

a 3Ms feature

Medisave • MediShield • Medifund

TAN HUI LENG

huileng@newstoday.com.sg

When Mdm Annie Wong was diagnosed with stage four colon cancer last July, the first concern she had was her family. The second was the medical bill.

"The diagnosis was a shock because I had no indications of the ailment," said the 45-year-old homemaker who has two sons aged 12 and 16.

"However, I was not as fearful about my illness as I was more worried for my children, who are not independent yet. Of course, I was also worried about the money we would have to spend on my medical bills."

Mdm Wong's concerns were valid. Because of complications, she had to undergo another surgery that was more complex than expected.

The procedure drove her class B2 medical bill up to \$15,391. Fortunately, her bill after government subsidy was cut down to \$3,178.

Each year, government subsidies for healthcare amounted to more than \$1 billion, of which 70% was used to help patients in subsidized wards in public hospitals.

Besides government subsidies, patients also have a role to play in keeping healthcare costs affordable. For one, they should choose a ward class they can afford. Mdm Wong did just that. Her choice of class B2 ward saved a lot for her in medical cost. At the end of her hospitalization, Mdm Wong, only needed to pay \$678 in cash for her six days' stay. The balance of \$2,500 was paid from her Medisave.

Medisave

A compulsory national savings scheme under the Central Provident Fund (CPF), Medisave is aimed at ensuring that each person contributes to his future medical expenses and to those of his immediate family.

Under the scheme, every employee contributes 6 to 8% (depending on his age group) of his monthly salary to his personal Medisave account.

Recently, the Government announced increased Medisave withdrawal limits so as to better help Singaporeans cope with their healthcare costs.

From April 1 this year, patients can withdraw up to \$400 from their Medisave

"It's not just the surgery but the follow-up bills that are very costly," said Mdm Wong who is currently undergoing chemotherapy.

"With just one breadwinner and two school-going children, it would have been a strain on the family finances if not for the subsidies," Mdm Wong.

Taking Care Of My Hospital Bill

Singaporeans now enjoy basic healthcare treatments without straining their finances, thanks to Medisave, MediShield and Medifund schemes.

will pay for 69% of all B1 ward hospital bills and 40% of A class bills. This is up from the present 44 and 21% respectively.

At the end of 2004, the average Medisave balance for all members was some \$12,000, a significant sum as the average class C hospitalisation bill is about \$800, after government subsidies.

MediShield

But some patients could still face huge expenses because of a major illness that requires a long stay in the hospital or several hospitalisation episodes. Thus, the catastrophic insurance scheme MediShield was introduced in 1990 as an opt-out scheme to complement Medisave. Reformed in July last year, the scheme has brought about a substantial increase in insurance payouts and benefits.

MediShield premiums are kept low and affordable – so that as many people as possible could be covered. Younger members pay a lower rate than older ones. Medisave can be used to pay MediShield premiums.

It is estimated that under the reformed MediShield, a patient's share of a large B2 or C class hospital bill will be about 30% on average as compared to 60% prior to the reform.

MediShield covers most hospital expenses including intensive care, surgical operations and implants. It also covers outpatient kidney dialysis and chemotherapy as well as radiography for cancer treatment. The MediShield maximum coverage age has also been raised from 80 to 85 years, to enable better coverage for the elderly.

Medifund

Even with Government subsidies, Medisave and MediShield, Singaporeans who are unable to pay their hospital bills need not fret as the government has set aside an additional safety net in the form of Medifund. The Medifund endowment fund paid out \$16.1 million in 2004 to 16,400 class B2 and C patients who needed help to pay for their hospitalisation bills.

The capital sum in Medifund currently stands at \$1 billion and interest income from the capital sum is used to assist needy patients.

Patients who are not able to pay their hospital bills can approach the medical social workers at the hospital for help.



Mdm Annie Wong's Hospital Bill For Rectal Tumour Removal Operation

Total hospital bill		\$15,391
Total bill after Government's subsidies		\$3,178
Length of stay (B2 Ward)		6 days
Medisave pays (\$1,800 + \$700)		\$2,500
Medisave claimable for length of stay (maximum of \$300* per day)	\$1,800	
Operation Charges	\$ 700	
Patient pays (\$3178-\$2500)		\$ 678
Percentage paid by patient in cash		21%

*From April 1 this year, patients can withdraw up to \$400 from their Medisave for each day's stay in hospital.

for each day's stay in hospital. This is up from the \$300 limit now.

This change will benefit middle income groups who have large Medisave balances the most. With the change, they can pay less out of their own pockets when they

stay in B1 or A class wards. For class B2 or C patients, they also stand to benefit from the change even though the current \$300 Medisave withdrawal limit is already adequate for their needs.

With this new withdrawal limit, Medisave

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



MINISTRY OF HEALTH
SINGAPORE