

# The role of commercial health insurance within the Singapore health financing system

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# Overview

- The Singapore (“S+3M”) health financing system
- The role of commercial health insurance
- Concluding reflections

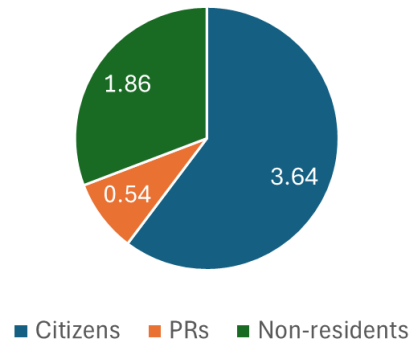


# Overview

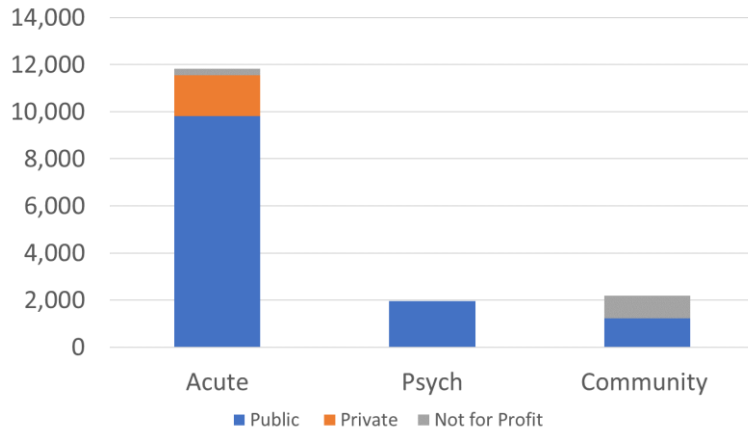
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# Basics of the Singapore health system

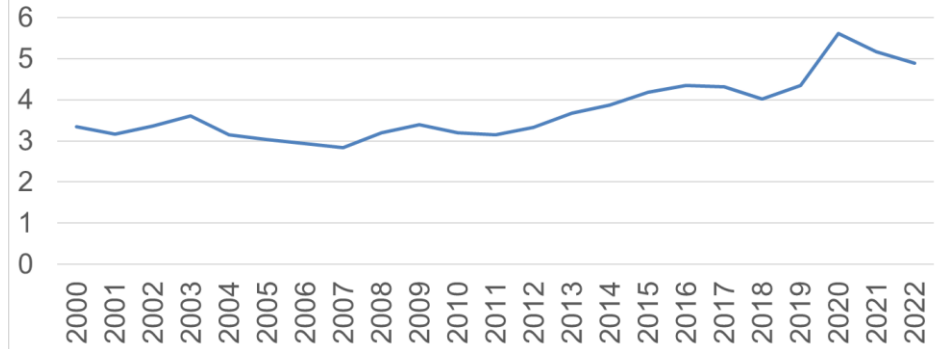
Singapore population (millions)



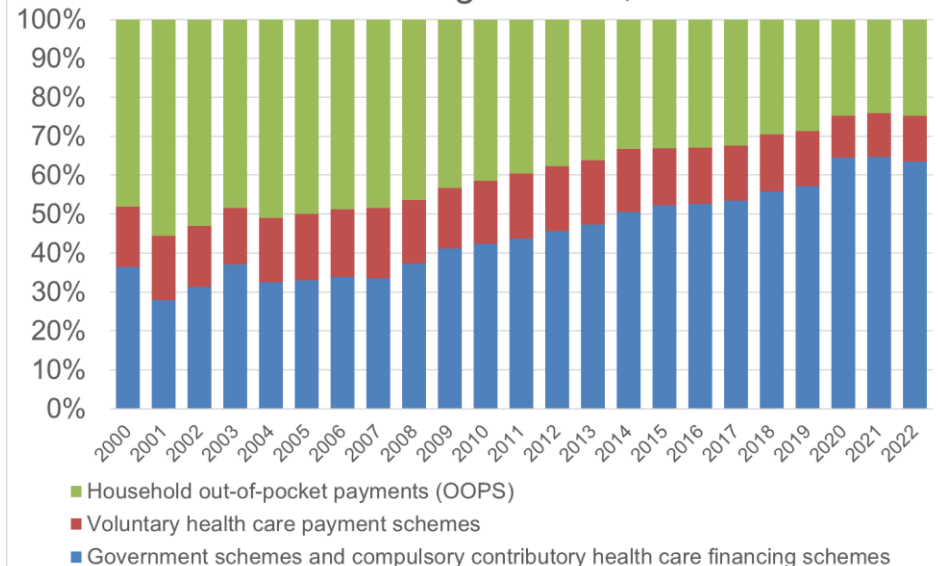
Distribution of hospital beds in Singapore by hospital ownership



