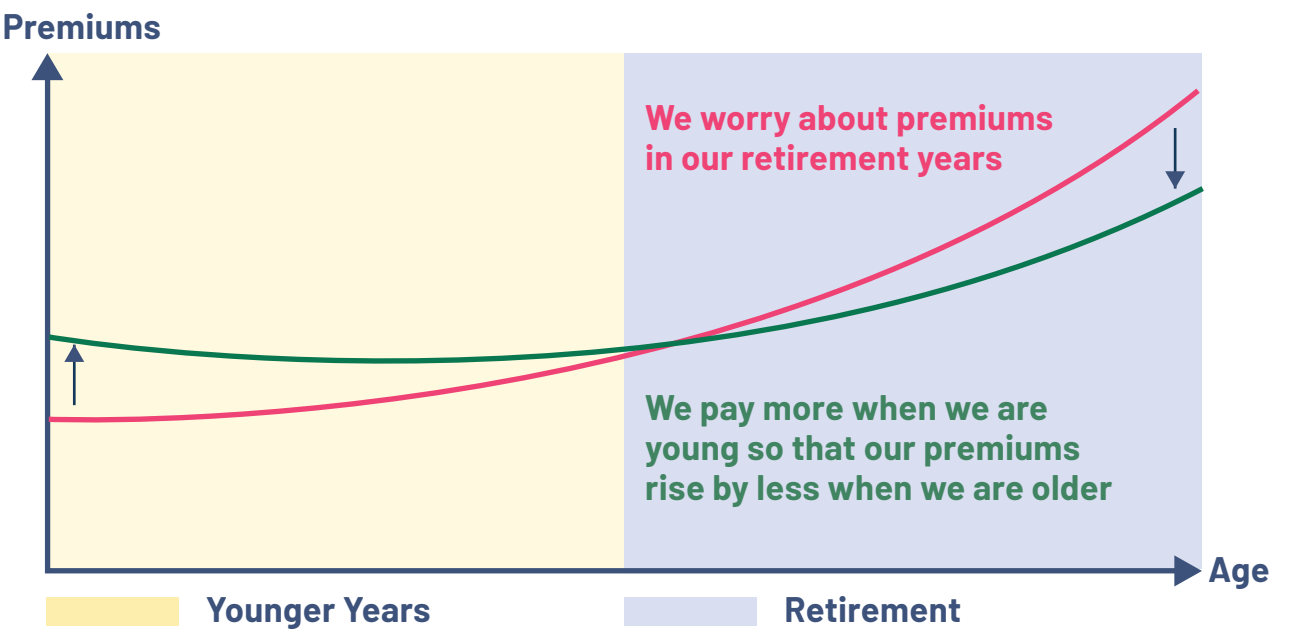
Premium Features

Premiums Priced According to Age. Independent and external actuarial experts are engaged to price MediShield Life premiums. Premiums are actuarially priced based on the health risks and expected healthcare utilisation of each age group, so that each age group’s payouts are broadly supported by their own premiums. This ensures that MediShield Life remains sustainable even as our population ages.

Premiums rise with age as we are more likely to make claims when we get older. Among seniors above 65 years old, about one in six received MediShield Life payouts in 2019, compared to about one in 30 for the rest of the population. They also tend to have more serious conditions that result in larger bills.

Distributing Premiums More Evenly Over Lifetime. Singaporeans pay higher premiums when they are young, which are given back as rebates in old age to make premiums more affordable. The additional amounts paid during younger ages are set aside as reserves in the MediShield Life Fund, and the contributions from each age cohort will be used to support their own rebates in old age.

Figure 3.4: Distributing Premiums More Evenly Over Lifetime



Note: Figure is for illustrative purposes only and does not take into account other factors such as medical inflation.

MEDISHIELD LIFE FUND

Between 2016 and 2019, a total of \$7.5 billion in premiums were collected. This comprised \$4.4 billion in premiums collected from policyholders, and \$3.1 billion from the Government in terms of premium subsidies and other forms of support to keep premiums affordable.

In the same period, \$3.5 billion in claims were paid out while \$4.3 billion were set aside as reserves to support future commitments. These commitments are largely made up by premium rebates that will be paid out in the future to make premiums more affordable for Singaporeans in old age, as explained above. It also includes future claims for patients who have started on multi-year treatments such as dialysis and chemotherapy (see **Annex D** for further elaboration on future commitments). In addition,

reserves are also set aside to ensure that MediShield Life can continue to pay out claims should an unforeseen event occur, such as a sudden surge in claims due to disease outbreaks.

The reserves are computed by external professional actuaries in accordance with the Monetary Authority of Singapore’s requirements, and in line with industry standards.

The Incurred Loss Ratio of the MediShield Life Fund averaged 104% over the period from 2016 to 2019. This means that the total premiums collected was slightly less than the total monies required to ensure that the Fund is able to meet current claims and future commitments.

Figure 3.5: MediShield Life Fund Incurred Loss Ratio (in \$millions)

Year	Premiums Collected [A]	Total Monies Required for Fund Operations [B] + [C]		Incurred Loss Ratio ([B] + [C] / [A])
		Claims Paid [B]	Change in Required Reserves [C]	
2016	\$1,859m	\$745m	\$1,182m	104%
2017	\$1,882m	\$836m	\$969m	96%
2018	\$1,914m	\$922m	\$998m	100%
2019	\$1,923m	\$1,030m	\$1,166m	114%
2016-2019	\$7,578m	\$3,533m	\$4,314m	104%

MediShield Life is a not-for-profit scheme. All premiums collected are placed in the MediShield Life Fund and are used solely for the benefit of policyholders and in the administration of the scheme. The financial accounts for the Fund are audited by an external auditor and submitted to Parliament every year.

MEDISHIELD LIFE 2020 RECOMMENDATIONS

The MediShield Life 2020 Review is the first major review since the scheme was launched in November 2015, and premiums had been kept constant for the first five years in line with the Government's commitment. MediShield Life benefits and premiums need to be reviewed regularly to keep pace with the evolving healthcare landscape, cost inflation and actual claims experience, so that it remains sustainable and relevant to the needs of Singaporeans.

Over the years, the Council had recommended several enhancements to benefit Singaporeans, which the Government had accepted. These include higher and more granular claim limits for surgical procedures, and extension of coverage to inpatient hospices and inpatient treatment of serious pregnancy complications.

MEDISHIELD LIFE 2020 RECOMMENDATIONS

Figure 4.1: Past Enhancements to MediShield Life Benefits

2018

- Extended coverage to **direct admissions to community hospitals from emergency departments of public hospitals**. This facilitated the provision of care at the most appropriate setting for patients assessed to be in a stable condition with a clear diagnosis, and requiring a period of medical, nursing and/or rehabilitation care at a community hospital.
- New claim limit of \$1,700 per month for **patients on long-term parenteral nutrition due to chronic intestinal failure**. This gave greater peace of mind to patients who require such recurrent high cost treatments.

- Extended coverage to **surgical interventions for two rare congenital conditions, trisomy 18 and alobar holoprosencephaly**. These were previously excluded from MediShield Life coverage as treatment was not effective. However, MediShield Life coverage was extended in light of latest international studies showing that surgical interventions could now improve the quality of life and survival of patients.

2019

- Extended coverage to inpatient treatment for **serious pregnancy and delivery-related complications**. This provided more assurance to expectant parents who may face large hospitalisation bills as a result of these complications.
- New claim limit of \$6,000 per treatment for **outpatient autologous bone marrow transplant treatment for multiple myeloma as a continuation of an inpatient episode**. This would help patients shorten their inpatient stays by up to 3 weeks.

2020

- Increased and introduced **more granular claim limits for surgical procedures** to \$240 – \$2,600 per procedure to improve coverage for more complex surgical procedures, which tend to be costlier.
- New claim limit of \$250 – \$350 per day for the **new inpatient hospice palliative care service in community hospitals and inpatient hospices**. Extending coverage to inpatient palliative care improved support for patients and facilitates right-siting of care.

KEY CONSIDERATIONS FOR THE REVIEW

Balance between better protection and premium affordability. The key design principles of MediShield Life articulated by the MediShield Life Review Committee in 2014 are still relevant today. MediShield Life should remain as a basic scheme designed to protect against large Class B2/C bills, while keeping premiums affordable.

Support larger healthcare transformation efforts for long-term sustainability. As our national health insurance scheme, MediShield Life should support the Ministry of Health (MOH)'s larger healthcare transformation efforts to keep healthcare costs sustainable. This includes supporting Singaporeans so that they can be more appropriately cared for in the community and at home, to avoid the over-use of expensive hospital care when we do not need it. It also includes encouraging the use of therapies that are cost-effective, well-supported by clinical evidence and appropriate to patients' needs.

RECOMMENDATIONS ON BENEFITS

With these considerations in mind, the Council proposes the following changes to MediShield Life benefits:

1 Refreshing and Refining Claim Limits to Provide Better Coverage

- **Refresh claim limits to cover 9 in 10 Class B2/C bills.**

MediShield Life claim limits should be refreshed more regularly to ensure that they offer adequate protection in light of inflation and medical advancements. In this regard, the Council notes that MOH had announced that moving forward, claim limits will be reviewed around every three years.

With the refreshed claim limits, subsidised patients will continue to be adequately covered by MediShield Life, reducing the amount they will need to pay from MediSave and/or cash for their hospital bills.

- **Introduce treatment-specific claim limits for community hospital care and outpatient radiotherapy.** Community hospitals offer two main types of inpatient care – rehabilitative care, which is therapy to improve one’s post-illness disability and functional impairment, and sub-acute care, which is for complicated medical conditions that require additional medical and nursing care but at a lower intensity compared to acute hospitals. Sub-acute care is more intensive than rehabilitative care, and hence more costly.

Today, the same claim limit applies to rehabilitative care and sub-acute care. As sub-acute care is about 20% more costly than rehabilitative care on average, patients receiving sub-acute care are not as well covered by MediShield Life. The Council recommends separate claim limits for sub-acute care and rehabilitative care, to ensure that both groups of patients will enjoy adequate levels of coverage under MediShield Life.

