



New MediShield
**MORE BENEFITS,
LESS WORRIES**

Protection against large bills



Ministry
Of Health

Understanding MediShield

Most of the time, we can afford to pay for minor medical operations and clinic visits.

But what happens when we are struck with a major illness? A long stay in the hospital can easily wipe out our life savings.

To help Singaporeans pay their hospital bills, we have an extensive healthcare financing system in place.

Subsidies -

Government subsidies for healthcare

Medisave -

Individual medical savings plan

MediShield -

Individual medical insurance scheme

Medifund -

Medical safety net to help needy Singaporeans

How do you benefit?

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.

As a result, most Class B2/C hospital bills are quite modest and can be covered with your Medisave account.

But Medisave may not be sufficient if the hospital bill swells to tens of thousands of dollars, or what is known as a "catastrophic" bill.

That is why we have MediShield insurance to protect against such large bills.

Falling behind the times

Unfortunately, MediShield has been losing its effectiveness. Its premiums and claim limits have not been adjusted to reflect rising medical costs.

Today, MediShield only covers around 40% of a large hospital bill, leaving patients with the remaining 60%. For a bill of \$10,000, this means the patient pays \$6,000, which may not be affordable to many.

Claim Limits: The maximum amount that can be claimed from MediShield.

Premium: The sum that you have to pay for insurance coverage.

Here is what happens on July 1 2005 when MediShield is revamped

You will have to pay slightly higher MediShield premiums

BUT

You will enjoy substantially higher MediShield Payouts

**With the new MediShield, your share of the large hospital bill
will be halved, from 60% of the bill to around 30%.**

This will be achieved by raising the maximum amounts you
can claim from MediShield

**Lifetime claim limits
\$120,000 → \$200,000**

**Annual claim limits
\$30,000 → \$50,000**



**Daily claim limits for
normal hospital stays
\$150 → \$250**

**Daily claim limits for
Intensive Care Unit (ICU)
\$300 → \$500**

**Claim limits for
surgical procedures
\$120-\$900 → \$150-\$1,100**

**Claim limits for
surgical implants
\$1,500 → \$2,500**



And how much more do you have to pay?

Here's the good news – you don't have to pay much more, but you get much better benefits

- **The increase in premiums is not more than \$11.25 per month**
- **The deductible will go up by \$500 to \$1,500 for Class B2 wards and \$1,000 for Class C wards**
- **The co-payment portion for large bills will be lowered**



You can pay the premiums and deductible using your Medisave or that of your immediate family members.

On average, Singaporeans have over \$11,000 each in their Medisave accounts. That is more than enough to cope with the increased payments.

At the same time, come 1 July 2005, the government will top-up all Medisave accounts by up to \$350.

There is also a loyalty discount scheme. For every 10 years on MediShield, you get a 10% discount on premiums if you are above 70, up to a maximum discount of 40%. In other words, most people won't feel the impact of the premium and deductible increases.



Co-payment: Your share of the claimable amount after paying for the deductible
Deductible: Your share of the claimable amount before MediShield kicks in. It is now \$1,000 for a C-class ward and \$1,500 for a B2-class ward.

Still not convinced?

Here's a case study of Mrs Wong, who had liver failure and had to stay in a Class C ward for 39 days, including 7 days in the Intensive Care Unit (ICU).

After government subsidies, her total bill came up to **\$12,760**

See how the new MediShield works better than the old.

		Old MediShield	New MediShield
1 First, she finds out how much she can claim from MediShield	32 days in a Class C ward	\$4,800	\$8,000
	7 days ICU	\$2,100	\$3,500
	Total possible claim	\$6,900	\$11,500
2 But this is what she needs to pay first	Deductible	\$500	\$1,000
	Co-payment under MediShield	\$1,280	\$1,350
	Subtotal	\$1,780	\$2,350
3 So MediShield pays (Total possible claim minus What she has to pay first)		\$6,900	\$11,500
		-\$1,780	-\$2,350
		\$5,120	\$9,150
4 And this is the remaining amount Mrs Wong needs to pay (Total hospital bill minus what Medishield pays)		\$12,760	\$12,760
		-\$5,120	-\$9,150
		\$7,640	\$3,610