Singapore Current Health Expenditure (CHE) as % Gross Domestic Product (GDP)



Current health expenditure in Singapore by financing scheme, %



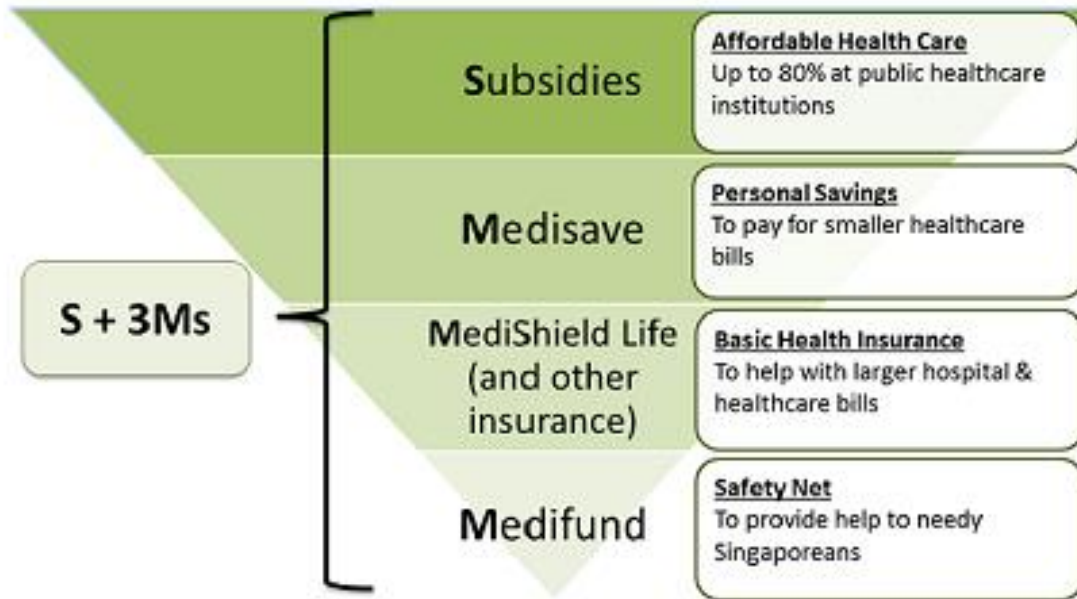
<https://www.moh.gov.sg/resources-statistics/singapore-health-facts/beds-in-inpatient-facilities-and-places-in-non-residential-long-term-care-facilities>

WHO global health expenditure database

<https://apps.who.int/nha/database/Select/Indicators/en>

\* Ratios are reversed for primary care doctors

# The S+3M concept



[https://www.healthhub.sg/a-z/costs-and-financing/costs\\_and\\_financing\\_overall](https://www.healthhub.sg/a-z/costs-and-financing/costs_and_financing_overall)

- Guiding principles
  - Personal responsibility
  - Means testing
  - Dedicated, upfront financing