The Council has also reviewed and recommends outpatient radiotherapy as another area where the introduction of more treatment-specific claim limits can help to improve coverage for the more costly types of treatment.

- **Raise the policy year claim limit from \$100,000 to \$150,000.** This will give Singaporeans greater assurance against exceptionally large bills arising from long or multiple periods of hospitalisation during the year.

2 Supporting Larger Healthcare Transformation Efforts

- **Higher claim limits for daily ward and treatment charges for the first two days of acute hospital stay.** Patients tend to incur higher charges during the first two days of their hospital stay, due to diagnostic tests and investigations which are mostly done in the initial days. This results in patients with earlier discharges being not as well covered as patients with longer stays, as the aggregate claim limit over a longer hospital stay is generally enough to cover the high initial charges¹.

The Council recommends higher claim limits for the first two days to provide better coverage for short stays, particularly as advances in healthcare facilitates some patients to be discharged and return home earlier. This will also facilitate freeing up of hospital beds and help to manage costs for the overall healthcare system. Patients with longer stays will also benefit from the higher claim limits, as claim limits are cumulative over the duration of stay.

- **Lower the deductible for day surgeries for older patients from Class B2 to Class C level,** i.e. from the current \$3,000 to \$2,000. This ensures that patients aged 81 years old and above are not discouraged from choosing a day surgery over an inpatient stay. The deductible for day surgeries for younger patients is already aligned with the Class C deductible.

¹ The total claimable amount is based on the number of days of hospitalisation and unused limits can be used to cover charges incurred from another day. E.g. If the daily claim limit is \$700, for a 3-day normal ward stay, the total claim limit is 3 x \$700 = \$2,100. If the charges are \$800/day for the first 2 days and \$500 for the third day, the total claimable amount is within the \$2,100 claim limit because unused limits from the third day can be used to cover the charges incurred from earlier days.

3 Other Recommendations

- Lower the pro-ration factor for private hospitals from 35% to 25%.**
 This better reflects the actual bill differences between private hospitals and Class B2/C, and ensures more comparable payouts between private hospital and subsidised patients. The pro-ration factor for unsubsidised treatments in public hospitals will remain unchanged.
- Remove the standard exclusion for treatments arising from attempted suicide or intentional self-injury.** MediShield Life excludes certain treatments from coverage, including attempted suicide and intentional self-injury. However, there is increasing recognition that proper treatment is the appropriate approach towards self-harm. As the national health insurance, MediShield Life should support Singaporeans in their recovery process, by covering any inpatient treatment they require.
- Remove the standard exclusion for treatments arising from addiction involving drugs that are not illicit controlled substances, alcoholism, or while under the influence of such drugs or alcohol.** These are also currently excluded from MediShield Life coverage today. However, treatment approaches for addiction are generally as successful as those for other chronic diseases. If left untreated, there is risk that these addictions will result in other medical conditions that may be more costly to treat, adding to the burdens of their loved ones. MediShield Life, as the national health insurance scheme, should hence support Singaporeans in overcoming their addictions and help them to re-integrate back to society, by covering their inpatient treatment. Treatments arising from the use of illicit controlled substances will remain excluded.

Figure 4.2: Summary of Recommended Changes to MediShield Life Benefits

	Current	Recommended
Claim Limits		
Inpatient Treatments		
Daily Ward and Treatment Charges		
<ul style="list-style-type: none">• Normal Ward• ICU Ward	\$700 per day \$1,200 per day	\$800 per day* \$2,200 per day* * An additional claim limit of \$200 per day applies for the first two days
<ul style="list-style-type: none">• Psychiatric	\$100 per day, up to 35 days per policy year	\$160 per day, up to 60 days per policy year
Stereotactic Radiosurgery	\$4,800 per treatment course	\$10,000 per treatment course
Community Hospital		
<ul style="list-style-type: none">• Rehabilitative care• Sub-acute care	\$350 per day	\$350 per day \$430 per day
Outpatient Treatments		
Kidney Dialysis	\$1,000 per month	\$1,100 per month
Immunosuppressants for Organ Transplant	\$200 per month	\$550 per month
Radiotherapy for Cancer		
<ul style="list-style-type: none">• External Radiotherapy (except Hemi-body)	\$140 per treatment	\$300 per treatment
<ul style="list-style-type: none">• Hemi-Body Radiotherapy		\$900 per treatment
Maximum Claim Limits		
Policy Year Claim Limit	\$100,000	\$150,000
Deductible		
Day Surgery <ul style="list-style-type: none">• Age above 80	\$3,000	\$2,000
Pro-ration Factor		
Private Hospital (including Day Surgery in Private Hospital)	35%	25%

BENEFIT TO PATIENTS FROM RECOMMENDATIONS

The refreshed claim limits will ensure that MediShield Life continues to provide adequate coverage for patients who choose B2/C wards, while the enhancements and new claim limits for costlier treatments will provide greater protection to patients. The increase in MediShield Life coverage means patients will need to use less of their MediSave and/or cash for their treatments.

The Council studied the impact of the recommendations using actual bills for patients who would have benefitted from the enhancements.

Figure 4.3: Higher Payout for Patient Requiring Sub-Acute Care

Patient: 60-year-old patient

Medical Condition: Bone infection

Treatment: 25 days of subsidised sub-acute care in a community hospital

This is an example of a patient that was transferred to the community hospital for sub-acute care, when the intensity of care provided at acute hospitals was no longer required. Hence, the patient had already met the deductible in the acute hospital bill. The deductible only needs to be met once per policy year.

	Current	Recommended	Impact
Total Bill	\$17,300		
Bill After Government Subsidy	\$10,700		Government subsidy reduces the bill by 38%.
MediShield Life payout	\$8,485	\$10,375	MediShield Life pays out more as bill is now within the recommended claim limit for sub-acute care.
Total from MediSave and/or cash	\$2,215	\$325	Patient pays \$1,890 less than before from MediSave and/or cash.

Figure 4.4: Higher Payout for Patient with Exceptionally Large Bill

Patient: 8-year-old patient

Medical Condition: Epilepsy

Treatment: 147 days in C ward, inclusive of over 80 days in Intensive Care Unit (ICU) and five surgical procedures

	Current	Recommended	Impact
Total Bill	\$546,500		
Bill After Government Subsidy	\$142,100		Government subsidy reduces the bill by 74%.
MediShield Life payout	\$100,000	\$136,035	MediShield Life pays out more as the policy year limit has increased and the payout is within the new limit.
Total from MediSave and/or cash	\$42,100	\$6,065	Patient pays \$36,035 less than before from MediSave and/or cash.

Note: In this patient’s case, MediFund covered \$40,700.

Figure 4.5: Higher Payout for Patient with Short Acute Hospital Stay

Patient: 37-year-old patient
Medical Condition: Bacteria infection, likely from eating raw/under-cooked meat
Treatment: 2 days in C ward; 80% of bill was for diagnostic tests and investigations

In this example, the patient had already met the deductible in a prior hospitalisation. The deductible only needs to be met once per policy year.

	Current	Recommended	Impact
Total Bill	\$3,750		
Bill After Government Subsidy	\$1,800		Government subsidy reduces the bill by 52%.
MediShield Life payout	\$1,260	\$1,620	MediShield Life pays out more as bill is now within the claim limit due to the higher claim limit for the first two days.
Total from MediSave and/or cash	\$540	\$180	Patient pays \$360 less than before from MediSave and/or cash.

The detailed calculations for the examples in Figure 4.3 and Figure 4.5 can be found in **Annex E**.

PREMIUM ADJUSTMENTS

To ensure the scheme continues to remain sustainable for the coming years, the Council recommends that the premiums be adjusted as proposed by the actuary to reflect the actual claims experience and factor in the recommended changes to benefits.

These are the reasons for the increase in premiums:

- **To support higher payouts.** Since its launch, MediShield Life has been providing more payouts and greater protection for more Singaporeans. Annual payouts have increased by close to 40% and the number of Singaporeans who have made claims has increased by about 30% between 2016 and 2019. For the scheme to continue to be able to provide these payouts to Singaporeans, premiums will have to increase. About two-third of the premium increases are due to the growth in utilisation and payout.

Figure 4.6: Growth in MediShield Life Utilisation and Payout

Year	2016	2017	2018	2019
Amount of Payout Approved	\$758 million	\$845 million	\$929 million	\$1,038 million
No. of Approved Claimants	173,000	190,000	204,000	221,000
Average Payout per Claimant	\$4,380	\$4,460	\$4,550	\$4,700

- **Refreshing of claim limits.** One-quarter of the premium increases is to support the recommendations to refresh and refine the claim limits. This is to ensure that Singaporeans continue to be adequately covered for the vast majority of subsidised bills.
- **New benefits.** The remaining 8% of the premium increases is to support the new benefits including those which were previously implemented without any premium adjustment. This includes the extension of coverage to inpatient hospices and inpatient treatment of serious pregnancy complications.

PREMIUM SUBSIDIES AND SUPPORT

To ensure that premiums remain affordable to Singaporeans, we have recommended that the Government consider providing additional assistance during this exceptional period. We are pleased to note that the Government will provide up to \$2.2 billion for premium subsidies and support over the next three years to help Singaporeans with their premiums, particularly in view of the impact of COVID-19.

In addition to the existing premium subsidies and support for the lower and middle income, Merdeka/Pioneer Generation seniors and the financially needy, the Government has announced a one-off COVID-19 subsidy for all Singapore Citizens for two years. The subsidy will cover 70% of the net premium increase in the first year, followed by 30% of the net premium increase in the second year. With these support measures, the net premium increases for all Singapore Citizens will be no more than about 10% in the first year.

The Government has also shared with the Council that they will be deferring premium payment till end Dec 2021 for Singapore Residents who have insufficient MediSave balances and are unable to pay their premiums in the coming year due to the economic impact from COVID-19.

