Introduction - “Health is Wealth”

A wise saying is that health is wealth. In fact without health, we would not even be able to enjoy the wealth and fruits of our labour.

The issues of healthcare are very real affecting everyone more particularly our teachers. There can also be increased risk given more physical activities both within and outside the school compound. Medical costs are rising along with longer life expectancy.

In the course of our union work at STU, we have the satisfaction, on one hand, of helping many teachers concerning their medical benefits and entitlements. On the other hand, we have also shared the pain and hardship of some members and their families arising from medical issues.

As a concerned union and your partner in education, we would like to reiterate and highlight a few key learning points for your benefit.

Knowing Your Scheme of Medical Benefits – Knowledge is Power

There are currently three civil service schemes of medical benefits namely the (I) Co-payment on Ward Charges Scheme (CPW), the (II) Comprehensive Co-payment Scheme (CCS) and the (III) Medisave-cum-Subsidised Outpatient Scheme (MSO).

The first step really is to understand your civil service scheme of benefits, knowing the main coverage and being mindful of likely limitations and exclusions (refer to details in the information box).

Tapping on Shieldplans for Better Inpatient Protection

The prevailing scheme now applicable for new officers is the MSO, which can be vulnerable. It is clear that the annual $350 Medisave contribution will not be sufficient to pay for major illnesses. This is especially so for those needing prolonged hospital care and those affected by chronic or disabling diseases that can result in substantial loss of future income.

A large medical bill can easily wipe out your Medisave. A prudent way is to use the Medisave to buy into Medishield or other Shield-based insurance1 as a national risk-pooling system to cover against hefty hospital expenses due to catastrophic illnesses.

About 90% of our lifetime medical costs will likely incurred in the final stretch of our life after retirement. The Shieldplan will thus also provide protection for the majority of non-pensionable officers who do not have post-retirement medical benefits.

About 78% of Singaporeans are covered under Medishield as an opt-out scheme. A priority is to ensure adequate and early entry into the appropriate Shieldplans, as insurance exclusions may likely kick in for late-entry due to pre-existing illnesses such as Hypertension and Diabetes, which are common with rising age.

Statistics have shown that every year, 1 in 10 Singaporeans, need to be hospitalised. We do not know who or when. We should also ensure that our children and spouse especially those who are non-working to be adequately covered with medical insurance.

Means Testing & Reduced Subsidy

Since January 2009, all patients staying in B2 and C class wards in public hospitals have to undergo means testing to determine the level of government subsidy.

People earning more than $3,200 average monthly gross salary (i.e average monthly salary including bonuses in the year) will receive reduced subsidy. Non-working patients staying in private property, e.g children, homemakers or retirees will also be similarly affected.

The current subsidy of class C wards is 80% while that of class B2 wards is 65%. In the extreme situation (i.e when average monthly gross salary is above $5,200), the subsidy level can go down to as
low as 65% for C class and 50% for B2 class.

We need to be mindful that the absolute amount payable can be substantial. For example, under C class ward, paying 35% of the ward charges compared to paying only 20% of the ward charges is actually an increase of 75% in the size of the bill.

**Increased Fees in Community Hospitals**

The media recently in March also reported on the increased ward charges of community hospitals due to rising costs of medical supplies and qualified staff. For example, the revised C class ward daily fee at St Andrew’s Community Hospital has been increased from $70 to $130.

We need to be mindful that middle-income patients who do not qualify for government subsidies may be particularly affected. This will include those families with per capita monthly household income of more than $1,300.

**Participating in STU PAL Plans for Added Protection**

Given the feedback on the needs of our teachers, the STU has also negotiated an exclusive group insurance to enhance the protection of our members. Known as the STU PAL Plan, it is intended to supplement the coverage of the civil service schemes and Shieldplans.

STU PAL will cover accidental death or permanent disablement with additional coverage for incidents arising from school activities and public conveyance. Eligibility is extended beyond the STU member to spouse, children, parents and parents-in-law of the person insured.

The benefits include accident medical reimbursement and daily hospital income due to illness and injury, which will lessen your financial burden of the co-payment and/or deductible portions of your medical bills.

Monthly premium is affordable from $6.25 only. For more details of the STU PAL Plan, please feel free to contact Ms Isabella Li of STU by tel 6452-4403 or email: lict@stu.org.sg.