# The Singapore hospital bill

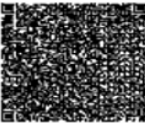
Public hospital

Means tested subsidy @61%

Integrated Shield plan covers 36%

 Sengkang Community Hospital SingHealth

XXXXXX  
XXXXXX  
SINGAPORE XXXXXX

  
Accepts: PayNow  
**\$ 25.49**  
FINAL AMOUNT PAYABLE

**TAX INVOICE (Finalised)** Page 1 of 2

BILL REF: NO 9522451114F BILL DATE: 25 JUN XXXX  
LOCATION REHAB GEN WARD 88-SKC W88R00 W88R05  
ADMISSION DATE: 02 JUN XXXX 09:49 AM DISCHARGE DATE: 10 JUN XXXX 10:31 AM  
HIN Q52022451114F NRIC / FIN / MRN

**TOTAL AMOUNT (BEFORE GOVT SUBSIDY)** \$ 5,065.90  
**GOVT SUBSIDY** \$ -3,113.39  
**TOTAL AMOUNT (BEFORE GST)** \$ 1,952.51  
**7% GST** \$ 136.67  
**GST absorbed by Govt** \$ -136.67  
**TOTAL AMOUNT (AFTER GOVT SUBSIDY)** \$ 1,952.51  
**Payable by INTEGRATED SHIELD PLAN** \$ -1,830.67  
**Payable by MEDISAVE** \$ -96.35  
**TOTAL AMOUNT PAYABLE** \$ 35.49  
**Net Payment made** \$ 0.00  
**FINAL AMOUNT PAYABLE** \$ 25.49

**CHARGES**

SERVICES	DESCRIPTION	BEFORE GOVT SUBSIDY (\$)
WARD CHARGES	WARD (SUBSIDISED) (8.0 day(s))	1,680.00
DAILY TREATMENT FEE	DAILY BASIC CARE FEE (SUBSIDISED) (8.0 day(s))	2,296.00
INVESTIGATIONS	LABORATORY INVESTIGATIONS	498.80
MEDICATIONS	DRUGS / PRESCRIPTIONS / INJECTIONS	515.04
CONSUMABLES	NON-STANDARD CONSUMABLES	76.06
	<b>TOTAL AMOUNT (BEFORE GOVT SUBSIDY)</b>	<b>5,065.90</b>
	<b>GOVT SUBSIDY</b>	<b>-3,113.39</b>
	<b>TOTAL AMOUNT (BEFORE GST)</b>	<b>1,952.51</b>
	<b>7% GST</b>	<b>136.67</b>
	<b>GST absorbed by Govt (for subsidised patient only)</b>	<b>-136.67</b>
	<b>TOTAL AMOUNT (AFTER GOVT SUBSIDY)</b>	<b>1,952.51</b>

SG QR code enables self-service payment towards the bills

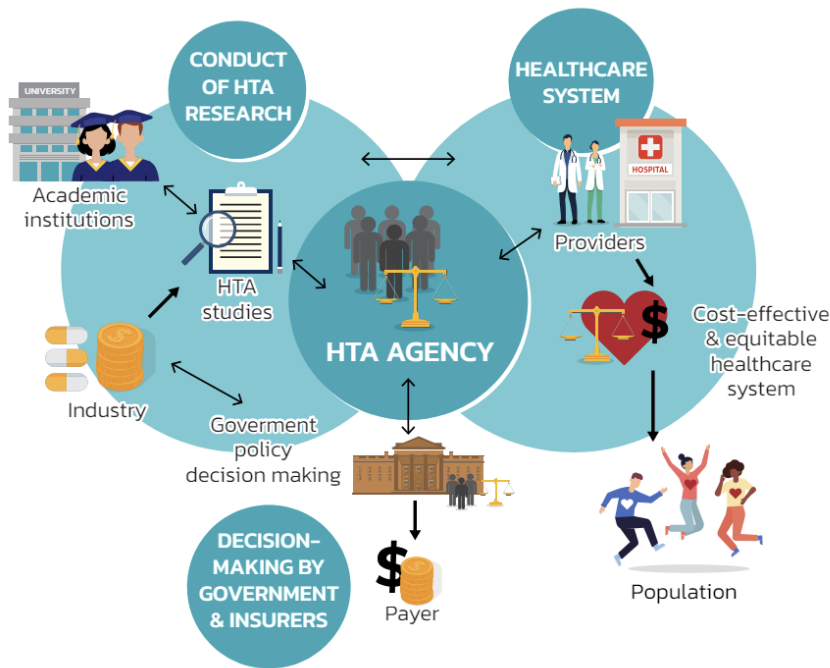
A quick summary of your bill, with information on the total bill before and after government subsidy, financing schemes applied and the final amount payable.

