

MEDISAVE, MEDISHIELD... MEDI-CRISIS?

COMPLEXITY, LACK OF FUNDS, MEDICAL INFLATION TO BLAME

STANLEY JERIMIAH
IN AN interview with Fortune magazine last October, Mr Alan Greenpan was asked what the biggest economic problem was at this point in history. Speaking from America, he said Medicare was the most serious fiscal problem out there.
"When the baby boomers retire, we are going to have either to raise taxes very sharply or cut benefits by half," he said. "Profound policy would be a very long term term, not when it becomes a very real problem for people who have already retired and are told after the fact that they will not be getting the real Medicare that they expected."
We are running into the same problem here in Singapore. In place of "Medicare", read MediShield. MediShield is a form of medical insurance that is run by the Government. It is a form of insurance that is run by the Government. It is a form of insurance that is run by the Government.

\$3,200 is cut-off salary for full hospital subsidy

THE cut-off salary for full subsidy at a public hospital once means testing starts in January next year has been announced. It's \$3,200.
People earning \$5,201 and above will still get substantial subsidy - 65 per cent in a C class ward and 50 per cent in a B2 class ward. The Straits Times reported.
Health Minister Khaw Boon Hann announced the details in a statement yesterday.
The subsidy will be given to those earning below the cut-off of \$3,200. Those earning above \$3,200 will get a sliding scale of subsidy. Those earning between \$3,201 and \$5,200 will be on a sliding scale - getting between 80 and 65 per cent in C class ward and between 65 and 50 per cent in B2. The monthly salary is based on 1/12 of total annual income, including bonuses.
Those with no income, as housewives, retired, children, living in properties, etc., will also get a minimum subsidy at public hospitals.
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More people here getting cancer - and dying of it

Colorectal cancer rates here among highest in the world
By SALMA KHALIK
Cancer is a global problem, jumping from 10th to 11th in the world in 2002. Singapore is among the highest in the world for colorectal cancer. The rate here is 100 per 100,000 people, compared to 80 in the United States and 70 in the United Kingdom. The rate here is 100 per 100,000 people, compared to 80 in the United States and 70 in the United Kingdom.

Road accident injury claims rising, questions raised

Insurance, said its volume this year up to 20 per cent, with whiplash, cuts and abrasions forming the bulk of claims.
There is a worry about the trend in orthopaedic claims, Mr P. S. E. said. The number of road accident injury claims has risen by 20 per cent in the last year. The number of road accident injury claims has risen by 20 per cent in the last year. The number of road accident injury claims has risen by 20 per cent in the last year.

Singapore braces itself for worst dengue epidemic
Disease heading to a peak of \$200k a day
Articles with courtesy from Singapore Press Holdings.
by change
By SALMA KHALIK
Health Correspondent
Singapore is spending \$200,000 a day to fight dengue. The number of dengue cases has risen by 20 per cent in the last year. The number of dengue cases has risen by 20 per cent in the last year. The number of dengue cases has risen by 20 per cent in the last year.

Middle-income earners badly hit

YAK CHIN HUA
THE Minister for Health has released the parameters for means testing and B2 and C wards, middle-income earners are badly hit.
On what basis were the monthly incomes of \$3,200 and \$5,200 picked as cut-off points for the level of subsidy?
Medical costs rose by 7.4 per cent last year. We do not know how much more it will rise, as inflation has hit a new high.
Based on the parameters announced, middle-income earners at the lower and upper bands will be hit hard regardless of a pay rise or cut.
At the lowest (\$3,201 to \$3,350) and highest bands (\$5,101 to \$5,200), a pay adjustment of 3 per cent either way, for example, will mean a change of only 1 to 2 per cent when compared to the rise in medical costs.
Take, for example, a \$10,000 medical bill, which would jump by \$740 with the 7.4 per cent hike in medical costs.
A worker earns \$3,200 and receives a 3 per cent pay increase (\$96). A reduction of 1 per cent would mean a loss of \$320.
The parameters released seem to be more of a cap on subsidy based on monthly income.

Life is full of uncertainties

How should you prepare for them?
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More buying extra health insurance

Supplemental coverage and entitlements
Additional coverage on top of what MediShield provides, like stays in Class A or B1 and private wards. MediShield is meant for B2 or C class wards.
Statistics from the Health Ministry show that about half of the 1.6 million who are on the integrated plans want coverage for some private hospital treatments, and stays in Class A wards in restructured hospitals or in private hospitals.
Premia have been paid to have access to private hospitals. The cost of a private hospital stay is about \$130 a day. The cost of a private hospital stay is about \$130 a day. The cost of a private hospital stay is about \$130 a day.