In addition, the MediSave top-ups which are provided to Pioneer Generation (PG) seniors will be increased. The Government will provide higher lifetime annual MediSave top-ups to all PG seniors from 2021. It will also provide a one-off MediSave top-up to older PG seniors (aged 81 years old and above in 2020) who have serious pre-existing conditions and need to pay higher premiums for five years from 2021 to 2025.

After these enhancements, all PG seniors who are 86 years old and above in 2020 will continue to have their premiums fully covered by the special PG premium subsidies and MediSave top-ups, while younger PGs will have about two-thirds of their premiums covered.

Figure 4.7: Premium Subsidies and Support Measures

Existing

- Premium subsidies of up to 50% for lower- to middle-income households
- Additional premium subsidies of up to 10% for all Merdeka Generation (MG) seniors, on top of the above subsidies. MG seniors also receive \$200 annual MediSave top-ups from 2019 to 2023, which can be used to pay premiums
- Special premium subsidies of up to 60% for all PG seniors. PG seniors also receive \$200 to \$800 annual MediSave top-ups for life, which can be used to pay premiums
- Additional Premium Support for those who are unable to pay premiums after various subsidies

New

- COVID-19 subsidy for all Singapore Citizens for two years
- Deferment of premium payment till end Dec 2021 for those with insufficient MediSave balances and are unable to pay their premiums
- Higher annual MediSave top-ups of \$250 to \$900 for all PG seniors for life
- Additional one-off MediSave top-up of \$50 to \$200 per year for older PG seniors with serious pre-existing conditions for five years (2021 to 2025)

The following premium schedules are for Singapore Citizens in the first year from when the premiums are revised, and in the third year when the COVID-19 subsidy has been phased out. Details on the premium subsidies and support measures are in **Annex F**, and the full premium schedules are in **Annex G**.

Figure 4.8: MediShield Life Premium Schedule for Singapore Citizens in 2021

Per Month

Age Next Birthday	Current Premiums Before Subsidies (\$)	Revised Premiums Before Subsidies (\$)	MediShield Life Premiums after Subsidies (\$)¹			
			Lower-income²	Lower-Middle-Income	Upper-Middle-Income	Higher Income
1 – 20	11	13	9	9	10	12
21 – 30	17	21	14	15	15	18
31 – 40	26	33	21	23	24	28
41 – 50	37	44	27	29	31	39
51 – 60	53	67	40	43	46	57
61 – 65³	63	85	42	46	49	67
66 – 70³	68	92	46	49	53	72
71 – 73⁴	74	100	46	46	46	46
74 – 75⁴	82	110	46	46	46	46
76 – 78⁴	95	128	48	48	48	48
79 – 80⁴	98	133	50	50	50	50
81 – 83⁴	105	140	52	52	52	52
84 – 85⁴	120	162	57	57	57	57
86 – 90⁴	125	169	57	57	57	57
> 90⁴	128	172	57	57	57	57

Per Year

Age Next Birthday	Current Premiums Before Subsidies (\$)	Revised Premiums Before Subsidies (\$)	MediShield Life Premiums after Subsidies (\$)¹			
			Lower-income²	Lower-Middle-Income	Upper-Middle-Income	Higher Income
1 – 20	130	145	101	108	115	135
21 – 30	195	250	159	170	180	212
31 – 40	310	390	251	268	284	334
41 – 50	435	525	324	347	370	462
51 – 60	630	800	477	511	545	681
61 – 65³	755	1020	501	543	585	793
66 – 70³	815	1100	541	586	631	856
71 – 73⁴	885	1195	543	543	543	543
74 – 75⁴	975	1320	551	551	551	551
76 – 78⁴	1130	1530	573	573	573	573
79 – 80⁴	1175	1590	594	594	594	594
81 – 83⁴	1250	1675	624	624	624	624
84 – 85⁴	1430	1935	681	681	681	681
86 – 90⁴	1500	2025	680	680	680	680
> 90⁴	1530	2055	675	675	675	675

¹ Premium Subsidies for the lower- to middle-income and one-off COVID subsidy (Year 1) are applied in these Tables. Premium subsidies applied are for Singapore Citizens living in properties with an Annual Value of \$13,000 or less. Those with an Annual Value of between \$13,001 to \$21,000 will receive 10 percentage points less subsidy, while those with Annual Value of above \$21,000 will not receive premium subsidies. Individuals who own more than one property are not eligible for Premium Subsidies. Permanent Residents receive half of the applicable Premium Subsidies for Singapore Citizens.

² Lower-income refers to individuals with monthly per capita household income of \$1,200 or less. Lower-middle-income refers to individuals with monthly per capita household income of \$1,201 to \$2,000. Upper-middle-income refers to individuals with monthly per capita household income of \$2,001 to \$2,800.

³ Net premiums shown are for Merdeka Generation seniors. Figures shown have not included the annual MediSave top-ups for Merdeka Generation seniors from 2019 to 2023.

⁴ Net premiums shown are for Pioneer Generation seniors. Figures shown have not included the annual MediSave top-ups for Pioneer Generation seniors.

Figure 4.9: MediShield Life Premium Schedule for Singapore Citizens in 2023 After Phasing Out of COVID-19 Subsidies

Per Month

Age Next Birthday	Current Premiums Before Subsidies (\$)	Revised Premiums Before Subsidies (\$)	MediShield Life Premiums after Subsidies (\$)¹			
			Lower-income²	Lower-Middle-Income	Upper-Middle-Income	Higher Income
1 – 20	11	13	10	10	11	13
21 – 30	17	21	16	17	18	21
31 – 40	26	33	25	26	28	33
41 – 50	37	44	31	33	35	44
51 – 60	53	67	47	50	54	67
61 – 65³	63	85	51	56	60	81
66 – 70³	68	92	55	60	65	88
71 – 73⁴	74	100	56	56	56	56
74 – 75⁴	82	110	57	57	57	57
76 – 78⁴	95	128	59	59	59	59
79 – 80⁴	98	133	61	61	61	61
81 – 83⁴	105	140	64	64	64	64
84 – 85⁴	120	162	70	70	70	70
86 – 90⁴	125	169	70	70	70	70
> 90⁴	128	172	69	69	69	69

Per Year

Age Next Birthday	Current Premiums Before Subsidies (\$)	Revised Premiums Before Subsidies (\$)	MediShield Life Premiums after Subsidies (\$)¹			
			Lower-income²	Lower-Middle-Income	Upper-Middle-Income	Higher Income
1 – 20	130	145	109	116	124	145
21 – 30	195	250	188	200	213	250
31 – 40	310	390	293	312	332	390
41 – 50	435	525	368	394	420	525
51 – 60	630	800	560	600	640	800
61 – 65³	755	1020	612	663	714	969
66 – 70³	815	1100	660	715	770	1045
71 – 73⁴	885	1195	663	663	663	663
74 – 75⁴	975	1320	674	674	674	674
76 – 78⁴	1130	1530	701	701	701	701
79 – 80⁴	1175	1590	727	727	727	727
81 – 83⁴	1250	1675	759	759	759	759
84 – 85⁴	1430	1935	833	833	833	833
86 – 90⁴	1500	2025	831	831	831	831
> 90⁴	1530	2055	822	822	822	822

¹ Premium Subsidies for the lower- to middle-income are applied in these Tables. Premium subsidies applied are for Singapore Citizens living in properties with an Annual Value of \$13,000 or less. Those with an Annual Value of between \$13,001 to \$21,000 will receive 10 percentage points less subsidy, while those with Annual Value of above \$21,000 will not receive premium subsidies. Individuals who own more than one property are not eligible for Premium Subsidies. Permanent Residents receive half of the applicable Premium Subsidies for Singapore Citizens.

² Lower-income refers to individuals with monthly per capita household income of \$1,200 or less. Lower-middle-income refers to individuals with monthly per capita household income of \$1,201 to \$2,000. Upper-middle-income refers to individuals with monthly per capita household income of \$2,001 to \$2,800.

³ Net premiums shown are for Merdeka Generation seniors. Figures shown have not included the annual MediSave top-ups for Merdeka Generation seniors from 2019 to 2023.

⁴ Net premiums shown are for Pioneer Generation seniors. Figures shown have not included the annual MediSave top-ups for Pioneer Generation seniors.

ADJUSTMENTS TO PREMIUM REBATES

Singaporeans pay higher premiums when they are young, which are given back as rebates in old age to make premiums more affordable. Younger policyholders have more lead time to do so and will thus receive higher premium rebates when they reach old age.

Policyholders start receiving premium rebates from 66 years old onwards. The amount of rebates each policyholder receives depends on their age of entry into MediShield / MediShield Life. Those who joined the scheme later and paid less premiums ahead will receive lower rebates.

The Council recommends increasing the indicative premium rebate amounts for all eligible cohorts by 5%, after considering the amount of premiums that have been paid ahead by each cohort. The amounts are shown in **Annex H**. Actual rebates will depend on the experience of the scheme (such as how long individuals live, their health in old age, previously distributed rebates and other factors) for each cohort, and cannot be determined until closer to the eligible date for each cohort.

IMPACT OF PREMIUM ADJUSTMENTS

MediShield Life premiums are fully payable through MediSave. The Council has studied the premium impact on various family types with varying income levels and number of family members, as many Singaporeans are also paying for the premiums of their dependents. We note that total household premiums after premium subsidies and support will be within annual MediSave contribution and inflows for most typical households, even after the COVID-19 subsidy has been phased out in 2023. This means that no additional cash outlay is needed, even for lower-income households. Some examples are shown in **Annex I**.

The Council welcomes the Government's commitment of premium subsidies and support measures to help Singaporeans with their premiums, especially during this exceptional period. With these measures, we are assured that premiums will be kept affordable for all Singaporeans and no one will lose their MediShield Life coverage due to inability to pay.