Medical savings account covers 2%

Charges incurred during the stay

<https://www.singhealth.com.sg/SCH/patients-visitors/admissions/how-to-read-your-bills>

# Role of Health Technology Assessment



*Evaluating the Value of a Real-World HTA Agency. Health Intervention and Technology Assessment Programme. <https://www.hitap.net/en/documents/180355>*



Staying healthy ▾ Seeking healthcare ▾ Ageing well ▾ Managing expenses ▾ Newsroom Resources ▾

Home ▾ Managing expenses ▾ Schemes and subsidies ▾

Subsidies for drugs on the Standard Drug List (SDL) at Public Healthcare Institutions

## Subsidies for drugs on the Standard Drug List (SDL) at Public Healthcare Institutions

The Standard Drug List (SDL) subsidy framework provides subsidies for drugs used to treat common medical conditions so that healthcare remains affordable.

Last updated 2 January 2025

### On this page

- [What is Standard Drug List Subsidy?](#)
- [What are the benefits?](#)



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Subsidies for drugs on the Medication Assistance Fund (MAF) List at Public Healthcare Institutions

## Subsidies for drugs on the Medication Assistance Fund (MAF) List at Public Healthcare Institutions

The Medication Assistance Fund (MAF) provides subsidies for high-cost drugs that are clinically-proven and cost-effective, for specific indications, to eligible subsidised patients.

Last updated 26 October 2024

On this page



# Overview

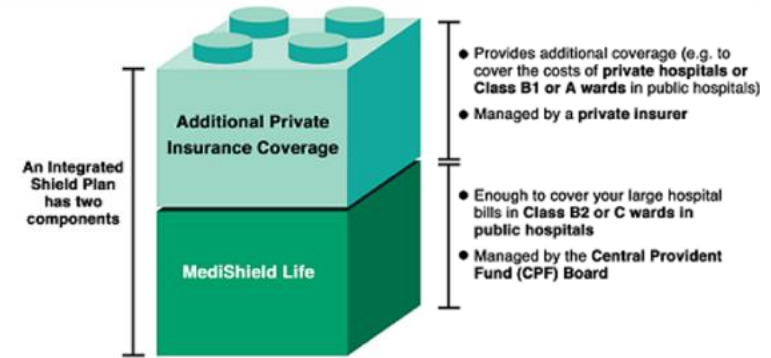
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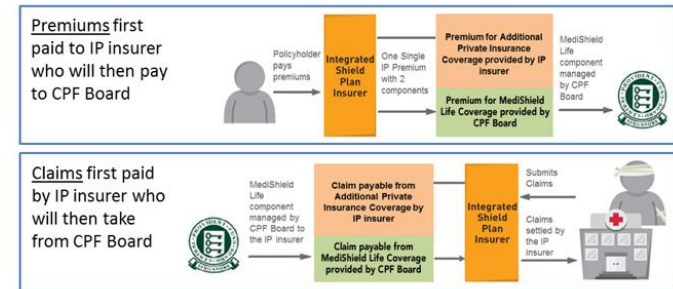
# Integrated Shield Plans (IPs)

- IPs are complementary to Medishield Life
- 70% of eligible residents have IPs

<https://www.moh.gov.sg/managing-expenses/schemes-and-subsidies/integrated-shield-plans/about-integrated-shield-plans>



## How do IP premiums and claims work?



Integrated Shield Plan lifetime premiums vary widely across insurers, MOH comparison shows



An Integrated Shield Plan is optional health coverage provided by private insurance companies, typically to cover stays in A or B-type

