

Healthcare

MEDISAVE

From 1 July 2009, members are required to maintain up to \$37,000 in their Medisave Account (MA). Those who withdraw their CPF savings at or after age 55 need to set aside the Medisave Minimum Sum of \$32,000 or the actual Medisave balance, whichever is lower, in their MA to meet their healthcare needs during retirement.

Members who are government pensioners under the Fixed Amount on Ward Charges scheme (FAW) are not required to maintain any savings in the MA whereas government pensioners under the Co-Payment on Ward Charges scheme (CPW) are required to maintain up to \$18,500 in their MA. They have to set aside \$16,000 (half the Medisave Minimum Sum) in their MA when they withdraw their CPF savings at age 55.

During the year, several changes were made to the Medisave scheme to help CPF members pay their medical bills. The more significant changes were as follows:

- From 1 June 2009, the Medisave surgical withdrawal limits were increased to the average fees in a B1 ward. This was done to benefit middle income Singaporeans who use higher class wards or non-subsidised hospital facilities. This change is expected to increase Medisave drawdown by about \$67 million a year.
- From 1 October 2009, the use of Medisave was extended to outpatient psychiatric treatment of schizophrenia and major depression. This initiative aims to support the long-term treatment required for the mentally ill patients. Up to \$300 per Medisave account per year can be withdrawn for these treatments under the Chronic Disease Management Programme (CDMP). About 64,000 members are expected to benefit from this initiative.
- From 1 November 2009, parents could use their Medisave to pay for the Pneumococcal vaccinations in approved medical institutions for their children below the age of 5. The use of Medisave for Pneumococcal vaccination is subject to the same withdrawal limit of \$300 per Medisave account per year as that for the treatment of chronic diseases under CDMP.

The annual Medisave withdrawals for direct medical expenses increased from \$558.2 million in 2008 to \$600.8 million in 2009. The number of withdrawals increased by 9.4% to 1,015,764.

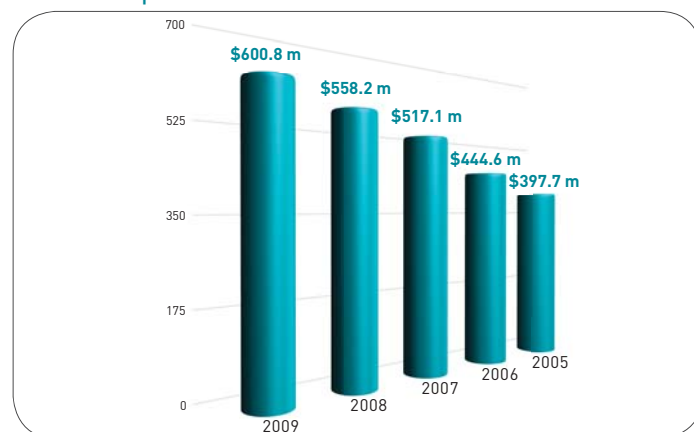
MEDISAVE FOR THE SELF-EMPLOYED

Self-employed persons are required to contribute to Medisave based on their age and annual net trade income. In 2009, self-employed persons contributed a total of \$412.9 million to CPF comprising \$310.1 million as Medisave contributions, with the remaining amount as voluntary contributions to their Ordinary and Special Accounts. These contributions will help self-employed persons save for their medical, old age and housing needs.



Source: Ministry of Health

Annual Withdrawals under Medisave Scheme for Approved Medical Expenses



Note: The figures exclude Medisave withdrawals for payment of premiums under the Private Medical Insurance Scheme (PMIS), ElderShield Scheme and MediShield Scheme.

MEDISHIELD

MediShield, a low cost national catastrophic illness insurance scheme, provides members and their dependants with financial protection against high medical expenses arising from prolonged or serious illnesses.

The annual premiums for MediShield range from \$33 to \$1,123, depending on the insured's age. Those who have been insured continuously since age 60 or younger will enjoy a discount on their premiums from ages 71 to 85. Depending on the number of years a person has been insured, he may enjoy yearly premium discounts ranging from \$39 to \$449.

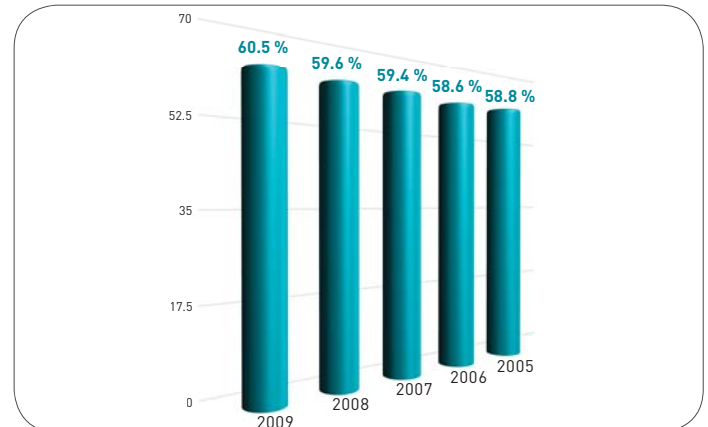
The annual claim limit and lifetime claim limit are \$50,000 and \$200,000 respectively.

Members who wish to have higher insurance coverage can buy Medisave-approved enhancement plans from private insurers. The insurers have integrated their enhancement plans with MediShield as Integrated Plans and act as a single point of contact to collect premiums and process claims.

Premiums for MediShield and Integrated Plans can be paid using Medisave, subject to a maximum of \$800 per insured person per policy year. For insured persons aged 81 years and above, the withdrawal limit is \$1,150 per insured person per policy year.

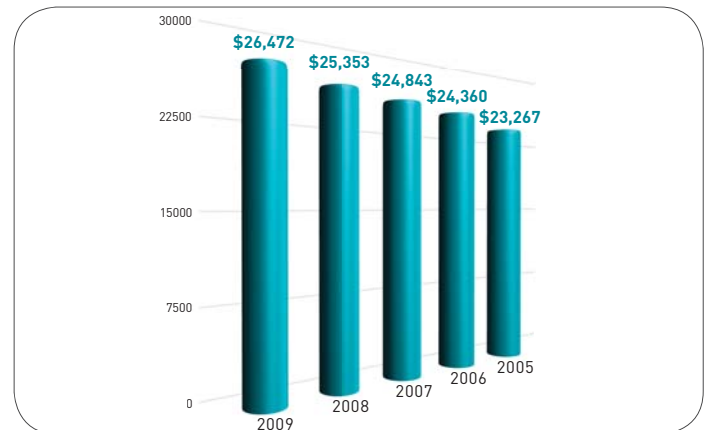
As at 31 December 2009, there were 3,298,682 CPF members and dependants who were covered under MediShield. During the year, \$219.5 million was approved to meet 206,707 claims.

Percentage Of Employees* Who Have the Medisave Minimum Sum at Age 55



*Excludes pensioners

Average Balance in the Medisave Accounts Of Employees* at Age 55



*Excludes pensioners