

# 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 of America was at this point in history. Speaking of Medicare, 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. "Prudent policy would be a version of the longer term now, not when it becomes a version of the 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 returning to the same problem here in Singapore. In place of "Medicare", read MediShield. The statistics indicate medical inflation is running at 10 per cent a year - a rate that is higher than that of any other country in the world.

Currently, MediShield cover, which the Government has said it will improve, has several shortcomings:

The MediShield policy, designed to cover only Class C/B2 hospitalization, has a schedule of benefits, which limits the payout for a certain procedure or operation. There is also a deductible - the first \$1,000 to \$1,000 of any bill, and co-payment - a 10 to 20-per cent share of the total bill, depending on the bill size - that the patient will have to bear himself.

As a result, a significant portion of medical bills will remain uncovered and MediShield policyholders will be left to pay these amounts from their own Medisave account and cash.

## \$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 ward. The Straits Health Minister Khaw Boon Chan announced the details in a statement yesterday.

The subsidy will be given to about 60 per cent of the total of 50,000 patients treated in public hospitals.

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 with no income, will get a minimum subsidy at public hospitals.

## Another 702 cases reported last week of which 60% inv those under five

**BY JUDITH TAN**

PRIMARY schools have kindergartens and children in stepping up heel on pupils as the number of foot and mouth diseases cases here continues to rise.

The checks are part of efforts by the Health (MOH) to stem the disease after a case was reported. That brings the total number of cases to 4,423 so far this year. Last year, Singapore had 20,005 cases - the highest annual figure since 1997.

Under the current of patients under five, the number of cases has risen from 1,000 in 2005 to 1,400 in 2006.

# Middle-income earners badly hit

**YAK CHIN HUA**

**T**HE 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 in subsidy of only 1 to 2 per cent of the total bill. This is tiny 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, rising by \$100. The burden to bear would be \$736. For someone earning \$5,200, the additional burden would be \$696.

The real worry is in the relative rise in medical cost.

Can the Government guarantee that pay rises or cuts will always be restricted to 3 per cent, assuming that there is no retrenchment?

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.

Premiums have risen to about \$130 a year, but the plan offered by NTUC Health is meant for a cost of about \$100 a year. Then a university student spent \$6,000 of his savings for a private hospital in an A class ward.

She said the small price to pay for coverage and peace of mind.

# More people here getting cancer - and dying of it

**Colorrectal cancer rates here among highest in the world**

**BY SALMA KHALIK**

CANCER is a global problem, jumping 10 per cent annually in the last decade. Now, Singapore is among the world's highest in colorectal cancer rates.

One in 10 people will die of cancer in their lifetime. The number of deaths from cancer in Singapore has risen from 1,000 in 2002 to 1,400 in 2006.

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

# Road accident injury claims rising, questions raised

**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

These are mid-year figures from the Traffic Police and Land Transport Authority.

ST GRAPHICS

# Road accident injury claims rising, questions raised

More than 5,000 homeowners were fined last year for breaching mosquito nets. The fine has been doubled to \$200 from last Tuesday. Mosquito nets have been found breeding mosquitoes at construction sites for the first time and last year, 14,209 people were infected with dengue.

Another top motor insurer, Axa Insurance, said its volume this year has already exceeded last year's by 20 per cent, with whiplash, cuts and abrasions forming the bulk of claims.

There is a worry about a trend in orthopaedic claims, Mr P. S. Raju, Axa's managing director, said.

Private investigator Louis Amalorpavanathan of GLA Claims Adjusting and Investigation Services said injury claims have shot up over the last year. He blamed lawyers.

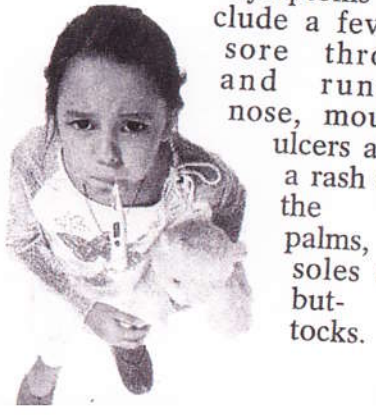
"Most insurance companies are now encouraging direct settlement for repair claims, bypassing lawyers who used to be involved," he said.

He explained that this resulted in less business for some lawyers who specialised in accident claims, cases to represent.

Lawyer Monoj Kumar Roy, 47, had this to say in return: "That's an unfair statement. Many people in the past did not know they could claim for injuries. How can lawyers be blamed for that?"

He said that the number of claims for injuries has risen from 1,000 in 2003 to 1,400 in 2006.

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**Singapore braces itself for worst dengue epidemic**

Disease heading to a peak of \$200k a day

Articles with courtesy from Singapore Press Holdings.

By SALMA KHALIK Health Correspondent

IT IS spending \$200,000 a day in dengue control. It might be its worst peak in 2005, 14,209 people were infected with dengue.