

MIND & BODY



OTHER FINANCING SOURCES FOR LONG-TERM CARE

Apart from ElderShield (and CareShield Life from 2020), Singapore's long-term care needs are supported by a combination of government and community assistance, as well as personal and family savings.

Around two-thirds of households qualify for means-tested government subsidies of up to 75 per cent and 80 per cent for nursing home care and home- and centre-based services respectively. Current government assistance schemes include:

SENIORS' MOBILITY AND ENABLING FUND

This provides means-tested subsidies to defray the costs of assistive devices, home health items or transport. It is administered by the Agency For Integrated Care (AIC).

ENHANCEMENT FOR ACTIVE SENIORS PROGRAMME

This provides means-tested subsidies to make HDB flats elder-friendly. It is administered by the Housing and Development Board.

FOREIGN DOMESTIC WORKER (FDW) GRANT AND FDW LEVY CONCESSION FOR PERSONS

WITH DISABILITIES

Administered by AIC, these help to defray the costs of informal care at home.

PIONEER GENERATION DISABILITY ASSISTANCE SCHEME

Severely disabled Pioneers can get a cash payout of \$100 a month for life. It is administered by AIC.

SILVER SUPPORT SCHEME

This provides a quarterly cash supplement to the bottom 20 per cent of elderly Singaporeans who had low incomes through life and have little or no family support. Those who qualify will receive the supplement automatically. There is

no need to apply.

CAREGIVERS TRAINING GRANT

This offers an annual \$200 subsidy to help defray the costs of attending caregiving courses. It is administered by AIC.

INTERIM DISABILITY ASSISTANCE PROGRAMME FOR THE ELDERLY

Severely disabled seniors who did not qualify for ElderShield when it was launched in 2002, as they were too old or had existing disabilities then, can tap this to pay for their medical bills, nursing costs or domestic help. Administered by AIC, it provides means-tested cash payouts of \$150 or \$250 a month for up to six years.

One assistance programme is the Silver Support Scheme, which provides a quarterly cash supplement to the bottom 20 per cent of elderly Singaporeans who had low incomes through life and have little or no family support. ST FILE PHOTO

Easing the costs of long-term care needs

Besides subsidy schemes, CareShield Life can also help relieve burden of severe disability



Joyce Teo

A new mandatory insurance plan – CareShield Life – announced last week by the Government is set to ease the burden that severe disability can bring, adding to government and community assistance plans aimed at meeting long-term care needs.

There are at least 10 schemes for long-term care, many administered by the Agency for Integrated Care.

The cost of long-term care should a person be severely disabled is one of two major costs that Singaporeans will face as they live longer and do not have enough babies, said Mr Christopher Tan, chief executive officer of Provident, a financial advisory firm specialising in retirement planning.

The other major cost will be the medical expenses incurred when one gets admitted into a hospital.

Yet, many people do not think much of long-term care insurance, said Mr Alfred Chia, CEO of financial advisory firm SingCapital. "We have seen so many cases where people are hit with disabilities when

they least expect it," he said.

"When disability hits, one loses the ability to earn an income while expenses pile up," he added.

Long-term care refers to the personal or health care needed by individuals who are frail or hit by adverse health conditions over an extended period of time. Most of the help needed by these individuals are with basic day-to-day tasks, sometimes called Activities of Daily Living, such as bathing, feeding or going to the toilet.

Long-term care assistance schemes can also include help to purchase assistive devices such as motorised wheelchairs and hearing aids; and home health items such as catheters and diapers.

Transport subsidies are also available for wheelchair-using seniors who need to travel to a day rehabilitation centre or a dialysis centre; or those who attend a dementia day-care centre.

These come under the Seniors' Mobility and Enabling Fund, which was launched in 2011, enhanced in 2013, and boosted by a \$100 million top-up announced in February this year.

Even big items such as ramps for flats are eligible for subsidies under the Enhancement for Active Seniors (Ease) programme by the Housing Board.

In late April, the Government said applications for subsidised ramps for HDB flats with multi-step



Transport subsidies are available for wheelchair-using seniors who need to travel to a day rehabilitation centre or a dialysis centre. ST FILE PHOTO

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entrances will open in the second half of the year, enabling elderly wheelchair users to get them to make their homes more accessible. The Government will pay up to 95 per cent of the cost of buying and installing such ramps.

Other subsidised elderly-friendly home fittings such as grab bars or slip-resistant treatment for floor tiles are also included in the Ease scheme, which is offered together with HDB's Home Improvement Programme.

Close to 163,000 households have applied for help under this scheme from its launch in July 2012 to March this year.

Apart from such help, a national long-term care insurance will offer basic protection. From 2020, all Singaporeans who turn 30 will be automatically covered by CareShield Life, which offers lifetime cash payouts of at least \$600 a month (albeit with higher premiums) when a successful claim is made, instead of \$400 a month for six years under ElderShield.

"The amount itself may not be enough for many people but, for lower-income families, the Government does provide a lot of subsidies. You have to look at it in totality," said Mr Chia.

He said those who can afford it should get their own life insurance, which would offer a lump sum payment if total and permanent disability hits. For better coverage, consumers can look for plans that define such disability as the inability to perform three Activities of Daily Living, he said.

Also, Mr Chia recommends that people set up a Lasting Power of Attorney, which allows them to appoint someone to manage their financial affairs should they lose their mental capacity one day.

"Otherwise, in instances where the person is hit with a severe disability and loses his mental capacity,

his caregiver won't be able to access his insurance payouts or savings."

CareShield Life is meant to provide the most basic long-term care coverage sufficient for the lower-middle income group, defined as households with \$1,100 per capita household income, said Mr Tan.

Should they become severely disabled and opt for nursing home care that costs \$2,400 a month for instance, they can get a 60 per cent government subsidy of \$1,400, use their CareShield Life to pay \$600 and co-pay the remaining \$400 with their savings, he said.

"I think for this group of individuals, CareShield would adequately provide for long-term care. For the higher-income group, they can opt to buy a supplement to improve their coverage," said Mr Tan.

As CareShield Life is meant to gradually replace ElderShield, the first cohort to be put on it will be all Singaporeans and permanent residents aged 30 to 40 in 2020 – including those with pre-existing disabilities.

Most of those beyond age 40 at that time would be existing ElderShield policyholders, who are eligible to join CareShield Life from 2021. The Ministry of Health is expected to release further details on this, such as the premiums, in the next few months.

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