

**CPF Board 00:07**

Hey and welcome to Let's Talk CPF, a podcast where we bring conversations on CPF to your ears brought to you by the CPF Board. This podcast will answer common questions, offer tips and feature interviews with industry experts on CPF and financial planning. Thanks for listening, and let's get straight into today's episode.

**Yu Ji 00:29**

Hello everyone. Welcome to another episode of Let's Talk CPF. I'm Yu Ji from CPF Board, and today we are discussing the recently announced MediShield Life enhancements. I'm happy to have with us Assistant Professor Ian Ang from NUS Saw Swee Hock School of Public Health. Prof Ang, thank you for joining us.

**Prof Ang 00:57**

Thank you for having me.

**Yu Ji 00:59**

So before we go into the new enhancements, let's start with the basics. I think some of the folks tuning in to this podcast might not know what MediShield Life is all about. Additionally, there are a few schemes that might have similar sounding names, which might be a little confusing. So prof, could you please explain what MediShield Life is all about?

**Prof Ang 01:19**

So MediShield Life is a national health insurance plan that covers all Singapore citizens and permanent residents for life. The design of it is to help with paying for large bills in public hospitals, things like staying in class B2, and C wards and selected costly outpatient treatments such as dialysis, cancer drugs and radiotherapy. Members of public that also prefer higher ward classes, to choose their own doctors or treatments in private hospitals can also opt to supplement the MediShield Life coverage with their own IPs or integrated shield plan.

**Yu Ji 01:53**

Yes, I also understand that once you are born, you are automatically covered under MediShield Life. Prof, could you also explain what are some of the key features of MediShield Life?

**Prof Ang 02:04**

So the main features include lifetime coverage, protection against large medical bills and coverage for pre-existing conditions. One of the features is also that Singaporeans may also use their MediSave to pay for the MediShield Life premiums.

**Yu Ji 02:18**

Now that we have covered the basics and key features of MediShield Life, let's talk about the review that happened recently. With the enhancements, Singaporeans will be able to claim for more hospital stays, get coverage for new outpatient treatments, home based medical care, as well as certain new high cost treatments that are clinically and cost effective. Can you share more about the key enhancements to MediShield Life?

**Prof Ang** 02:43

The adjustments include increasing the claim limits, as mentioned, for inpatient stays and day surgeries. There's also expanded coverage for outpatient visits. And there's also going to be introduction of coverage for new treatments, such as cell tissue and gene therapy products, especially those that are clinically and cost effective, so cell tissue and gene therapy products, or CTGTPs for short, are essentially cutting edge treatments, those that are shown to be clinically effective can actually be life changing for some patients. The policy year claim limit has also been set to increase from \$150,000 to \$200,000. These changes will see them take effect in stages from April 2025

**Yu Ji** 03:25

Wow, Prof, it seems like these adjustments are quite significant with these changes. What does this mean for Singaporeans like myself? How will we benefit from it?

**Prof Ang** 03:35

For the most part, these changes will provide better protection against large medical bills and also enable access to new types of care.

**Yu Ji** 03:42

So can you share some examples to help us visualise this?

**Prof Ang** 03:47

Think about an example of the increase in claim limits for kidney dialysis. It will go up from \$1,100 per month to \$1,750 per month. This will then significantly reduce the out of pocket expenses for dialysis patients. Another example would be coverage for more outpatient treatments like repetitive transcranial magnetic stimulation for those that are using it for treatment of depression. So then this means these patients can have access to more care options beyond what is offered in a traditional setting.

**Yu Ji** 04:21

Wow. That seems like quite a huge increase for the claim limits, and patients will also be able to afford more types of care with the expanded coverage. But you know, with these enhancements, there's also an increase in premiums, which is about 22% per policy holder by the end of the third year. Can you share more about why is the premium increase necessary? Also, do you think this amount of premium increase is fair?