INSIGHTS FROM THE PUBLIC

INSIGHTS FROM THE PUBLIC

As the Council was unable to hold focus group discussions to seek public feedback on the preliminary recommendations given the COVID-19 situation, we published the preliminary recommendations on MOH's website in September 2020 and invited Singaporeans to send in their feedback. A general population poll was also undertaken to ensure the opportunity to hear as full a range of views as possible. We also reached out to union and grassroots leaders to seek their assistance to encourage fellow workers at workplaces, grassroots volunteers, community partners and residents, to submit their feedback on the preliminary recommendations.

In all, more than 11,000 Singaporeans from diverse backgrounds, including insurers, medical professionals, union and grassroots leaders, contributed their views. The Council also took in views that were not shared directly with the Council through the public consultation, such as the views shared and discussed over social media, forum page letters and in Parliament.

WHAT SINGAPOREANS SHARED

The views and concerns raised by Singaporeans are summarised below:

Many Singaporeans were concerned about premium increases amidst the COVID-19 outbreak and economic downturn, as some among us have lost our jobs or suffered pay cuts. A few noted that a significant portion of the premiums collected were set aside as reserves and asked if the reserves could be used to reduce the premium increases. There were also concerns about whether older Singaporeans can afford the premiums, as they face the largest premium increases but may no longer be working.

Some Singaporeans wanted to know why the need for premiums to rise by so much and asked for more transparency on how premiums were priced.

While some Singaporeans expressed support for extending MediShield Life coverage to addiction treatments, others were concerned that it may inadvertently encourage substance abuse behaviour and that society should not bear the consequences of such personal or lifestyle choices.

Some expressed a desire for MediShield Life benefits to be expanded further to more outpatient treatments, especially costly chronic conditions.

Some expressed concerns about the need to pay MediShield Life premiums when they were already covered by an Integrated Shield Plan (IP), and asked to opt out of MediShield Life.

Some Singaporeans advocated for 'no-claims discounts' on MediShield Life premiums to encourage healthier living among Singaporeans.

Finally, there were also many calls for more aggressive measures to contain escalating healthcare costs, to reduce the need for steep premium increases.

THE COUNCIL'S RESPONSES

Premium Increases and Affordability

The Council recognises the concerns about the timing of the premium increases. We had discussed at length and considered whether to delay the premium adjustments, in light of the economic downturn.

However, without the premium adjustments, the MediShield Life scheme will not be able to continue protecting Singaporeans and paying out for our healthcare bills. As claims experience has increased over the last five years, premiums will need to increase to support the higher claims. Delaying the premium adjustments may affect the sustainability of the scheme and will also result in an even bigger premium increase next year due to the need to catch up with rising claims and cost inflation.

In addition, we will not be able to refresh the claim limits. The claim limits will continue to erode due to cost inflation, and Singaporeans may end up having to pay more for hospital bills, which could be even more challenging. The bulk of the reserves today are committed for future premium rebates, and hence cannot be used to delay the required premium increases. Taken together, the increase in claims experience and refresh in claim limits contribute to more than 90% of the increase in premiums¹, with the remainder from recent and the recommended benefit enhancements.

On balance, the Council felt that we should proceed to make the recommendations for the premium adjustments and asked the Government to consider providing additional premium assistance to support Singaporeans during this difficult period. The vast majority of Singaporeans have sufficient MediSave for premiums, which means that no additional cash outlay is needed, and there are premium subsidies and support, including for the financially needy. Nonetheless, hearing the feedback from the public, we think that more can be done to provide stronger assurance to Singaporeans during this period.

¹ Two-thirds due to claims experience, and one-quarter due to refreshing claim limits.

The Government will provide a one-off COVID-19 subsidy that will cover the bulk of the premium increases in the first year for all Singapore Citizens. In addition, premium payment will be deferred till end-December 2021 for Singapore Residents who have insufficient MediSave balances and may face immediate challenges with paying for their premiums. Premium affordability for the elderly is also further addressed by the Government's Pioneer and Merdeka Generation packages.

Overall, these measures will ensure that the MediShield Life scheme remain relevant and sustainable, while addressing Singaporeans' concerns about affordability. Those who continue to face difficulties with their premiums even after the various subsidies can apply for Additional Premium Support. No one will lose their MediShield Life coverage due to an inability to pay.

Transparency on Premium Pricing

The Council would like to clarify that MediShield Life premiums are priced by independent and external professional actuaries based on established actuarial principles and the Monetary Authority of Singapore's requirements, in line with industry standards. The pricing takes into account claims experience such as utilisation rates, cost of medical treatment and scheme benefits, among other factors. The Council also notes that information about the Fund size, reserves and Incurred Loss Ratio are published on the MOH website.

Nonetheless, we agree it would be useful for MOH to share more details about how premiums are priced. For example, MOH could consider publishing a report on the actuarial assumptions and methodology used in pricing premiums or engage an intermediary to validate the actuarial assumptions and methodology used. This would provide added assurance that the assumptions are reasonable, and the methodology is in line with industry standards. That said, these reports can be technically complex, and should be framed in an accessible way that the public can understand.

Coverage for Addiction Treatments

After further deliberation, the Council decided to proceed with this recommendation to remove the exclusion for addiction treatments involving alcohol and drugs that are not illicit controlled substances. If left untreated, these addictions are likely to result in other medical conditions that may be more costly to treat. As the national health insurance scheme, MediShield Life coverage should support individuals in their recovery process and help them to re-integrate back to society.

Further Expansion of MediShield Life Coverage for Outpatient Care

The Council notes that the costlier outpatient treatments such as cancer and dialysis are already covered under MediShield Life. Benefit enhancements are ultimately funded through premiums, so a balance will need to be struck between enhancing benefits and keeping premiums affordable. Nonetheless, we suggest that this can be further studied in future reviews of the scheme.

Duplication with Integrated Shield Plans (IPs)

The Council would like to clarify that there is no double payment of premiums nor duplicate coverage for those with IPs. IPs are made up of two components – a basic MediShield Life layer and an additional private insurance layer offered by private insurers.

IP premiums hence comprise the premiums for MediShield Life and the private insurance portion, and IP payouts correspondingly comprise payouts from both MediShield Life and the private insurance component.

The premiums for the additional private insurance portion of IPs are set, reviewed and adjusted by private insurers based on their commercial and actuarial considerations. As IP premiums are higher than MediShield Life premiums, we urge Singaporeans to carefully consider their ward preferences and long-term affordability of IP premiums when deciding whether or not they need an IP, especially since premiums increase with age.

No-Claims Discount on Premiums

The Council agrees that it is important to encourage Singaporeans to adopt healthy living habits, so as to reduce the likelihood and delay the onset of illnesses. However, we feel a 'no-claims discount' is not a good way of doing so, as it would penalise Singaporeans, especially the elderly, for illnesses and large bills that they may inevitably face throughout their lives.

A 'no-claims discount' could also discourage Singaporeans from seeking early diagnosis and treatment, for fear of losing their discount. This could lead to poorer health and higher healthcare cost down the road when the condition exacerbates, and complications set in.

The Council notes that the Government has been making key efforts to encourage healthy living, and these can help manage healthcare costs over time. For example, the Health Promotion Board has been rolling out various initiatives, such as rewards and vouchers for participation in the 'National Steps Challenge' and 'Eat, Drink, Shop Healthy Challenge'. The Council suggests that the Government continues with such initiatives to incentivise healthy living among Singaporeans.

Containing Rising Healthcare Costs

Controlling the rise in healthcare costs is key to maintaining the affordability and sustainability of MediShield Life and the overall healthcare system. Many respondents have called for more aggressive measures to contain escalating healthcare costs and curb unnecessary utilisation of healthcare.

However, this is a complex issue that requires efforts from multiple fronts. The existing measures the Government has employed and how MediShield Life can support the containment of escalating healthcare costs will be discussed in the next chapter.

KEEPING HEALTHCARE COSTS SUSTAINABLE

KEEPING HEALTHCARE COSTS SUSTAINABLE

The Council notes that Singapore's national healthcare spending has increased by about 11 per cent per annum from 2012 to 2017. This was driven mainly by a range of factors such as our ageing population, availability of new treatment options that may improve life spans and quality of life but come at a higher price, and rising healthcare manpower and other operating costs.

3 BEYONDS TO KEEP HEALTHCARE GOOD AND AFFORDABLE

Managing these factors cannot be done through MediShield Life alone. It requires efforts from multiple fronts, and we understand that doing so has been a key priority of MOH. The 3 Beyonds (Beyond Healthcare to Health, Beyond Hospital to Community, Beyond Quality to Value) is the strategy employed by MOH to keep healthcare good and affordable. More information can be found on the MOH website.

As the national basic insurance scheme, MediShield Life can also play a role in supporting the 3 Beyonds. In fact, we have done so through a number of key enhancements over the years. For example, MediShield Life's extension of coverage to long-term parenteral nutrition and inpatient hospice care in recent years will support patients to choose the appropriate care settings for their treatments, supporting the strategy of Beyond Hospital to Community. In this MediShield Life 2020 review, the Council has also recommended further changes in this area.