TOTAL SAVINGS: \$4,030

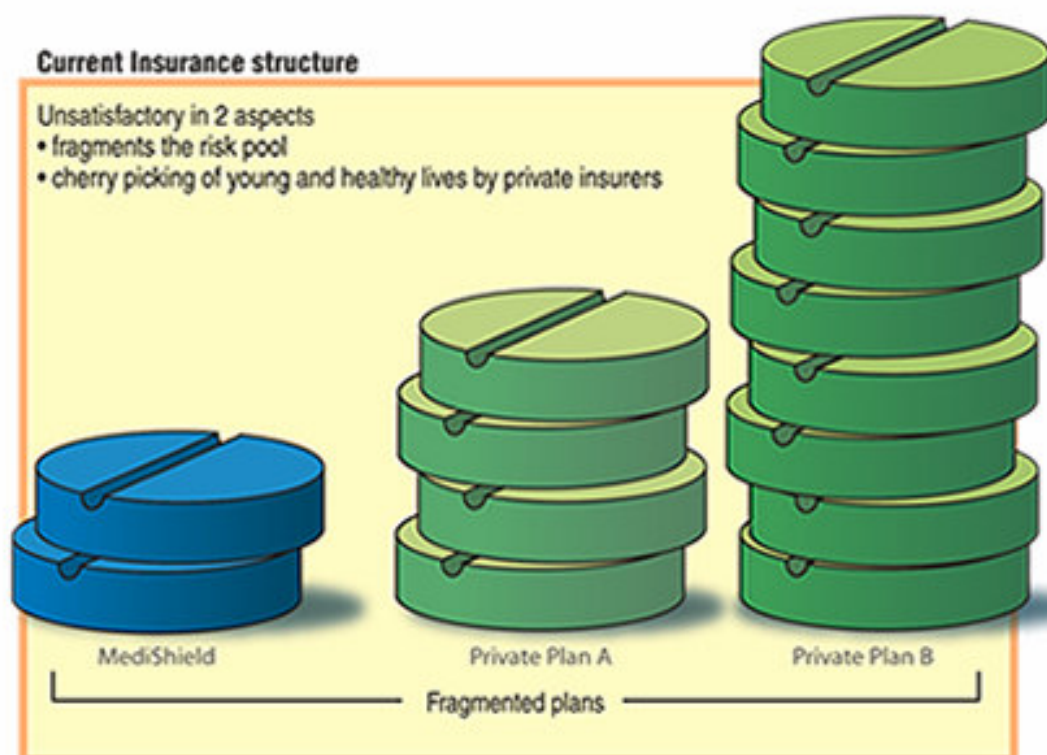
With the new MediShield, Mrs Wong's share of the hospital bill has reduced from 60% to 28%. To put it simply, she forks out less money, saving \$4,030 in the process.

What about private medical insurance plans?

From 1 July, all private insurers that meet MOH's minimum requirements can offer enhancement plans to MediShield.

These plans will provide better coverage – on top of what MediShield already provides - including protection against stays in private hospitals or Class A/B1 wards.

The private insurers will integrate their enhancement plans with MediShield as a single product. You can use Medisave to pay for these integrated plans.



How will you benefit?

When you purchase an integrated plan from a private insurer, you will be covered by both the private insurer and MediShield.

As a MediShield policyholder, you will automatically receive all benefits of the MediShield scheme, like the loyalty discounts for premiums.