More children ill, alert raised

THE Health Ministry stepped up the alert on outbreak of hand, foot and mouth disease as more children have fallen ill.
With another 702 cases reported in the last week, all primary schools, kindergartens and childcare centres have been asked to check children for symptoms, and clean and disinfect their premises.
Symptoms include a fever, sore throat, and runny nose, mouth ulcers, and a rash on the palms, soles of feet, and buttocks.



TOP 10 CANCERS (2001-2005)

In men	Number	In women	Number
Colo-rectum	3,665	Breast	3,142
Lung	3,657	Colo-rectum	1,761
Lung	1,773	Ovary	1,176
Prostate	1,660	Corpus Uteri	1,001
Prostate	1,366	Cervix Uteri	877
Prostate	1,163	Stomach	798
Prostate	908	Skin (incl. melanoma)	647
Prostate	869	Thyroid	619

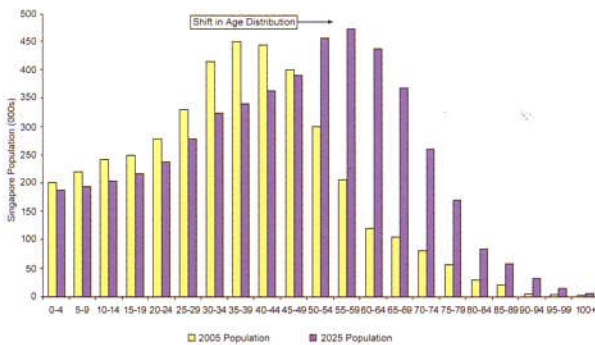
Going up

Year	Casualties with slight injuries	Vehicle population
2003	7,880	707,865
2004	8,357	716,907
2005	8,138	742,156
2006	9,602	776,571
2007	10,250	824,388

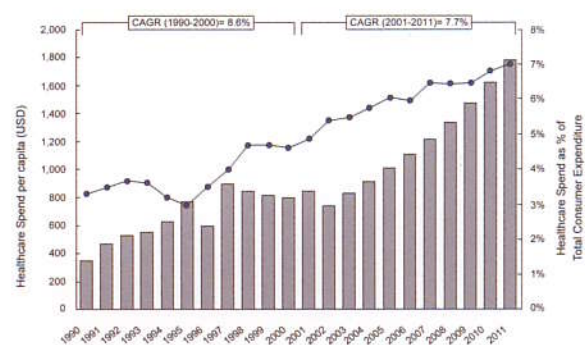
DO YOU KNOW...

Aging Population – Its impact on medical costs and your financial plans

Singapore's Population Pyramid



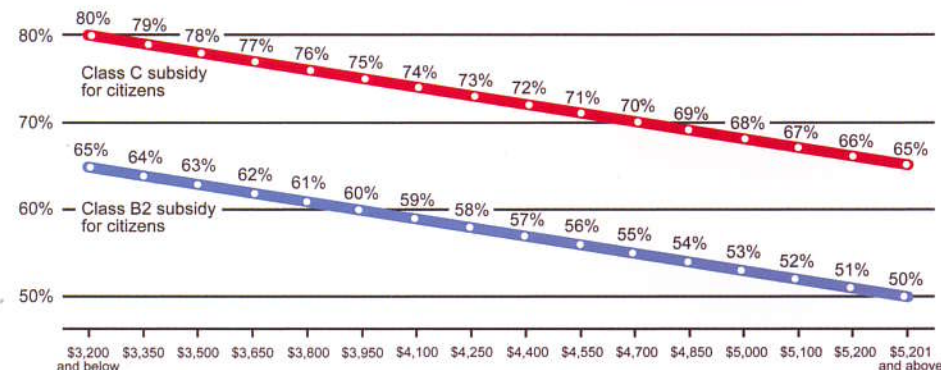
Healthcare Costs Trend



- Medical inflation and increasing healthcare demand from a greying population will result in higher medical costs.
- Medisave provides basic coverage and may not be sufficient to cover escalating medical costs – in 2007, medical cost inflation was 7.4% as compared to 2006.
- These medical costs may pose a strain on your finances and may have an impact on your retirement plans. Hence private medical schemes are necessary to protect your wealth.

Source: IDB Summary Demographic Data for Singapore, CPF Trends and Highlights Report, EIU

Means Testing – What is its impact especially for middle-income earners?



* Monthly income is defined as average monthly wage based on last available 12-month data.

- With \$3,200 being the cut-off salary for full hospital subsidy, middle-income earners may need to fork out more for hospitalisation costs.
- Private hospitalisation insurance is essential to supplement your basic Medishield.