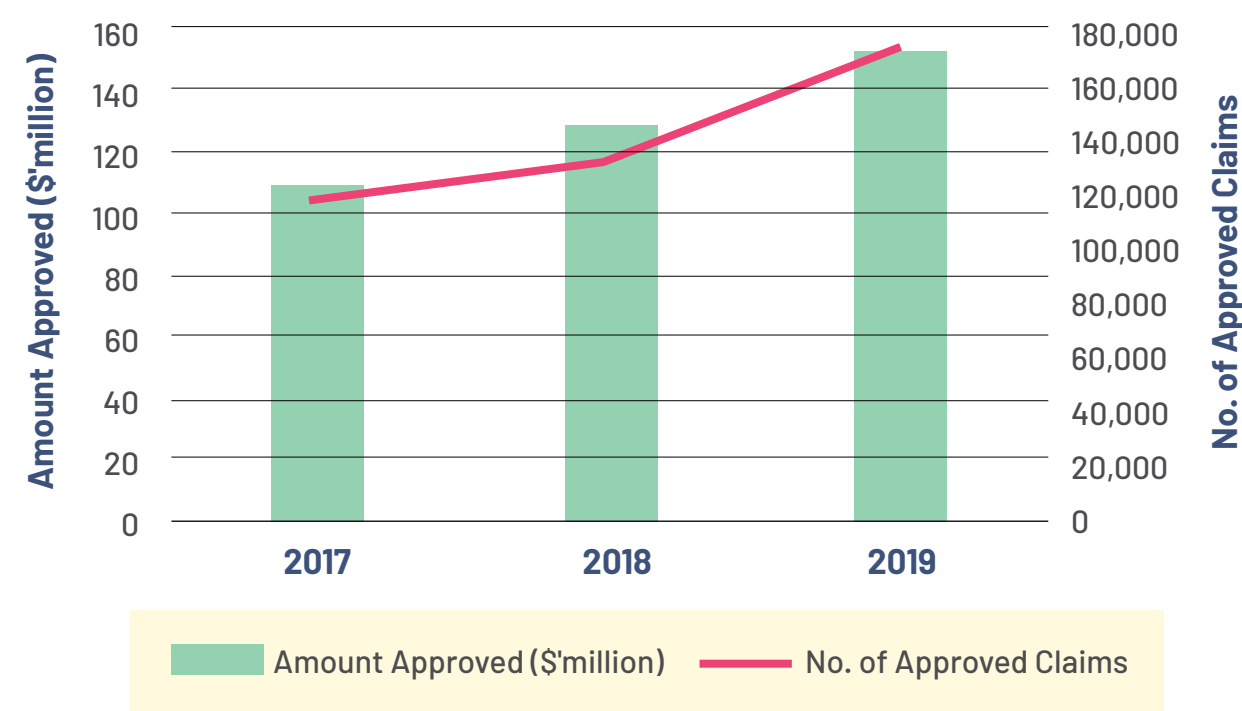
FUTURE AREAS TO EXPLORE FOR MEDISHIELD LIFE

The Council will continue to study how MediShield Life can further support MOH’s healthcare transformation efforts to keep healthcare good and affordable for the future. It is also critical to ensuring that we keep MediShield Life premiums affordable for all Singaporeans. One area that the Council is studying is chemotherapy, which has seen significant growth in MediShield Life claims.

Significant Growth in Chemotherapy Claims

The number of chemotherapy claims has increased by almost 50%, from 116,000 in 2017 to 170,000 in 2019. Payouts for chemotherapy claims have also increased by about 40%, from \$109 million to \$152 million, almost doubling the overall MediShield Life payout growth over the same period, which was about 22%. Chemotherapy accounted for about 15% of total MediShield Life payouts in 2019.

Figure 6.1: MediShield Life Chemotherapy Claims from 2017 to 2019



Rising National Spending on Cancer Drugs

Global spending on cancer drugs rose by over 40%, from \$104 billion in 2014 to \$149 billion in 2018. According to the Global Oncology Trends 2019 report by the IQVIA Institute for Human Data Science¹, this annual double-digit growth is expected to continue for at least the next five years. In Singapore, national spending on cancer drugs has been growing much faster, more than doubling over 2015 to 2019. At the public healthcare institutions, more was spent on cancer drugs than any other drug class in 2019, with a much higher Compound Annual Growth Rate (CAGR) of 25% compared to 6% for non-cancer drugs.

This is due partly to the rising cancer prevalence among Singaporeans – the Singapore Cancer Registry saw a total of 71,265 cancer cases being reported in Singapore during the period 2013-2017, a 25% increase from the 57,243 cases reported during the preceding five-year period. At the same time, the discovery of targetable genes or molecular drivers in malignant hematology and medical oncology as well as the development of immune checkpoint inhibitors used in immunotherapy have provided more treatment options that come at a higher cost. Looking ahead, we expect to see other high-cost cancer therapies emerging.

Prices of Cancer Drugs are High in Singapore

Spending on cancer drugs is generally heavily concentrated on the top few. The IQVIA report found that globally, spending on the top 38 cancer medicines account for 80% of total spending. Compared with some other jurisdictions in the region such as Taiwan and South Korea, prices for some of the top spending cancer drugs in Singapore can be 1.5 to 2 times higher. One possible reason for the high prices is the single MediShield Life claim limit (currently \$3,000 per month) that applies to all cancer drugs today, on top of the MediSave withdrawal limit (currently \$1,200 per month).

¹ The IQVIA Institute is a multinational company that provides commercial healthcare data and other research services.

As the cost of cancer drugs vary widely, a single claim limit that is set to cover the majority of subsidised chemotherapy bills would not be commensurate with the clinical benefits and patient outcomes realised for many of the cancer drugs. The Singapore Society of Oncology has given feedback during the public consultation that cancer drug prices are high in Singapore and suggested to study ways of negotiating better prices with pharmaceutical companies.

Further Study on MediShield Life Coverage for Cancer Drugs

With the rising cancer prevalence and emergence of higher cost cancer therapies, MediShield Life coverage and payout for cancer drugs will have to continue to increase to provide assurance and affordability for Singaporeans. However, we need to review the coverage of cancer drugs, so that they can be covered in a more sustainable manner.

The Council will appoint a committee of oncologists to study this further over the next few months. Many developed countries with advanced healthcare systems have taken various approaches, including negotiating prices with pharmaceutical companies before funding is extended to the treatment. We will look at what has worked for these countries and make recommendations to MOH on how to re-design MediShield Life coverage to ensure that cancer therapies continue to be affordable and sustainable for Singaporeans.

ANNEX

ANNEX A

COMPOSITION OF THE MEDISHIELD LIFE COUNCIL

The 11-member MediShield Life Council, chaired by Mrs Fang Ai Lian, was appointed by the Minister for Health to make recommendations on the policy and scheme parameters of MediShield Life.

Name	Designation
Mrs Fang Ai Lian Chairman	Advisor, <i>Far East Organisation</i>
Mr Hee Theng Fong Deputy Chairman	Consultant, Civil & Commercial Litigation, <i>Harry Elias Partnership LLP</i>
Prof Chia Sing Joo	Medical Director, Senior Consultant Urologist, <i>ML've UroCare Center</i>
Mrs Hauw Soo Hoon	Operating Partner, <i>iGlobe Partners (II) Pte Ltd</i>
Ms K Thanaletchimi	President, <i>Healthcare Services Employees' Union</i>
Mr Ng Soo Nam	Managing Director & Head, Asian Equities, <i>Threadneedle Investments Singapore Pte Ltd</i>
Prof Ong Yong Yau	Emeritus Consultant, Internal Medicine, <i>Singapore General Hospital</i>
Mr Sallim Abdul Kadir	Director of HR, <i>AFL Technologies Pte Ltd</i>
Mr Shekaran Krishnan	Partner, <i>Ernst & Young LLP</i>
Dr Tan Yew Oo	Specialist in Medical Oncology, <i>Icon Cancer Centre Farrer Park</i>
Prof Walter Tan	Medical Director, <i>Raffles Hospital</i>

CURRENT MEDISHIELD LIFE BENEFITS

Inpatient/Day Surgery Treatments	Claim limits	
Daily Ward and Treatment Charges		
• Normal Ward	\$700 per day	
• Intensive Care Unit Ward	\$1,200 per day	
• Community Hospital	\$350 per day	
• Psychiatric (up to 35 days per policy year)	\$100 per day	
• Inpatient Palliative Care Service (General)	\$250 per day	
• Inpatient Palliative Care Service (Specialised)	\$350 per day	
Surgical Procedures (depending on complexity)	\$240 – \$2,600 per procedure	
Implants	\$7,000 per treatment	
Radiosurgery	\$4,800 per procedure	
Continuation of Autologous Bone Marrow Transplant Treatment for Multiple Myeloma	\$6,000 per treatment	
Outpatient Treatments		
Chemotherapy for Cancer	\$3,000 per month	
Radiotherapy for Cancer		
• External or Superficial	\$140 per treatment	
• Brachytherapy	\$500 per treatment	
• Stereotactic	\$1,800 per treatment	
Kidney Dialysis	\$1,000 per month	
Immunosuppressants for Organ Transplant	\$200 per month	
Erythropoietin for Chronic Kidney Failure	\$200 per month	
Long-term Parenteral Nutrition	\$1,700 per month	
Maximum Claim Limit		
Per Policy Year	\$100,000	
Deductible (based on age next birthday)	Age 80 & below	Age above 80
Class C	\$1,500	\$2,000
Class B2 and above (including stay in private hospitals)	\$2,000	\$3,000
Day Surgery	\$1,500	\$3,000
Co-insurance (based on claimable amount)		
Inpatient/Day Surgery Treatments		
• First \$5,000 (inclusive of deductible)	10%	
• Next \$5,000	5%	
• Above \$10,000	3%	
Outpatient Treatments	10%	

CURRENT MEDISHIELD LIFE PRO-RATION FACTORS

Ward Class / Subsidy Status	Singapore Citizen	Permanent Resident
Class C	100%	44%
Class B2	100%	58%
Class B2+	70%	47%
Class B1	43%	38%
Class A	35%	35%
Private Hospital	35%	35%
Community Hospital (Subsidised)	100%	50%
Community Hospital (Non-subsidised)	50%	50%
Inpatient Palliative Care Service (Subsidised)	100%	50%
Inpatient Palliative Care Service (Non-subsidised)	50%	50%
Subsidised Short Stay Ward	100%	58%
Non-subsidised Short Stay Ward	35%	35%
Subsidised Day Surgery	100%	58%
Non-subsidised Day Surgery	35%	35%
Subsidised Outpatient Treatment ¹	100%	67%
Non-subsidised Outpatient Treatment ^{1,2}	50%	50%

¹ Continuation of Autologous Bone Marrow Transplant for Multiple Myeloma will follow the outpatient pro-ration factors

² Non-subsidised bills for outpatient cancer treatments and home parenteral nutrition will be pro-rated. Bills for dialysis-related treatments and immunosuppressants will not be pro-rated.