**Information Box (Side Bar)**

(I) Co-Payment on Ward Charges Scheme (CPW)

- The CPW applies to permanent and contract officers (without any breaks in service) in service before 1 January 1994, who had opted for the scheme. A pensioner is eligible for CPW as post-retirement medical benefits, if retiring on or after 15 September 1980 and on CPW at the time of retirement.

- Hospitalisation - The officer will co-pay 20% on ward charges if he is admitted to a ward of his eligibility in a government or restructured hospital. The dependent co-payment rate on ward charges is 50%. They will not have to pay all other fees (viz surgical, investigations, treatment and medicine).

- Outpatient Treatment - An officer or his dependant will not have to pay for outpatient treatment at any Government Outpatient Dispensary. An officer or his dependant who seeks treatment at Specialist Outpatient Clinics at Government and restructured hospitals and NUH will not have to pay any consultation fee if he is referred by a Government doctor without specifying a particular consultant by name.

- Non-subsidized Expenses - An officer or his dependant will pay in full for hospital and outpatient expenses which are not subsidized (e.g. maternity fees, assisted conception procedures - as defined by Ministry of Health to be outside the basic healthcare package, cosmetic surgery, multi-phasic/Hepatitis B/health screening).

(II) Comprehensive Co-payment Scheme (CCS)

- This scheme applies to permanent and contract officer (without any breaks in service) in service before 1 January 1994 who had opted for this scheme, or who did not opt for the CPW or the MSO scheme. A pensioner is eligible for CCS as post-retirement medical benefits, if retiring on or after 15 September 1980 and was on CCS at the time of retirement.

- Hospitalisation - An officer will co-pay 15% on all items of medical expenses (i.e. ward, surgical, investigations, treatment and medicine) if he is admitted to a ward of his eligibility in a government or restructured hospital. The dependent co-payment rate is 40%.

- Outpatient Treatment - An officer will co-pay 15% on all outpatient expenses (i.e. consultation, investigations, treatment and medicine) which are subsidized at Government Outpatient Dispensaries. Specialist Outpatient Clinics and A&E Departments at Government and restructred hospitals and NUH. The dependent co-payment rate is 40%.

- Non-subsidized Expenses - An officer or his dependant will pay in full for hospital and outpatient expenses which are not subsidized (e.g. maternity fees, assisted conception procedures - as defined by Ministry of Health to be outside the basic healthcare package, cosmetic surgery and multi-phasic/Hepatitis B/health screening).

(III)Medisave-cum-Subsidised Outpatient Scheme (MSO)

- This scheme applies to all officers appointed on permanent establishment/contract/temporary month-to-month basis on or after 1 January 1994; permanent and contract officers in service before 1 January 1994 who opted for this scheme. A pensioner is eligible for MSO as post-retirement medical benefits, if retiring on or after 1 January 1994 and was on the scheme at the time of retirement.

- Additional Medisave Contribution - Government will pay additional 1% CPF contribution on monthly salary (i.e. emoluments attracting CPF contributions) into the officer’s Medisave account. The contribution is in lieu of hospitalization benefits.

- The additional Medisave contribution may be used in accordance with prevailing CPF (Medisave) Regulations i.e. the officer may use Medisave to pay for hospitalisation expenses in any class ward of his choice in a government, restructured or private hospital. It can also be used for buying MediShield and other Shield-based hospitalization insurance.

- Outpatient Treatment - An officer and eligible dependants will co-pay outpatient treatment at Government Outpatient Dispensaries, Specialist Outpatient Clinics and A&E Departments at Government and restructured hospitals and NUH. The officer will co pay 15% and his dependant 40% on the subsidized medical expenses i.e. consultation, investigations, treatment and drugs including prescribed non-standard drugs supplied by a government or restructured hospital pharmacy. This subsidy will not apply for items which are not covered under the medical benefits scheme (e.g. multi-phasic/Hepatitis B/health screening).

- Maximum Subsidy - The maximum subsidy for each officer’s medical expenses inclusive of his dependant’s is $350 per calendar year. An officer who has not used up the maximum subsidy of $350 in any one year and remains in service as at 31 December of the year will have the unused balance credited into Medisave account by March of the following year.