



Not a single cent to pay from her own pocket

Thanks to her children's contributions to her Medisave account, Mdm Neo need not fork out cash for her \$11,000 hospital bill after she suffered a fall



BY CHERYL TAY

Just a year away from being a centenarian, Mdm Neo has never worked a day in her life and has never made any contribution to her Central Provident Fund (CPF) account.

This also means that she does not have any money in her Medisave account, which is a medical savings scheme that allows practically all Singaporeans to pay for their share of medical treatment.

But heeding the Health Ministry's advice, Mdm Neo's daughter-in-law Mrs Lim contributed to Mdm Neo's Medisave account under a voluntary top-up scheme.

This turned out to be a wise move as Mdm Neo did not have to pay a single cent when she was hospitalised at Changi General Hospital after a fall in December 2008.

The hospitalisation bill for Mdm Neo, who had to undergo surgery for her hip fracture, amounted to \$11,000.

The bill shrunk to slightly over \$2,000 through a government subsidy of up to 80 per cent. This subsidy is the first tier of protection under the public health financing scheme.

The second tier of protection – or Medisave – then kicked in to take care of the remaining amount, resulting in Mdm Neo not having to fork out any additional out-of-pocket cash.

"My mother-in-law doesn't have any money in her Medisave account as she was a housewife, so my family decided to contribute to her account

voluntarily," says Mrs Lim.

"It is important to set aside money for medical purposes as you never know what will happen or if you will one day fall sick."

Employees can put aside part of their income into their Medisave account to meet their future personal or immediate family's healthcare expenses.

Non-employed or self-employed persons can make voluntary contributions to Medisave and top up the account on a regular basis. The Government has also introduced several initiatives to encourage Singaporeans to top up the Medisave accounts of their parents. Medisave enjoys a 4 per cent interest rate per annum.

"We are fully supportive of Medisave, and those who are unemployed or self-employed should think about topping up their accounts if they can," says Mr Lim, the second eldest son of Mdm Neo's six children.

MDM NEO'S HOSPITAL BILL	
Total charges	\$11,198.90
Length of stay (Class C ward)	13 days
Government subsidy	\$8,825.87
Total bill after subsidy	\$2,373.03
Amount of Medisave claimed	\$2,373.03
Amount paid in cash	\$0.00

HEALTHCARE MADE AFFORDABLE

Medisave is a compulsory individual medical savings account scheme which allows Singaporeans to pay for their medical treatment without financial difficulty. It can be used for hospitalisations, day surgeries and certain outpatients' treatment.

MediShield is a low-cost catastrophic illness insurance scheme designed to help Singaporeans meet medical expenses for major illnesses or long hospital stay. Premiums for MediShield can be paid by Medisave. While MediShield is meant for those staying in Class B2 and C wards, Singaporeans who prefer Class A and B1 wards in public hospitals or private hospitals can opt for Integrated Shield Plans, offered by private insurers.

Medifund is an endowment fund set up by the Government to assist needy Singaporeans who are unable to pay for their medical expenses. Medifund acts as a final safety net for needy Singaporeans who face difficulties paying for their bills despite having government subsidies, Medisave and MediShield.

Visit www.moh.gov.sg for more details.

FIVE THINGS TO NOTE

- ✓ **Understand the different schemes available.**
A good insurance scheme gives you adequate coverage. Buy a plan that is suitable for your needs. More does not mean better.
- ✓ **Know what you can afford.**
Subscribe to an insurance plan that you can afford so that it is sustainable in the long run.
- ✓ **Contribute to Medisave and use it carefully.**
Small and regular contributions help grow your Medisave account. Do regular top-ups for yourself and your loved ones.
- ✓ **Choose the right ward.**
Whether it is Class A/B1 or Class B2/C, choose one that is within your means.
- ✓ **Buy young.**
It is important to buy and stay in an insurance plan from a young age while you are still healthy so that you will not face exclusions at a later age.