## Providers include



AIA HealthShield Gold Max



HSBC Life Shield



GREAT SupremeHealth



Singlife Shield



IncomeShield



PRUSHield



Raffles Shield

# Employer insurance

- 90% of Singapore employers offer health insurance benefits
  - For low-income foreigners, insurance coverage up SGD60k is mandatory
- Traditionally employer insurance is Group Medical Insurance
- For locals, Singapore government now encourages “portable” employer benefits such as additional Medisave payments or IPs

**I am covered by Employer Medical Benefits. Can I claim from MediShield Life as well? Who pays first?**



Updated by MOH 5mo ago

For members who are covered under multiple schemes, the Ministry of Health has set out the following claims protocol to avoid duplicative payouts:

1. Employer, private insurance, other third party pays first
2. Followed by MediShield Life (MSHL)/Integrated Shield Plan (IP)
3. Then MediSave
4. Then Cash

MSHL/IP will pay for the portion of the bill that is not covered by employer, private insurance and other third-party payers, subject to claim limits, deductible and co-insurance. If you have filed a claim under MSHL/IP first and subsequently with a third-party payer, you or the third party payer must reimburse the relevant amount to MSHL/IP, in line with the claims protocol. The public/private healthcare institutions and the insurance industry have been informed of this claims protocol.

Topics:

MediShield Life

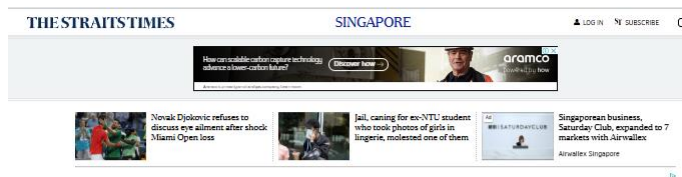
Claims Under Medishield Life

Was this answer helpful?

<https://ask.gov.sg/moh/questions/cm2vpnf ru00d012kzj38nxu0h>

# Example: Cancer benefits

- Medishield life restructures its cancer benefits
- > Creates an opportunity for IPs to provide complementary coverage



Integrated Shield Plan riders to offer at least double the cancer coverage of main policy



Policyholders will also be covered for up to \$200,000 a year for some cancer drugs that are not on the CDL. [medshl.com.sg](#)



UPDATED NOV 22, 2024, 10:57 PM

**SINGAPORE** – Some of the larger Integrated Shield Plan (IP) insurers have increased the coverage offered by their riders for cancer treatments, to offset limits that will be in place on IPs from Saturday.

So far, six of the seven insurers have indicated they will offer a cap of five times the coverage of the national health insurance Medishield Life for IPs that insure for cancer treatment in a B1 or A class ward in a public hospital, or for private-sector care.

Most of the insurers obviously consider this to be insufficient and are thus offering riders that increase coverage, with the highest being 21 times the amount covered by Medishield Life. With the exception of one insurer, the rest have riders that provide at least double the amount the main IP will pay for.

		Revised Coverage (Drug-indication on CDL)	Revised Coverage (Drug-indication not on CDL)
MediShield Life (MSHL)	Drug	Limit of \$200 - \$9,600/month	N.A.
	Services	Limit of \$1,200/year	
MediSave (MSV)	Drug	Limit of \$600/month or \$1,200/month, depending on the MSHL claim limit for the drug-indication	N.A.
	Services	Limit of \$600/year (including post-treatment scans)	
IP (Private Insurer component)	Drug	Varies across insurers' plans, and will be set as a multiple of MSHL limits	Riders will cover drug-indications beyond the CDL. Coverage varies across insurers' plans
	Services	Varies across insurers' plans	

[https://isomer-user-content.by.gov.sg/3/8192ecd7-304a-491b-a4a1-3ee9760581ee/moh-cancer-drug-treatment-brochure-2022-\(final\).pdf](https://isomer-user-content.by.gov.sg/3/8192ecd7-304a-491b-a4a1-3ee9760581ee/moh-cancer-drug-treatment-brochure-2022-(final).pdf)



