

A 3Ms Feature

Medisave • MediShield • Medifund

Healthcare made affordable with 3Ms

TAN HUI LENG

huileng@newstoday.com.sg

Singaporeans are generally concerned about healthcare costs. They worry if they can afford to pay the medical bills should they or their family members fall seriously ill. In Singapore, while we are encouraged to take responsibility over our health and healthcare needs, there are support structures, from the community and government, to assist those who are truly in need. The Ministry of Health shares how healthcare costs are kept affordable – through

government subsidies, supplemented by a comprehensive 3Ms framework – Medisave, MediShield and Medifund.

Your hospital bill

	Amount (\$)
Total charges	
Less: Government subsidies	
Net amount patient has to pay	
Less: Amount claimable from MediShield	
Less: Amount that can be paid with Medisave	
Cash amount patient pays	

Healthcare subsidies

Singaporeans enjoy heavy subsidies in public hospitals, especially in Class B2 and C wards, where up to 80% of the costs are subsidised by the Government. Patients need to bear part of their medical expenses and to pay more when they demand a higher level of service. This allows Singapore to minimise the pitfalls of "free" medical services, such as over-consumption and over servicing. Hence, we can keep hospitalisation costs as low as possible.

At the same time, we have Government subsidies to keep basic healthcare affordable.

Class wards	Healthcare subsidy
A	0%
B1	20%
B2	65%
C	80%

Do you know?

Our healthcare subsidies have been increasing steadily from about \$850 million in 2000 to \$1.26 billion in 2005. A big part of this subsidies went into helping patients in Class C wards.

MediShield

MediShield is an affordable medical insurance scheme designed to cover large medical expenses resulting from major or prolonged illness. It complements Medisave, which may not be sufficient to pay for such large bills. In July 2005, MediShield was enhanced to provide Singaporeans with better insurance protection through higher payouts; an enhanced loyalty discount scheme and an increase in maximum coverage age from 80 to 85. The reform saw a patient's share of a large Class B2 or C hospital bill halved to about 30 per cent, as compared to 60 per cent previously.

MediShield is designed for Class B2 and C hospitalisations. Singaporeans who wish to opt for private wards or hospitals should consider purchasing a Medisave-approved insurance plan from a private insurer. Such plans provide additional benefits to MediShield.

MediShield claim limits

Lifetime	\$200,000
Annual	\$50,000
Daily ward & treatment charges (Normal)	\$250
Daily ward & treatment charges (Intensive Care Unit)	\$500
Surgical procedures	\$150 – \$1,100
Surgical implants	\$2,500

Do you know?

About 75 per cent of Singaporeans are covered under MediShield and other types of Medisave-approved medical insurance plans. In 2004, a total of about 102,000 claims were made from MediShield and about \$70 million were paid out.

Medisave

This is a national medical savings scheme to help individuals save part of their money for either their personal medical expenses or their immediate family members' hospitalisation bills. Medisave can be used to pay for hospitalisation, day surgery and certain approved outpatient treatments, including dialysis.

Do you know?

In 2004, the average Medisave balance for all members was some \$12,000. This is a significant sum which is enough to cover several hospitalisations in Class B2 and C wards.

From April 1 of this year, patients can withdraw up to \$400 from their Medisave for each day's stay in hospital, up from the current \$300 limit. This increase will benefit all Singaporeans, especially middle income groups.

Medifund

Needy Singaporeans who cannot afford the cash payment for their hospital expenses despite Medisave and MediShield can turn to Medifund. A financial safety net set up by the Government, Medifund helps Class B2 and C patients, who need financial assistance to pay their medical bills. Patients can apply for Medifund through a Medical Social Worker at our public hospitals. Their cases will be considered by the Hospital Medifund Committee.

Do you know?

In 2005, the Government provided a Medifund grant of about \$39 million to the hospitals and voluntary welfare organisations to assist patients in financial difficulties to pay for their medical expenses. As high as 99 per cent of Medifund applications are approved each year.



MINISTRY OF HEALTH
SINGAPORE

For more information, please visit www.moh.gov.sg