

BACKGROUND REFERENCE – MEDISHIELD LIFE SCHEME

1. In late 2013, the MediShield Life Review Committee was set up to review and proposed parameters for MediShield Life, and as part of the review, to consult with the public and key stakeholders. In July 2014, Parliament unanimously supported the White Paper on “MediShield Life Review Committee Report”, which set out the recommendations of the MediShield Life Review Committee on the design of the MediShield Life Scheme.
2. MediShield Life will be implemented from end-2015, replacing the current MediShield.
3. Similar to MediShield, MediShield Life is a healthcare insurance scheme that helps to pay for large hospital bills and selected outpatient treatments such as dialysis and chemotherapy for cancer. Its benefit levels are sized to cater to subsidised bills incurred in Class B2/C wards in the public hospitals.
4. MediShield Life will provide better protection for all Singaporeans for life, including those who have pre-existing conditions or congenital anomalies:
 - **Better Protection:** Higher payouts, so that patients pay less Medisave/ cash for large bills
 - **For All, For Life:** It will cover all Singapore Citizens and Permanent Residents, including the very elderly and those who have pre-existing illnesses
5. To help Singaporeans with their MediShield Life premiums, the Government will provide close to \$4 billion over the next 5 years in premium subsidies and other forms of support. This includes:
 - Government bearing the bulk of the cost of extending coverage to those with pre-existing conditions;
 - Premium Subsidies for lower- to middle-income Singaporeans;
 - Pioneer Generation Subsidies for our Pioneer Generation;
 - Transitional Subsidies for all Singapore Citizens; and
 - Additional Premium Support for those who are needy and unable to afford their premiums.

For more details, please see:

[Annex A-1](#) ('At A Glance', from the MediShield Life Review Committee Report); [Annex A-2](#) (MediShield Life Parameters); and [Annex A-3](#) (MediShield Life Premium Subsidies).

MEDISHIELD LIFE PARAMETERS

| | MediShield | MediShield Life |
|---|------------------------|-------------------|
| Annual Claim Limits | \$70,000 | \$100,000 |
| Lifetime Claim Limits | \$300,000 | No Limit |
| Inpatient / Day Surgery Claim Limits | | |
| Normal Ward | \$450 | \$700 |
| ICU | \$900 | \$1,200 |
| Community Hospital | \$250 | \$350 |
| Surgical Procedures | | |
| Table 1 | \$150 | \$200 |
| Table 2 | \$360 | \$480 |
| Table 3 | \$720 | \$900 |
| Table 4 | \$800 | \$1,150 |
| Table 5 | \$840 | \$1,400 |
| Table 6 | \$960 | \$1,850 |
| Table 7 | \$1,100 | \$2,000 |
| Inpatient Co-insurance Tiers for Annual Bill Sizes | | |
| \$3,000 and below | 20% | 10% |
| >\$3,001 to \$5,000 | 15% | 10% |
| >\$5,001 to \$10,000 | 10% | 5% |
| >\$10,000 to \$30,000 | 10% | 3% |
| >\$30,000 | 10% | 3% |
| Outpatient Claim Limits and Co-insurance | | |
| Chemotherapy claim limit | \$1,240 per 21/28 days | \$3,000 per month |
| Radiotherapy claim limit | \$80-\$160 | \$140-\$500 |
| Coinsurance for all outpatient bills | 20% | 10% |

*Deductible remains unchanged at \$2,000/\$1,500 for Class B2/C for ages 80 and below; and \$3,000/\$2,000 for ages above 80

MEDISHIELD LIFE PREMIUM SUBSIDIES

| Age Next Birthday | Subsidies ¹ as a percentage of premiums (for Singapore Citizens, non Pioneer Generation) | | |
|-------------------|--|----------------------------------|----------------------------------|
| | Lower income ² | Lower-middle income ³ | Upper-middle income ⁴ |
| 1 – 20 | 25% | 20% | 15% |
| 21 – 30 | | | |
| 31 – 40 | | | |
| 41 – 50 | 30% | 25% | 20% |
| 51 – 60 | | | |
| 61 – 65 | | | |
| 66 – 70 | 35% | 30% | 25% |
| 71 – 73 | | | |
| 74 – 75 | | | |
| 76 – 78 | | | |
| 79 – 80 | 40% | 35% | 30% |
| 81 – 83 | | | |
| 84 – 85 | | | |
| 86 – 88 | | | |
| 89 – 90 | 45% | 40% | 35% |
| >90 | | | |
| | 50% | 45% | 40% |

¹ These subsidy rates are applicable to Singapore Citizens living in residence with an Annual Value (AV) of \$13,000 and below. Those living in residence with an AV of \$13,001 to \$21,000 will receive 10 %-points less than these subsidy rates. Those living in residence with an AV of above \$21,000 will not receive these subsidies. Permanent Residents receive half of the subsidy rates applicable to Singapore Citizens.

² Lower-income refers to individuals with household monthly income per person of \$1,100 and below.

³ Lower-middle-income refers to individuals with household monthly income per person income of \$1,101 to \$1,800.

⁴ Upper-middle-income refers to individuals with household monthly income per person of \$1,801 to \$2,600.

GLOSSARY – MEDISHIELD LIFE SCHEME

Additional Premium: Those with serious pre-existing conditions would have to pay 30% higher premiums for 10 years, to reflect their higher risk.

Additional Premium Support: The Government will help to fully pay for MediShield Life premiums for those who are assessed to be needy and unable to afford their premiums even after other subsidies.

Eligible Households: Households that have been assessed to be eligible to receive premium subsidies.

Facilitated eligibility check: Process of assessing if Singaporeans are eligible for MediShield Life premium subsidies based on their household monthly income per person and Annual Value of their residence. The Government will facilitate the extension of premium subsidies by making the process as convenient as possible for the public. There is no need for the public to submit any application forms or income documents. Instead, MOH will use the address information in registered Government records to establish the composition of each household. Even with the facilitation, Singaporeans will need to verify their household information as there may be changes in the household composition that have not yet been updated in Government records. This will ensure that households receive the correct amount of premium subsidies they are eligible for.

Financial data: Information such as income, property ownership, which is needed for the eligibility check for MediShield Life premium subsidies.

Household monthly income per person: Total household monthly income divided by total number of members in the household. Members in the household include family members (related by blood, marriage and/or legal adoption) living at the same address based on information registered with the Government.

Pioneer Generation Subsidies: Refers to subsidies provided to the Pioneer Generation for their MediShield Life premiums.

Premium recovery measures: Measures that are put into place (e.g. penalties) to ensure that MediShield Life premiums are paid in a timely manner

Premium Subsidies: Refers to MediShield Life premium subsidies for lower- to middle-income Singapore Citizens and Permanent Residents.

Subsidy eligibility: The outcome of the facilitated eligibility check on whether or not the person is eligible for MediShield Life premium subsidies. Regardless of the

eligibility for premium subsidies, all Singapore Citizens will receive transitional subsidies (see below).

Transitional Subsidies: Refers to once-off subsidies for all Singapore Citizens that helps to phase in the increase in premiums. The Government will provide subsidies to offset 80% of the net premium increase in the first year, 60% in the second year and 40% and 20% in the third and fourth year respectively. The net premium refers to the premium payable, including additional premium and after premium subsidy where applicable.