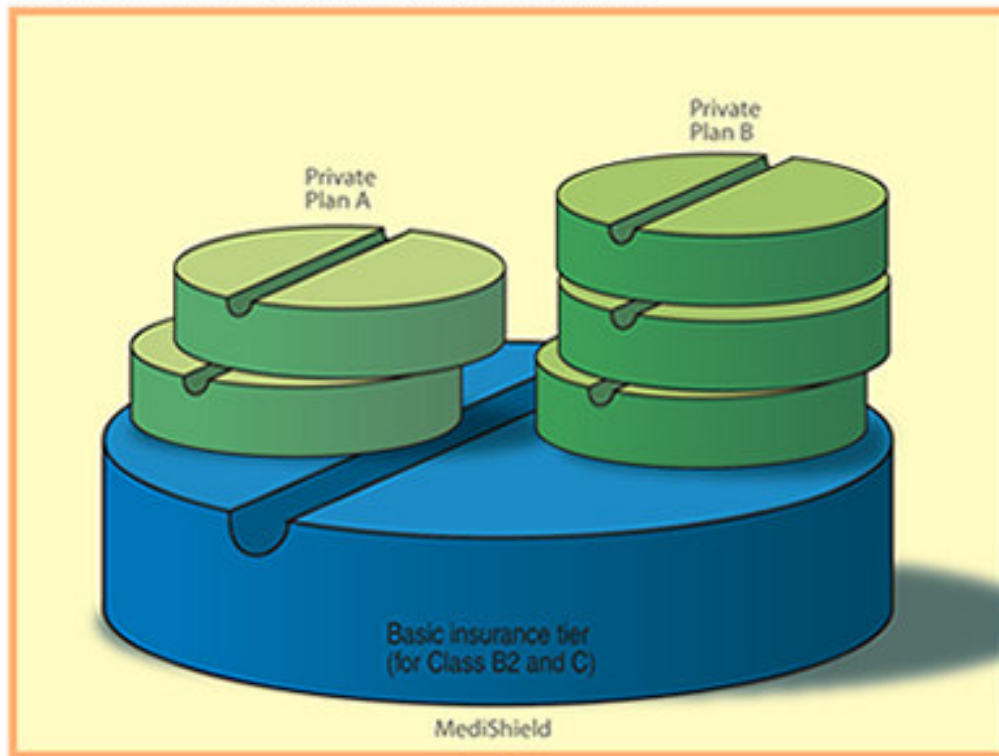
What about existing private medical insurance schemes and MediShield Plus?

Existing private medical insurance schemes (e.g. AIA's HealthShield, GE's Supreme Health and NTUC Income's IncomeShield) will be restructured into the new integrated plans which include MediShield.

MediShield Plus (the government's enhancement plan for MediShield) will also be restructured into an integrated plan and tendered on a competition basis to a private insurer to run. There will be minimal disruption to your current MediShield Plus coverage.

You can be assured of continuing insurance coverage regardless of your medical condition. If you are a policyholder of one of these plans, your private insurer will be contacting you to explain how the changes will affect you.

Integrated with Medishield to bring you more benefits



Private medical insurance schemes (PMIS): These are Medisave-approved insurance schemes offered by private insurers. Previously, PMIS were substitutes to MediShield. But now they have become integrated with MediShield.

Questions and Answers



Can I stay on the old MediShield scheme?

No, everyone will be moved to the new MediShield scheme.

I am young and healthy. Why should I join MediShield?

Apart from the fact that you should always buy health insurance at an early age, MediShield offers a generous loyalty discount if you start now.

If you are 30 years old, you will be paying 40% less on premiums by the time you are 70. The premiums are not high either. If you are less than 50 years old, you only need to fork out \$100 a year. In return, you can rest assured that your biggest bills have been adequately covered.

I have opted out of MediShield previously. How do I rejoin?

All are encouraged to rejoin MediShield. However, to be fair to loyal MediShield members, applicants who have already developed illnesses will have these conditions excluded from their insurance cover.

You can call the CPF Board at **1800-227-1188** or log on to www.cpf.gov.sg to obtain an application form.

Can I enrol my children and/or other dependents for MediShield?

Yes. To do so, you can contact the CPF Board for an application form.

I already have a Medisave-approved private medical insurance scheme. How do I go about switching to the new integrated plan?

The good news is that you do not have to do anything.

Your private insurer will be sending you information on how your current plan will become integrated with MediShield.



Since I will have two insurers under the new integrated plan, how do I go about filing my claims?

Your private insurer will serve as a single point of contact. You will continue to file claims through your private insurer as before.



Got any more queries on MediShield?

Check out the following helplines

MINISTRY OF HEALTH

Webpage: www.moh.gov.sg

Hotline: 1800-225-4122

CENTRAL PROVIDENT FUND BOARD

Webpage: www.cpf.gov.sg

Hotline: 1800-674-0377

Text: Ian Tan, **Art & layout:** Jonathan Roberts