FUTURE COMMITMENTS UNDER THE MEDISHIELD LIFE FUND

Future premium rebates

MediShield Life is designed such that premiums continue to be affordable in old age. Part of the premiums that policyholders pay when young is set aside as reserves in the MediShield Life Fund and returned as premium rebates when they are old and no longer working. The contributions from each age cohort will be used to support their own rebates in old age. This helps to distribute premiums more evenly throughout policyholders’ lifetimes.

Claims incurred but not yet submitted or paid

This is for expected incoming claims, where the treatment has already taken place (and hence hospitalisation expenses have already been incurred) but claims have yet to be submitted or paid. This includes estimated provisions for claims that are still being processed and those that have not been submitted.

Claims not yet incurred but expected to be paid in the future

This is for claims where treatments have not taken place but are expected to occur in the future (i.e. the next few years) based on actuarial projections after allowing for future premium collections. This also includes an allowance for the fact that premiums typically remain constant for several years at a time, whereas average claims go up each year with the increasing cost of medical treatments. The reserves also help the scheme meet all its obligations to members during these years.

Continuing claims

The Fund sets aside provisions to cover the projected total future costs for those who have started on multi-year treatments. For example, patients undergoing dialysis claim up to \$1,000 per month, or up to \$12,000 per year. Such treatment continues for many years and the claims for these patients are provided for from Fund reserves.

DETAILED CALCULATIONS OF RECOMMENDATIONS BENEFITTING PATIENTS

Higher Payout for Patient Requiring Sub-Acute Care

Patient: 60-year-old patient
Medical Condition: Bone infection
Treatment: 25 days of subsidised sub-acute care in a community hospital

This is an example of a patient that was transferred to the community hospital for sub-acute care after completing treatment in an acute hospital, when the intensity of care provided at acute hospitals was no longer required. Hence, the patient had already met the annual MediShield Life deductible from the acute hospital bill. The deductible only needs to be met once per policy year.

	Hospital Bill ¹	MediShield Life Claim Computation	
Total Bill	\$17,300		
Total Bill After Government Subsidy ²	\$10,700		
• Daily Ward & Treatment Charges (25 days of sub-acute care in community hospital)	\$10,700	Current ³ \$8,750	Recommended ⁴ \$10,700
Total Claimable Amount	-	\$8,750	\$10,700
Less Deductible ⁵	-	\$0 (already met in prior hospitalisation)	
Less Co-insurance ⁶	-	(\$262.50)	(\$321)
MediShield Life pays	-	\$8,487.50	\$10,379
MediSave and/or Cash	-	\$2,212.50	\$321

¹ As the patient is a Singapore Citizen who stayed in subsidised community hospital ward, the MediShield Life claim is computed based on 100% of the bill.
² Subsidised community hospital ward patients can receive means-tested Government subsidies of up to 75% of total bill.
³ Lower of the claim limit for daily ward and treatment charges in community hospital, (\$350 x 25 days) = \$8,750, or 100% of charges incurred of \$10,700. Therefore, the claimable amount is \$8,750.
⁴ Under the recommended claim limit for sub-acute care in Community Hospital, the claimable amount is the lower of the claim limit (\$430 x 25 days) = \$10,750, or 100% of charges incurred of \$10,700. Therefore, the claimable amount is \$10,700.
⁵ The patient had already met the deductible in a prior hospitalisation bill.
⁶ Co-insurance = 10% of claimable amount for the first \$5,000, inclusive of deductible, followed by 5% for the next \$5,000 and 3% for claimable amount above \$10,000. The patient is already at the 3% tier for co-insurance due to claims incurred in prior hospitalisation bill.

Higher Payout for Patient with Short Acute Hospital Stay

Patient: 37-year-old patient
Medical Condition: Bacteria infection, likely from eating raw/under-cooked meat
Treatment: 2 days in C ward; 80% of bill was for diagnostic tests and investigations

In this example, the patient had already met the annual MediShield Life deductible from a prior hospitalisation. The deductible only needs to be met once per policy year.

	Hospital Bill ¹	MediShield Life Claim Computation	
Total Bill	\$3,750		
Total Bill After Government Subsidy ²	\$1,800		
• Daily Ward & Treatment Charges (2 days in normal ward)	\$1,800	Current ³ \$1,400	Recommended ⁴ \$1,800
Total Claimable Amount	-	\$1,400	\$1,800
Less Deductible ⁵	-	\$0 (already met in prior hospitalisation)	
Less Co-insurance ⁶	-	(\$140)	(\$180)
MediShield Life pays	-	\$1,260	\$1,620
MediSave and/or Cash	-	\$540	\$180

¹ As the patient is a Singapore Citizen who stayed in a C ward, the MediShield Life claim is computed based on 100% of the bill.
² C ward patients can receive means-tested Government subsidies of up to 80% of total bill.
³ Lower of the claim limit for daily ward and treatment charges in normal ward, (\$700 x 2 days) = \$1,400, or 100% of charges incurred of \$1,800. Therefore, the claimable amount is \$1,400.
⁴ Under the recommended claim limit for the first two days of acute hospital stay, the claimable amount is the lower of the claim limit (\$1,000 x 2 days) = \$2,000, or 100% of charges incurred of \$1,800. Therefore, the claimable amount is \$1,800.
⁵ The patient had already met the deductible in a prior hospitalisation bill.
⁶ Co-insurance = 10% of claimable amount for the first \$5,000, inclusive of deductible.

ANNEX F

PREMIUM SUBSIDIES AND SUPPORT MEASURES

Premium Subsidies. Premium Subsidies are provided to lower- to middle-income Singapore Citizens and Permanent Residents with a household monthly income per person of \$2,800 and below, and living in residences with an Annual Value of \$21,000 and below. Individuals who own more than one property are not be eligible for Premium Subsidies. Permanent Residents receive half of the applicable subsidy rates for Singapore Citizens.

Age Next Birthday	Premium Subsidy Rates for Singapore Citizens based on Household Monthly Income Per Person		
	Lower-Income \$0 - \$1,200	Lower-Middle-Income \$1,201 - \$2,000	Upper-Middle-Income \$2,001 - \$2,800
1 – 40	25%	20%	15%
41 – 60	30%	25%	20%
61 – 75	35%	30%	25%
76 – 85	40%	35%	30%
86 – 90	45%	40%	35%
>90	50%	45%	40%

Note: Those living in residences with an Annual Value of between \$13,001 and \$21,000 will receive 10 percentage points less than the subsidy rates shown above. Those living in residences with an Annual Value of above \$21,000 will not receive these subsidies.

Household Monthly Income Per Person = $\frac{\text{Total Gross Household Monthly Income}}{\text{No. of Family Members In the Household}}$

Merdeka Generation Subsidies. Merdeka Generation seniors receive additional Merdeka Generation Subsidies of 5% of their premiums, increasing to 10% after they turn 75 years of age, regardless of their household income and Annual Value of their residences. This is on top of the above premium subsidies that the seniors may receive. All Merdeka Generation seniors also receive annual MediSave top-ups of \$200 from 2019 to 2023, which can be used to pay MediShield Life premiums.

Age Next Birthday	Additional Merdeka Generation Subsidies as Percentage of Premiums
60 – 75	5%
76 and above	10%

Pioneer Generation Subsidies. Pioneers receive special Pioneer Generation Subsidies ranging from 40% to 60% of their premiums, regardless of their household income and Annual Value of their residences. All Pioneers also currently receive lifetime annual MediSave top-ups of \$200 to \$800 depending on birth cohorts, which can be used to pay MediShield Life premiums. This will increase to \$250 to \$900 from 2021.

Older Pioneers (aged 81 years old and above in 2020) who have serious pre-existing conditions will also receive a one-off MediSave top-up of \$50 to \$200 per year for five years, from 2021 to 2025.

After the premium adjustments, all PG seniors who are 86 years old and above in 2020 will continue to have their premiums fully covered by the special PG premium subsidies and MediSave top-ups, while younger PGs will have about two-thirds of their premiums covered.

Age Next Birthday	Pioneer Generation Subsidies as Percentage of Premiums
66 – 70	40%
71 – 80	44% – 54%
81 – 90	54% – 59%
>90	60%

Additional Premium Support. Additional Premium Support provides financial assistance to Singaporeans who are unable to afford their premiums after premium subsidies and MediSave use, and have limited family support.

They will be invited to apply for Additional Premium Support, and the Government will help them with the process if they are unable to do so themselves. No one will lose MediShield Life coverage due to financial difficulties.

MEDISHIELD LIFE PREMIUM SCHEDULE (NON-MERDEKA/PIONEER GENERATION SINGAPORE CITIZENS) IN 2021

Age Next Birthday	Current Premiums Before Subsidy (\$)	Revised Premiums Before Subsidy (\$)	MediShield Life Premiums after Premium Subsidy for Lower to Middle Income and One-off COVID Subsidy (\$)							
			Lower-income		Lower-Middle-Income		Upper-Middle-Income		Higher Income	
			Current	Revised	Current	Revised	Current	Revised	Current	Revised
1 – 20	130	145	98	101	104	108	111	115	130	135
21 – 30	195	250	147	159	156	170	166	180	195	212
31 – 40	310	390	233	251	248	268	264	284	310	334
41 – 50	435	525	305	324	327	347	348	370	435	462
51 – 60	630	800	441	477	473	511	504	545	630	681
61 – 65	755	1020	491	543	529	585	567	626	755	835
66 – 70	815	1100	530	586	571	631	612	676	815	901
71 – 73	885	1195	576	636	620	685	664	734	885	978
74 – 75	975	1320	634	702	683	755	732	809	975	1079
76 – 78	1130	1530	678	750	735	813	791	875	1130	1250
79 – 80	1175	1590	705	780	764	845	823	910	1175	1300
81 – 83	1250	1675	750	827	813	896	875	965	1250	1378
84 – 85	1430	1935	858	949	930	1028	1001	1108	1430	1582
86 – 90	1500	2025	825	912	900	995	975	1078	1500	1658
> 90	1530	2055	765	844	842	929	918	1013	1530	1688

- Notes:
- 1. Premium Subsidies for the lower- to middle-income and one-off COVID subsidy (Year 1) are applied in this Table. Additional Merdeka Generation Subsidies and Pioneer Generation Subsidies are not included.
 - 2. Premium subsidies applied are for Singapore Citizens living in properties with an Annual Value of \$13,000 or less. Those with an Annual Value of between \$13,001 to \$21,000 will receive 10 percentage points less subsidy, while those with Annual Value of above \$21,000 will not receive premium subsidies. Individuals who own more than one property are not eligible for Premium Subsidies. Permanent Residents receive half of the applicable Premium Subsidies for Singapore Citizens.
 - 3. Lower-income refers to individuals with monthly per capita household income of \$1,200 or less. Lower-middle-income refers to individuals with monthly per capita household income of \$1,201 to \$2,000. Upper-middle-income refers to individuals with monthly per capita household income of \$2,001 to \$2,800.

