

Health Insurance

Coverage for Hospitalisation
What You Need To Know



INTRODUCTION

Many of us take good health for granted and assume nothing will happen, like an accident, a major illness or disability.

Health insurance can help take away the worry of the cost of hospitalisation. What should you know about MediShield and health insurance? This guide provides you an overall view of the key elements of hospitalisation coverage and selecting the plan appropriate for your needs.

MediShield is a health insurance plan managed by the CPF Board and is basically to cover hospitalisation at Class B2/C wards. If you stay in higher class wards or private hospitals, or want more comprehensive coverage, you may want to consider taking up additional health insurance.

What is Hospitalisation Coverage?

Hospital coverage refers to the health insurance which will help pay your hospitalisation bill which can be a strain on your finances. MediShield is a health insurance plan by the CPF Board. It covers ward charges, consultation/treatment fees, investigations and medications, and surgical procedures/implants.

Other types of health insurance include those which pay you a lump-sum in the event of accidents, critical illness or disability. These policies are offered by private insurance companies, and premiums are paid in cash.

How Much Coverage Should I Buy?

This depends on the ward class (e.g. Class A or Class B1), type of hospital (e.g. private or restructured) and the amount of protection you want. If you want a higher level of protection, you have to pay more in premiums.

When buying health insurance, bear in mind the premiums you have to pay. You should buy a policy that you can afford in the long term.

Should I Take Up Additional Health Insurance?

You should check whether you are already covered under a health insurance policy before buying a new one.

With hospitalisation coverage, you can claim up to the actual amount spent on your medical treatment. Typically, you cannot claim more even if you have more than one policy, as policies would reimburse you once for each medical expense. Lump-sum insurance policies, on the other hand, would typically pay out the benefit according to the sum assured.

Before you switch from one health insurance policy to another one with higher benefits, it is important to consider the state of your health. A new policy may not provide coverage for any conditions you may have developed since you took up the previous policy. Please check with your financial adviser or insurance agent, in case of doubt.

What Happens if I am Hospitalised?

With financial schemes like Medisave and MediShield to help pay for your medical bills, healthcare in Singapore is affordable to most Singaporeans. These schemes help ease the financial burden, and allow you to focus on getting well instead of worrying about money.

But if you do need to be hospitalised, consider your choice of ward carefully.

- Check the ward charges and the cost of medical treatment recommended by your doctor.
- Find out if your health insurance will cover these costs.
- Choose your ward type based on what you can afford. The quality of care in restructured hospitals is the same across ward classes. However you may have to pay more for increased privacy and better amenities.

MediShield

This is the basic medical insurance scheme that covers large hospitalisation bills at Class B2/C level. Singaporeans can use their Medisave to pay the MediShield premiums for themselves and their dependants.

Under MediShield, policyholders have to co-pay for part of the bill. This encourages a shared responsibility with policyholders for their healthcare needs.

The co-payment has two elements:

- **Deductible:** It is the initial amount you need to pay (once per policy year) for claim(s) made in a policy year, before MediShield coverage kicks in.
- **Co-insurance:** It is the percentage of bill you need to pay above the deductible. Co-insurance is three-tiered, decreasing from 20% to 10% as the bill size increases.

MediShield will pay the remainder of the claimable amount, up to the claim limits. To reduce your out-of-pocket expenditure, you can use Medisave to pay for the co-payment and the portion of the bill not covered by MediShield.

A summary of the benefits is as follows:

Deductible ¹	First \$1,000 (Class C) First \$1,500 (Class B2)
Co-insurance	10% to 20% of the remaining claimable amount after the deductible
Lifetime Limit	\$200,000
Annual Limit	\$50,000
Daily Ward & Treatment Charges (Normal)	\$250 (\$450 w.e.f. 1 Dec 08)
Daily Ward & Treatment Charges (Intensive Care Unit)	\$500 (\$900 w.e.f. 1 Dec 08)
Surgical Procedures	\$150 - \$1,100
Surgical Implants	\$2,500 (\$7,000 w.e.f. 1 Dec 08)

Does MediShield Cover Outpatient Treatments?