ST, Means Testing at Public Hospital, Tuesday 4 March, 2008.
ST photo: Chew Seng Kim Graphics: Quek Hong Shin

"Singaporeans should consider private hospitalisation insurance to supplement MediShield and employer-provided cover. This is the appropriate response to the coming of the means-test age, the better to prepare for the grey years. Those with spare income would even want to take out disability or critical illness plans to protect themselves against prolonged loss of employment income."

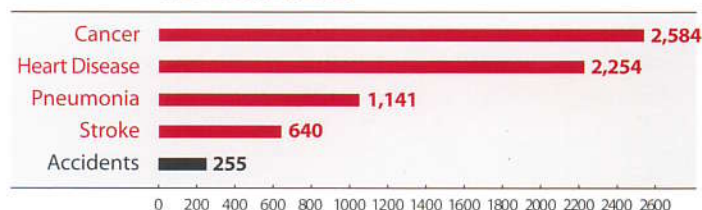
- Health Minister Mr Khaw Boon Wan

Straits Times 8 Jan 2008

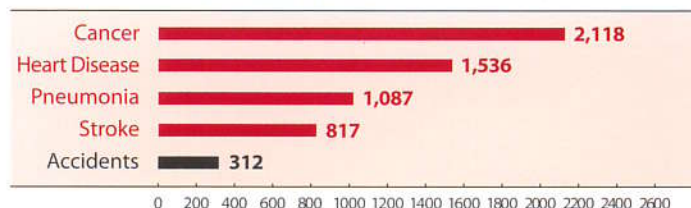
Being covered with a **Comprehensive Health Insurance** is an **absolute necessity!**

Top 5 Killers in Singapore

Male Deaths in 2006



Female Deaths in 2006



- **Cancer** accounted for almost **one in three** of the 16,392 deaths in Singapore in 2006.
- With advanced medical treatment and technology, the relative survival rates are improving year after year.
- The question is: Can you afford the expensive treatments?

Hospitalisation Statistics: 9 out of 10 hospitalisations are due to illness

Types of Conditions	Rank	% of Total Discharges
Accidents, Poisoning & Violence	1	9.1
Cancer	2	5.5
Ischaemic Heart Disease	3	3.9
Obstetric Complications	4	2.4
Pneumonia	5	2.3
Other Heart Disease	6	2.3
Chronic Obstructive Lung Disease	7	2.3
Cerebrovascular Disease	8	2.1
Intestinal Infectious Disease	9	2.1
Pregnancy Complications	10	1.9

- In 2006, there were a total of 96,300 hospital admissions. Alarming, 9 out of top 10 hospitalisations are due to illnesses and accidents remain the no.1 cause for hospitalisation.

Source: All above information (Top 5 Killers in Singapore & Hospitalisation Statistics) from www.moh.gov.sg (updated as of March 2008)

Hospitalisation Bill may cost more than you think

A look at what a routine 2-day hospital stay for a simple key-hole surgical procedure costs:

SAMPLE		SAMPLE	
Service Description	Amount (\$)	Service Description	Amount (\$)
GUEST MATERNITY ACCOMMODATION-1 BEDDED	418.00	Total Hospital Charges	4,480.15
SURGICAL SUPPLIES	13.16	Doctor Fee	
MEDICAL SUPPLIES	8.88	DR	5,600.00
DAILY TREATMENT FEE	100.00	DR	1,000.00
LABORATORY LAB-CLINICAL	25.12	Total Doctor Fee	6,600.00
LAB-PATHOLOGY	302.45	Total Charges	11,080.15
OT OPERATING THEATRE SERVICES	815.08		
RECOVERY ROOM	42.26		
ANAESTHETIC TIME	352.89		
SURGICAL SUPPLIES	970.99		
MEDICAL SUPPLIES	26.06		
EQUIPMENT AND SUPPLY	561.21		
PHARMACY PHARMACY	577.06		
RADIOLOGY RADIOLOGY	57.50		
Subtotal	4,270.66		
Discount/Adjustment	83.58		
Hospital Charges	4,187.08		
GST @ 7%	293.07		

Falling ill may cost more than you think. Apart from hospitalisation bills, you may have to take care of other incidental costs like temporary assistance, home health care, purchase of drugs, tonics, and vitamins for full recovery. You could also lose your income.

Only 29% of Singaporeans have enough funds for the medical cost.

Source: Life Matters Index Sept 2007

The Life Matters Index is an annual survey into Asian's attitudes to insurance and risk, commissioned by AIA.

Be prepared, make sure you **plan ahead** to safeguard yourself and your family!



SAFEGUARD Your Family and Yourself with AIA PINKofHEALTH

Falling ill and accidents are a fact of life, but they could also wipe out your savings. You may be unable to work if you are hospitalized, which may be even more disastrous when you are the breadwinner of the family. A basic medical insurance plan may not cover all your costs or compensate for any loss of income.