MEDISHIELD LIFE PREMIUM SCHEDULE (NON-MERDEKA/PIONEER GENERATION SINGAPORE CITIZENS) IN 2023

Age Next Birthday	Current Premiums Before Subsidy (\$)	Revised Premiums Before Subsidy (\$)	MediShield Life Premiums after Premium Subsidy for Lower- to Middle-Income (\$)							
			Lower-income		Lower-Middle-Income		Upper-Middle-Income		Higher Income	
			Current	Revised	Current	Revised	Current	Revised	Current	Revised
1 – 20	130	145	98	109	104	116	111	124	130	145
21 – 30	195	250	147	188	156	200	166	213	195	250
31 – 40	310	390	233	293	248	312	264	332	310	390
41 – 50	435	525	305	368	327	394	348	420	435	525
51 – 60	630	800	441	560	473	600	504	640	630	800
61 – 65	755	1020	491	663	529	714	567	765	755	1020
66 – 70	815	1100	530	715	571	770	612	825	815	1100
71 – 73	885	1195	576	777	620	837	664	897	885	1195
74 – 75	975	1320	634	858	683	924	732	990	975	1320
76 – 78	1130	1530	678	918	735	995	791	1071	1130	1530
79 – 80	1175	1590	705	954	764	1034	823	1113	1175	1590
81 – 83	1250	1675	750	1005	813	1089	875	1173	1250	1675
84 – 85	1430	1935	858	1161	930	1258	1001	1355	1430	1935
86 – 90	1500	2025	825	1114	900	1215	975	1317	1500	2025
> 90	1530	2055	765	1028	842	1131	918	1233	1530	2055

- Notes:
- 1. Premium Subsidies for the lower- to middle-income are applied in this Table. Additional Merdeka Generation Subsidies and Pioneer Generation Subsidies are not included.
 - 2. Premium subsidies applied are for Singapore Citizens living in properties with an Annual Value of \$13,000 or less. Those with an Annual Value of between \$13,001 to \$21,000 will receive 10 percentage points less subsidy, while those with Annual Value of above \$21,000 will not receive premium subsidies. Individuals who own more than one property are not eligible for Premium Subsidies. Permanent Residents receive half of the applicable Premium Subsidies for Singapore Citizens.
 - 3. Lower-income refers to individuals with monthly per capita household income of \$1,200 or less. Lower-middle-income refers to individuals with monthly per capita household income of \$1,201 to \$2,000. Upper-middle-income refers to individuals with monthly per capita household income of \$2,001 to \$2,800.

MEDISHIELD LIFE PREMIUM SCHEDULE (MERDEKA GENERATION SENIORS) IN 2021

Age Next Birthday	MediShield Life Premiums after Premium Subsidy, Merdeka Generation Subsidies and One-off COVID-19 Subsidy (\$)							
	Lower-income		Lower-Middle-Income		Upper-Middle-Income		Higher Income	
	Current	Revised	Current	Revised	Current	Revised	Current	Revised
61 – 65	453	501	491	543	529	585	718	793
66 – 70	489	541	530	586	571	631	775	856
71 – 73	531	587	576	636	620	685	841	930
74 – 75	585	648	634	702	683	755	927	1025
76 – 78	565	625	622	688	678	750	1017	1125
79 – 80	588	650	647	715	705	780	1058	1170
81 – 83	625	689	688	758	750	827	1125	1240
84 – 85	715	791	787	870	858	949	1287	1424
86 – 90	675	746	750	829	825	912	1350	1492
> 90	612	675	689	760	765	844	1377	1519

- Notes:
- 1. Premium Subsidies for the lower- to middle-income, additional Merdeka Generation Subsidies and one-off COVID subsidy (Year 1) are applied in this Table.
 - 2. Premium subsidies applied are for Singapore Citizens living in properties with an Annual Value of \$13,000 or less. Those with an Annual Value of between \$13,001 to \$21,000 will receive 10 percentage points less subsidy, while those with Annual Value of above \$21,000 will not receive premium subsidies. Individuals who own more than one property are not eligible for Premium Subsidies.
 - 3. Lower-income refers to individuals with monthly per capita household income of \$1,200 or less. Lower-middle-income refers to individuals with monthly per capita household income of \$1,201 to \$2,000. Upper-middle-income refers to individuals with monthly per capita household income of \$2,001 to \$2,800. High income refers to individuals with monthly per capita household income above \$2,800.
 - 4. Figures shown have not included annual MediSave top-ups for the Merdeka Generation from 2019 to 2023.

MEDISHIELD LIFE PREMIUM SCHEDULE (MERDEKA GENERATION SENIORS) IN 2023

Age Next Birthday	MediShield Life Premiums after Premium Subsidy and Merdeka Generation Subsidies (\$)							
	Lower-income		Lower-Middle-Income		Upper-Middle-Income		Higher Income	
	Current	Revised	Current	Revised	Current	Revised	Current	Revised
61 – 65	453	612	491	663	529	714	718	969
66 – 70	489	660	530	715	571	770	775	1045
71 – 73	531	717	576	777	620	837	841	1136
74 – 75	585	792	634	858	683	924	927	1254
76 – 78	565	765	622	842	678	918	1017	1377
79 – 80	588	795	647	875	705	954	1058	1431
81 – 83	625	838	688	922	750	1005	1125	1508
84 – 85	715	968	787	1065	858	1161	1287	1742
86 – 90	675	912	750	1013	825	1114	1350	1823
> 90	612	822	689	925	765	1028	1377	1850

- Notes:
- 1. Premium Subsidies for the lower- to middle-income and additional Merdeka Generation Subsidies are applied in this Table.
 - 2. Premium subsidies applied are for Singapore Citizens living in properties with an Annual Value of \$13,000 or less. Those with an Annual Value of between \$13,001 to \$21,000 will receive 10 percentage points less subsidy, while those with Annual Value of above \$21,000 will not receive premium subsidies. Individuals who own more than one property are not eligible for Premium Subsidies.
 - 3. Lower-income refers to individuals with monthly per capita household income of \$1,200 or less. Lower-middle-income refers to individuals with monthly per capita household income of \$1,201 to \$2,000. Upper-middle-income refers to individuals with monthly per capita household income of \$2,001 to \$2,800. High income refers to individuals with monthly per capita household income above \$2,800.
 - 4. Figures shown have not included annual MediSave top-ups for the Merdeka Generation from 2019 to 2023.

MEDISHIELD LIFE PREMIUM SCHEDULE
(PIONEER GENERATION SENIORS) IN 2021

Age Next Birthday	Current MediShield Life Premiums after Subsidy (\$)	Revised MediShield Life Premiums after PG and One-off COVID-19 Subsidies (\$)
71 – 73	491	543
74 – 75	498	551
76 – 78	518	573
79 – 80	537	594
81 – 83	566	624
84 – 85	616	681
86 – 90	615	680
> 90	612	675

Notes:
1. Pioneer Generation Subsidies and one-off COVID subsidy (Year 1) are applied in this Table.
2. Figures shown have not included annual MediSave top-ups for the Pioneer Generation.

MEDISHIELD LIFE PREMIUM SCHEDULE
(PIONEER GENERATION SENIORS) IN 2023

Age Next Birthday	Current MediShield Life Premiums after Subsidy (\$)	Revised MediShield Life Premiums after PG Subsidy (\$)
71 – 73	491	663
74 – 75	498	674
76 – 78	518	701
79 – 80	537	727
81 – 83	566	759
84 – 85	616	833
86 – 90	615	831
> 90	612	822

Notes:
1. Pioneer Generation Subsidies are applied in this Table.
2. Figures shown have not included annual MediSave top-ups for the Pioneer Generation.

ANNEX H

PREMIUM REBATES TABLE (FOR THOSE BORN BEFORE 1950)

Entry Age	Premium Rebate Amount per year, by Age Band (\$)						
	71 – 73	74 – 75	76 – 78	79 – 80	81 – 83	84 – 85	86 – 90
Current							
41 – 50	78	92	104	123	217	225	225
51 – 60	39	46	52	62	109	112	112
Revised							
41 – 50	82	97	109	129	228	236	236
51 – 60	41	48	55	65	114	118	118

PREMIUM REBATES TABLE (FOR THOSE BORN IN OR AFTER 1950)

Entry Age	Premium Rebate Amount per year, by Age Band (\$)							
	66 – 70	71 – 73	74 – 75	76 – 78	79 – 80	81 – 83	84 – 85	86 – 90
Current								
30 and Below	49	107	184	260	313	440	483	537
31 – 40	41	80	138	195	235	330	362	403
41 – 50	36	53	92	130	157	220	241	269
51 – 60	30	30	46	65	78	110	121	134
61 – 70	N.A.	12	33	50	64	71	77	90
Revised								
30 and Below	51	112	193	273	329	462	507	564
31 – 40	43	84	145	205	247	347	380	423
41 – 50	38	56	97	137	165	231	253	282
51 – 60	32	32	48	68	82	116	127	141
61 – 70	N.A.	13	35	53	67	75	81	95

Note:
Figures are indicative. Premium rebates will be adjusted from time to time in line with the experience of the MediShield Life scheme.