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# Summary

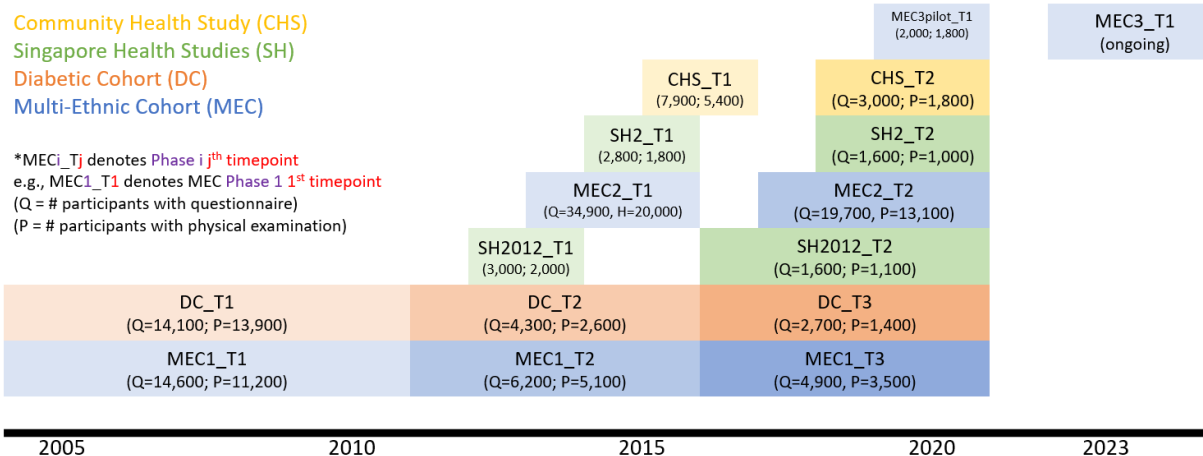
- IPs are complementary health insurance – provides access to services not available through Medishield Life
  - Not just additional cash support to cover deductibles and co-insurance and copayment
- Some similarities to Hong Kong VHIS and some mainland Chinese Huiminbao (惠民保)\*
- IPs in principle offer Singaporeans a mechanism to express their preferences for coverage

\* Thanks to Sue Jiang, Fudan University, for background info

# Opportunities

- IPs have an incentive to leverage analytics
  - Helping the population balance health and financial risk
  - Incentivising healthy choices which are win-win for insurer and enrollee

## Singapore Population Health Studies over time



[https://blog.nus.edu.sg/sphs/main-page-2/homepageimage\\_20230613-3/](https://blog.nus.edu.sg/sphs/main-page-2/homepageimage_20230613-3/)

# Challenges

- Rising healthcare expenditures -> need to manage costs
  - E.g. claims-based pricing
- Communication with the public about benefits and additionality

**DO YOU NEED AN INTEGRATED SHIELD PLAN (IP)?**


Understand what is an IP · Before buying an IP, consider if you need it and can afford it.

**What is Integrated Shield Plan (IP)?**


An Integrated Shield Plan (IP) has two parts

- 1 Private Medical Insurance Optional coverage  
Higher coverage for stay in private hospitals, Class A/B1 wards in public hospitals<sup>1</sup>
- 2 MediShield Life (MSHL)  
All Singaporeans and Permanent Residents are automatically covered  
Sized to cover majority of subsidised treatments in public hospitals (B2/C wards)<sup>1</sup>

**You may not need an IP if you stay in B2/C wards**

**7 in 10**   
Singapore Residents bought IP which is targeted to cover unsubsidised wards.

However,

**~50%**   
stayed in subsidised B2/C wards that are already sufficiently covered by MSHL.

**Premiums<sup>2</sup> saved from paying for private medical insurance could have been used for other retirement and medical needs**

[https://www.cpf.gov.sg/content/dam/web/member/healthcare/documents/Do%20you%20need%20an%20Integrated%20Shield%20Plan%20\(IP\).pdf](https://www.cpf.gov.sg/content/dam/web/member/healthcare/documents/Do%20you%20need%20an%20Integrated%20Shield%20Plan%20(IP).pdf)



# Thank you!