That's why you need **AIA PINKofHEALTH PLAN 3**, which provides income during hospitalisation, coverage for pre- and post-hospitalisation expenses, and reimbursement of hospital expenses. Best of all, the Hospital Income & Get Well Benefits refresh 90 days after each discharge!

Benefit Table: AIA PINKofHEALTH PLAN 3	
Daily Hospital Income Benefit [#]	S\$250
Daily Accidental Hospital Income Benefit [#]	S\$500
Intensive Care Unit (ICU) Benefit [#]	S\$750
Hospital Expense Reimbursement [#]	S\$6,000
Get Well Benefit [#]	S\$250
Pre-Hospitalisation Tests & Services Reimbursement	S\$1,000
Post-Hospitalisation Tests & Services Reimbursement	S\$2,000
Emergency Outpatient Treatment (Accident) Reimbursement	S\$1,000
Day Surgery Reimbursement	S\$1,000

[#] Per Hospitalisation basis

Premium Rates Table (inclusive of 7% GST)				
Age (next birthday)	Annual Premium (S\$)		Monthly Premium (S\$)	
	With Health Shield Gold	Without Health Shield Gold	With Health Shield Gold	Without Health Shield Gold
5 or below	\$752.45	\$940.56	\$65.47	\$81.82
6 to 30	\$578.80	\$723.51	\$50.34	\$62.95
31 to 40	\$672.47	\$840.58	\$58.51	\$73.12
41 to 50	\$755.57	\$944.49	\$65.75	\$82.17
51 to 55	\$1,029.07	\$1,286.32	\$89.54	\$111.91
56 to 60	\$1,255.51	\$1,569.38	\$109.24	\$136.54
61 to 65	\$1,605.80	\$2,007.27	\$139.71	\$174.62
66 to 70	\$2,047.86	\$2,559.85	\$178.17	\$222.70
71 to 73	\$2,709.17	\$3,386.44	\$235.71	\$294.61
74 to 75	\$3,071.76	\$3,839.68	\$267.24	\$334.04
76 to 81 [^]	\$3,485.97	\$4,357.48	\$303.28	\$379.10

[^] For renewal only.

CASE STUDY

Ms Gan contracted Colon Cancer and was hospitalised at a private Hospital. Her surgical bill was **S\$10,000**. Her total pre- and post-hospitalisation bill was **S\$1,000** and **S\$2,000** respectively. Due to her illness, she was in the Intensive Care Unit (ICU) for the first **7 days (S\$1,000/day)** and transferred to a double ward for another **20 days (S\$500/day)**. Fortunately, she was covered under **AIA HealthShield Gold (HSG) Plan A**** and **AIA PINKofHEALTH (POH) PLAN 3**, which entitled her to:

Benefits	Actual Hospital Bill (S\$)	HSG Plan A Claimable (S\$)	POH PLAN 3 Claimable (S\$)
Pre-hospitalisation	\$1,000	\$0	\$1,000 Pre-hospitalisation
Post-hospitalisation	\$2,000	\$0	\$2,000 Post-hospitalisation
Room & Board Benefits	\$10,000 (\$500 x 20)	\$10,000 (\$500 x 20)	\$6,000 Hospital Expense Reimbursement*
ICU Hospital Benefits	\$7,000 (\$1,000 x 7)	\$7,000 (\$1,000 x 7)	\$6,750 Hospital Income Benefit
Surgical Benefits	\$10,000	\$8,800	\$5,250 ICU Benefit
Total In-patient Benefits	\$27,000	\$25,800	\$250 Get Well Benefit
Deductible (Plan A - S\$3,000)		\$3,000	
Co-insurance (10%)		\$2,280	
Insured Pays		\$9,480	\$21,250 TOTAL PAYOUT

* Max S\$6,000 Hospital Expense Reimbursement.

** Please read the AIA HSG brochure and / or product summary for more information on HSG.

S\$9,000
Medical
Reimbursement

S\$12,250 cash
The payout can help to pay
for other incidental costs
like temporary assistance,
home health care costs, etc.

Safeguard your family and yourself against rising medical costs.
Sign up for **AIA PINKofHEALTH PLAN 3** now!

Important Notes:

- This material is not a contract of insurance and it is not meant for general circulation. Please refer to the Product Summary for more details of the benefits payable under the plan. The precise terms and conditions of the plan are specified in the Policy Contract.
- Buying health insurance products that are not suitable for you may impact your ability to finance your future healthcare needs. You should seek advice from an AIA Financial Services Consultant if in doubt. If you choose not to do so, you will have to take sole responsibility to ensure that this product is appropriate to your financial needs and insurance objectives.
- Information is correct as at 14 April 2008.



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