**Prof Ang** 04:46

The premium increase is necessary and needed to really fund the enhanced benefits and coverage and to really ensure that there is this long term sustainability of our MediShield Life scheme. Of course, as we expand coverage and increase the claim limits, the premiums need to grow to meet these future claims. We'll also look at how the government is then providing significant support to help Singaporeans manage these increases, especially when it's meant to kick in in April 2025.

**Yu Ji** 05:12

I understand that the government actually announced an additional \$4.1 billion in support measures, which includes MediSave top ups and premium subsidies for the next three years.

**Prof Ang** 05:22

For the vast majority of Singaporeans, these support measures will more than offset the premium increases over the next three years.

**Yu Ji** 05:30

But what happens after three years?

**Prof Ang** 05:32

I would expect that there will be a review soon after. Regular reviews are important, and think about it, the last major review was back in 2020. So this current review is timely to make sure that MediShield Life remains relevant, especially in light of the evolving healthcare landscape, with healthcare costs rising and new medical technologies emerging as well. I can't speak on behalf of the government, but I believe they are committed to keep healthcare affordable and accessible for all Singaporeans, to ensure that the premiums will remain affordable and that the scheme remains sustainable at the same time.

**Yu Ji** 06:06

So I guess that's the main consideration behind the review.

**Prof Ang** 06:10

There's probably several key considerations behind this review. First, rising medical bills have eroded the coverage of the existing claim limits. Second, there's also been a shift in healthcare delivery from hospitals to different settings, like outpatient, community and home settings. Finally, advances in medical technologies have also resulted in new, potentially life saving therapies that weren't previously covered.

**Yu Ji** 06:35

Ah I see, thanks for sharing the key considerations behind this review. I'm curious also about how patients use of health insurance impacts healthcare costs. What's your take on that?

**Prof Ang** 06:45

This is definitely an important point. How we use health care services directly impacts the cost of healthcare and consequently, the insurance premiums that we have to pay. As a nation, as a system, if there's a lot of overuse or unnecessary use of the health care services, this will drive up the costs for everyone. Increased demand lead to increased costs. So it's then crucial for individuals to really make informed decisions about their healthcare, choosing appropriate levels of care, not overusing or abusing the healthcare system, and really taking action to follow preventive health measures.

**Yu Ji** 07:22

So what should be done to encourage responsible healthcare consumption?

**Prof Ang 07:27**

First and foremost, education is key. We want to make sure that we help people learn about how the health care system works and the impact of their choices. Taking action to take care of one's health is also very important. For some illnesses, we can take preventive steps now so we don't end up being hospitalised or racking up high healthcare fees. The government's HealthierSG initiative is a step in this direction to really encourage Singaporeans to focus on taking preventive care action. In support of this national initiative, the government is actually allowing policy holders age 40 years old and above, to use the health points that they have in the Health Promotion Board's Healthy 365 app to offset the MediShield Life premiums. I did a quick check. The conversion is 150 health points for \$2 off of the MediShield Life premium. So that's actually a two times rate than if you were to claim for Health Promotion Board's e-vouchers. This way, it actually provides more financial incentives for Singaporeans to prioritise their well being.

**Yu Ji 08:29**

Thank you, Prof, for sharing these insights, especially the portion on the Healthy 365 app. I've actually downloaded the app, but never personally explored it. After what you've shared today, I think I'll take some time to play around with the features and earn some vouchers at the same time. So Prof, any final thoughts to share with our listeners.

**Prof Ang 08:48**

I encourage everyone to take the time to understand these changes with the MediShield live scheme and how it might affect them. And while the premium increases might seem daunting, to note this review also enhance coverage. There are also government support measures available to Singaporeans. Lastly, I urge everyone to remember that health choices made today can really impact not just our personal health, but also the sustainability of our healthcare system for future generations.

**Yu Ji 09:18**

That's great advice, Prof. Thank you once again for joining us today, and thank you to our listeners for tuning in. Visit the CPF Board website at [cpf.gov.sg/mshl2024](https://cpf.gov.sg/mshl2024) for more details of the MediShield Life review. Till next time, take care and stay healthy.

**CPF Board 09:42**

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