MediShield pays for selected expensive outpatient treatments such as chemotherapy and radiotherapy for cancer treatment, and renal dialysis.

What Does MediShield Not Cover?

MediShield does not cover overseas medical expenses and the treatment of serious pre-existing illnesses for which you have been receiving treatment during the 12 months before the start of the MediShield coverage. MediShield also does not cover treatment of congenital anomalies (medical conditions that are present at birth), cosmetic surgery, pregnancy-related charges and mental illness.

¹ W.e.f. 1 December 2008, the deductibles for those above 80 years will be raised to \$2,000 for Class C and \$3,000 for Class B2.

How Do I Make A MediShield Claim?

You can make your MediShield claim through the hospital by informing them that you are insured under the scheme. The hospital will submit your claim to the CPF Board. After calculating how much MediShield will pay, the Board will pay the hospital directly. The remaining amount may be settled with Medisave and/or cash.

If you are not sure whether you or your dependants are insured under MediShield, you can check with the CPF Board or the hospital staff handling your hospital admission.

How do I Sign Up for MediShield?

To apply for MediShield, you can get the application form from the CPF website at www.cpf.gov.sg. If you are buying a private Shield plan, then you apply to the private insurance company.

You have to disclose personal details including your medical history, and based on the information given, the insurer will confirm the benefits that you are entitled to should you be hospitalised. If you already suffering from a medical condition, you may not be covered for it, or the premium charged may be higher, or your application may be rejected.

MediShield Claim Illustration

Example of Claim in Class C ward

Hospital Procedure Performed: Stomach operation

Ward Class: C

Length of Stay: 10 days (including 8 days in ICU)

Total Amount Paid by MediShield: \$4,065 out of \$5,850 hospital bill

	Hospital Bill ²	MediShield Claim Computation
Daily Ward & Treatment Charges (For 2 Days + 8 Days ICU)	\$5,300	\$5,300 ³
Surgical Procedure (Table 6)	\$ 550	\$ 550 ⁴
Total	\$5,850	\$5,850
Less Deductible	-	(\$1,000)
Claimable Amount (Less Deductible)	-	\$4,850
Less Co-insurance	-	(\$ 785) ⁵
MediShield pays	-	\$4,065
Medisave and/or Cash	-	\$1,785

² As the insured is a Singaporean age 80 and below (as of next birthday) who stayed in Class C ward, the claim is computed based on 100% of the bill.

³ Lower of the claim limit for Daily Ward & Treatment Charges, $(\$450 \times 2 \text{ days} + \$900 \times 8 \text{ days}) = \$8,100$, or 100% of charges incurred of \$5,300 = \$5,300. Therefore the claimable amount is \$5,300.

⁴ Lower of the claim limit in Table A for surgical procedure, \$960, or 100% of charges incurred of \$550 = \$550. Therefore the claimable amount is \$550.

⁵ Co-insurance = $(\$2,000 \times 20\%) + (\$2,000 \times 15\%) + (\$850 \times 10\%) = \785 .

MediShield is designed for Class B2/C ward hospitalisation. If you choose to stay in a Class A/B1 ward or in a private hospital, your MediShield claim will not be able to cover a large part of the bill and you may need to pay more in cash. Similarly, for unsubsidised day surgery, your MediShield claim will be calculated based on a percentage of your bill.

Hospitalisation Above Class B2/C	Percentage of Bill Applicable for MediShield Claim
Class B2+ Ward at Restructured Hospital	70%
Class B1 Ward at Restructured Hospital	43%
Class A Ward at Restructured Hospital	35%
All Ward Types at Private hospital	35%
Unsubsidised Day Surgery	35%

Example of Claim in Class A ward

Hospital Procedure Performed: Hip replacement

Ward Class: A

Length of Stay: 18 days

Total Amount Paid by MediShield: \$2,785 out of \$16,500 hospital bill

As the patient stayed in a Class A ward, the claimable amount is based on 35% of his bill. Therefore, it is important to purchase the appropriate insurance policy which provides additional coverage if a higher ward class stay is preferred (see next section on Medisave-approved Private Integrated Shield Plan).