PREMIUM IMPACT ON SOME TYPICAL HOUSEHOLDS

This analysis takes into account the existing premium subsidies, Merdeka / Pioneer Generation subsidies and MediSave top-ups, but not the premium rebates nor the one-off COVID-19 subsidy which will offset the premium impact further, where applicable.



Low Income Nuclear Household – Koh Family

Mr Koh is married with two children. Both he and his wife are in their mid-30s. He is a sole breadwinner with monthly income of \$2,000, and his annual CPF contribution to MediSave amounts to about \$2,340.

Annual MediSave Contributions ¹	MediShield Life Premiums after Subsidies	CareShield Life Premiums after Subsidies ²	% of MediSave Contributions used for MediShield Life and CareShield Life Premiums
\$2,340	\$804	\$268	46%

¹ Assumes one-month bonus in annual income
² CareShield Life premiums only apply for Mr Koh and his wife



Middle Income Nuclear Household – Muthu Family

Mr Muthu is married with two children. Both he and his wife are in their mid-30s. He is a sole breadwinner with monthly income of \$6,000, and his annual CPF contribution to MediSave amounts to about \$7,020.

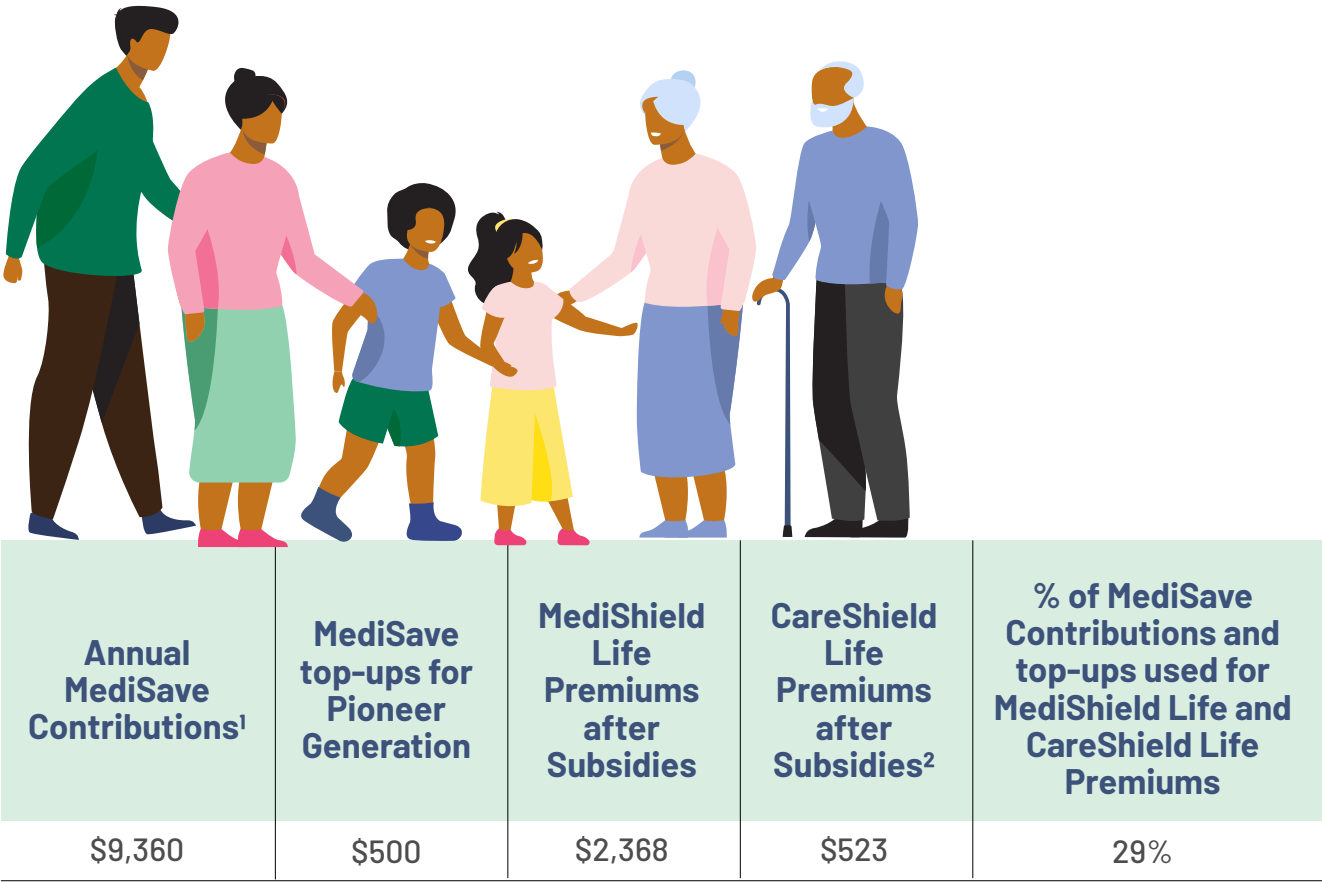
Annual MediSave Contributions ¹	MediShield Life Premiums after Subsidies	CareShield Life Premiums after Subsidies ²	% of MediSave Contributions used for MediShield Life and CareShield Life Premiums
\$7,020	\$856	\$296	16%

¹ Assumes one-month bonus in annual income
² CareShield Life premiums only apply for Mr Muthu and his wife

Middle Income Large Household – Zahir Family

Mr Zahir is married with two children. Both he and his wife are in their mid-40s. They have monthly incomes of \$4,000 each, and their annual CPF contribution to MediSave amounts to about \$9,360. They also support Mr Zahir’s two elderly parents in their mid-70s (Pioneer Generation), who are living with them.

Pioneer Generation Seniors also receive annual MediSave top-ups of \$250 to \$900 depending on birth cohorts, which can be used to pay for their MediShield Life premiums.

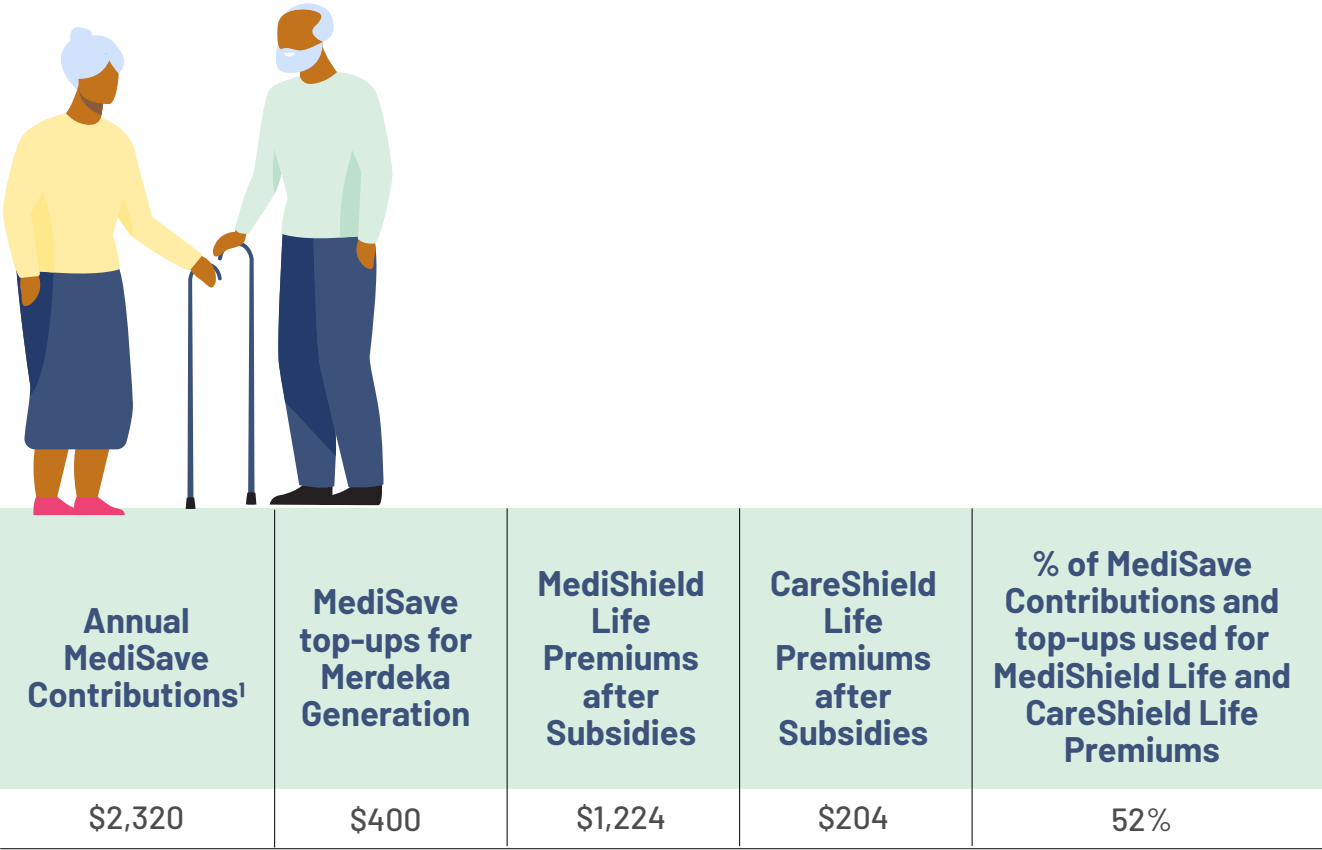


¹ Assumes one-month bonus in annual income
² CareShield Life premiums only apply for Mr Zahir and his wife

Low Income Merdeka Generation Household – Lee Family

Mr Lee and Mrs Lee are a couple in their early-60s and are part of our Merdeka Generation. Mr Lee is a sole breadwinner with monthly income of \$1,700, and his annual CPF contribution to MediSave amounts to about \$2,320.

Merdeka Generation Seniors also receive annual MediSave top-ups of \$200 from 2019-2023, which can be used to pay for their MediShield Life premiums.



¹ Assumes one-month bonus in annual income