	Hospital Bill	35% of Hospital Bill	Claimable Amount
Daily Ward & Treatment Charges (For 18 Days)	\$ 7,500	\$2,625	\$ 2,625 ⁶
Surgical Procedure (Table 5C)	\$ 5,000	\$1,750	\$ 840 ⁷
Surgical Implants	\$ 4,000	\$1,400	\$ 1,400
Total	\$16,500	\$5,775	\$ 4,865
Less Deductible	-	-	(\$ 1,500)
Claimable Amount Less Deductible	-	-	\$ 3,365
Less Co-insurance	-	-	(\$ 580) ⁸
MediShield Pays	-	-	\$ 2,785
Medisave and/or Cash	-	-	\$13,715

⁶ Claimable amount for Daily Ward & Treatment Charges = $(\$250 \times 18 \text{ days}) = \$4,500$ or $\$2,625$, whichever is lower.

⁷ Claimable amount for Surgical Procedure = $\$840$ or $\$1,750$, whichever is lower.

⁸ Co-insurance = $(\$1,500 \times 20\%) + (\$1,865 \times 15\%) = \$580$.

Medisave-approved Integrated Shield Plans

If you prefer to stay in a Class A/B1 ward or a private hospital, a Medisave-approved private Integrated Shield plan would be more suitable. These plans provide higher benefits and coverage for treatment in Class A/B1 in restructured hospitals, or treatment in the private hospitals. Medisave can be used to pay for the premiums of these private Medisave-approved Integrated Shield plans, up to a limit of \$800 per insured, per year⁹.

Medisave-approved Integrated Shield Plans (as at 2008) include:

- NTUC Income's IncomeShield and Enhanced IncomeShield
- American International Assurance (AIA) International Co's HealthShield Gold
- Great Eastern Life Assurance Co's SupremeHealth and SupremeHealth Plus
- Aviva Ltd's MyShield
- Prudential Assurance Co's PRUShield

You may apply directly to the private insurance company to upgrade your coverage.

Be Smart About Your Health Insurance

Insurance should provide peace of mind for you and your loved ones. When considering your health insurance needs, don't forget to run through the following steps to compare the available health insurance plans.

- What will my health insurance cover and not cover?
 - Is it in line with my needs and preferences?
 - Am I already covered for similar benefits under another policy? If so, do I need another policy?

⁹ From 1 December 2008, the limit will be increased to \$1,150 per year for policyholders aged 81 and above (as of next birthday).

- How much do I have to pay for the policy?
 - Will I be able to afford the premiums over the long term?
 - What is the penalty if I do not pay my premiums on time?
 - How will my future premiums be affected after I have made a claim?
- Is the renewal of my policy guaranteed?
 - When or under what circumstances will my health insurance policy end?
 - How do I end my policy?
- How do I make a claim?
 - What are the limits to the benefits that can be paid out?
 - Are there any situations when my claim will not be paid?

For MediShield, you can obtain this information from the CPF Board. For Integrated Shield plans and other health insurance policies, you can ask your financial adviser or insurance agent for more information. Contact details are provided in the next section.

Further Enquiries

For clarifications and further queries, please contact the respective agencies as follows:

MediShield	
CPF Board (http://www.cpf.gov.sg)	1800 227 1188
Medisave-approved Integrated Shield Plans	
NTUC Income Insurance Cooperative Ltd	6346 2663
AIA International Co	1800 248 8000
Great Eastern Life Assurance Co	6248 2211
Aviva Ltd	6827 7988
Prudential Assurance Co	1800 333 0333

FURTHER ENQUIRIES

For clarifications and further queries, please approach the Hospital Staff or Business Office for direct assistance.



MINISTRY OF HEALTH
SINGAPORE

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Email: moh_info@moh.gov.sg
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