



Should I get a rider on my Integrated Shield plan? (Bonus: a review of Great Eastern's Offering)

Description

The Ministry of Health (MOH) announced several new changes to MediShield Life earlier this year, in light of rising healthcare costs that they say necessitated higher premiums. As a result, some consumers are now having difficulty keeping up with the rise in their insurance premiums. The question on everyone's mind is thus whether MediShield Life is sufficient, or if one still needs a private Integrated Shield plan (IP) to supplement it. In this article, I will address that issue, as well as whether your IP riders still make sense from here.

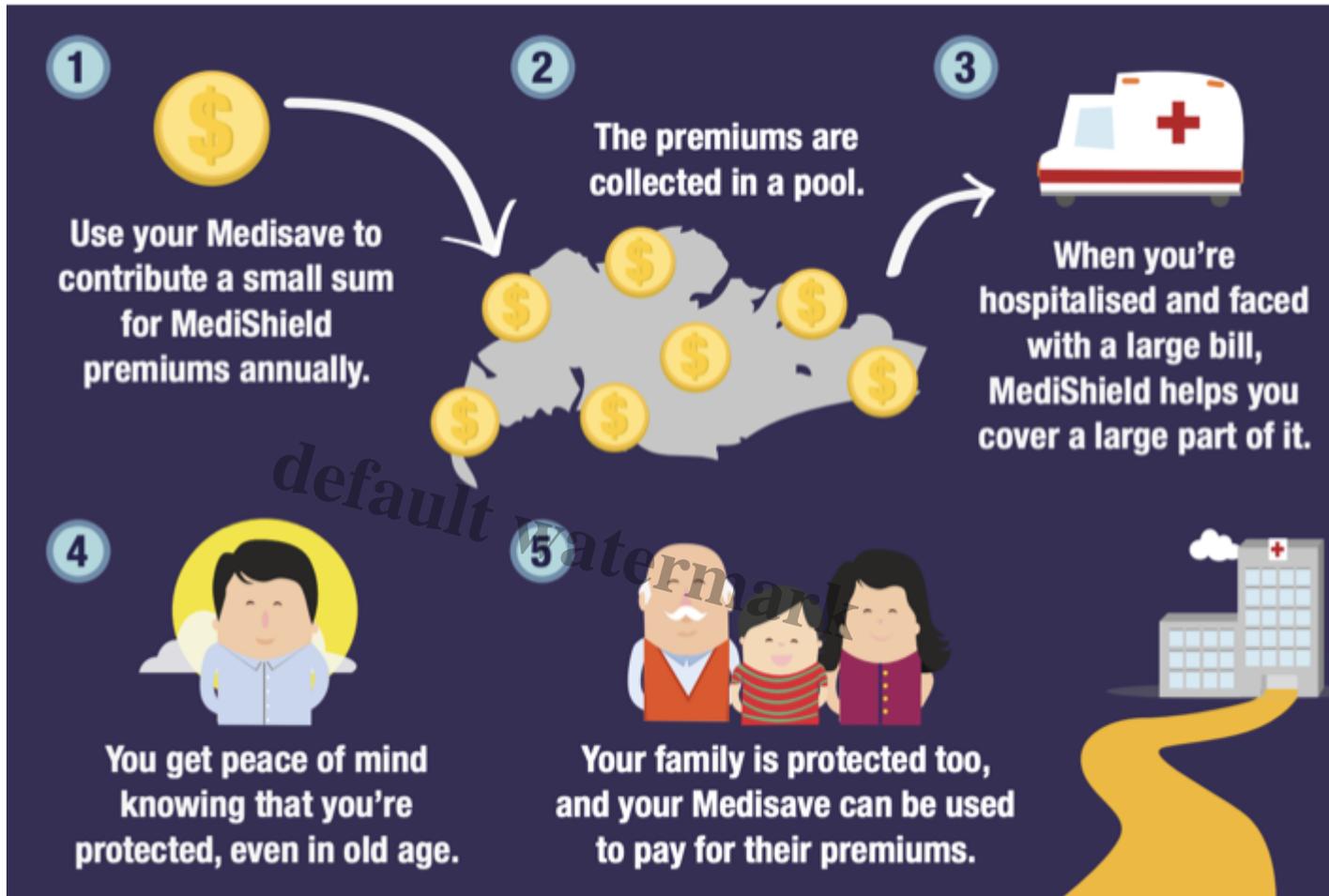
This is Part 2 of a series on hospitalisation coverage and medical insurance in Singapore. [Click to view Part 1 here.](#)



Healthcare costs have been rising. As a result, with larger claims being made against both MediShield Life and private insurers, consumers like you and I have been paying higher premiums for healthcare protection in the past few years.

Why, and how does this happen?

This is largely because insurance works via risk-pooling – here’s a helpful graphic by MOH to illustrate this concept:



Source: MOH YouTube

Unfortunately, the rapid rise in costs over the last few years can be attributed to several factors at play – including medical inflation, higher operating costs, and even a [“buffet syndrome” when it comes to the consumption of medical treatment and services](#) (since it’ll be paid for by your insurer anyway).

This is not sustainable, and we’re already starting to feel the heat.

Why co-payments are the way to go

When consumers have to foot a portion of their hospitalisation bills (instead of leaving it entirely to your insurer), it should theoretically make one think twice about consuming healthcare services, or choose public hospitals instead of private ones whenever possible.

And indeed, **MOH has now mandated that zero co-payment IPs are no longer allowed** to be sold (after 2018).

This is definitely a step in the right direction. Aside from that, further changes to MediShield Life have been made. [Great Eastern has put together the below table](#) which covers the key changes:

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CHANGES TO MEDISHIELD LIFE

Effective 1 March 2021

Daily ward and treatment charge	Before	New (Effective 1 March 2021)
Normal Ward (Per Day)	\$700	
ICU Ward (Per Day)	\$1,200	
Community Hospital - Sub-acute (Per Day)	\$350	
Community Hospital - Rehabilitation (Per Day)	\$350	\$350
Psychiatric (Per Day)	\$100	Up to 60 days
Radiosurgery (Gamma knife & novalis radiosurgery) Per Treatment Course	\$4,800	

Outpatient treatment charge	Before	New (Effective 1 March 2021)
Radiotherapy - External or Superficial (except Hemi-Body Radiotherapy) (Per Treatment)	\$140	
Radiotherapy - Hemi-Body Radiotherapy (Per Treatment)	\$140	
Kidney Dialysis (Per Month)	\$1,000	
Immunosuppressant for Organ Transplant (Per Month)	\$200	

Increased Annual Claim Limit

	Before	New (Effective 1 March 2021)
Per Policy year claim limit	\$100,000	\$150,000

Reduced Deductibles

For those age 81 and above	Before	New (Effective 1 March 2021)
Day Surgery Subsidised & Non-Subsidised (Per Day)	\$3,000	\$1,500

Reduced Pro-ration Factor

	Before	New (Effective 1 March 2021)
Pro-ration factor for private hospitals	35%	30%

Source: *Great Eastern*

Aside from these changes, you may want to pay close attention to the following:

1. All consumers (even those with existing IP or IP supplementary plans) will now have to fork out a minimum 5% co-payment towards their hospitalisation bills.
2. **You will only be able to claim 25% of your private hospital bill from MediShield Life** (down from 35%).

The second change is important, because this means private insurers will now have to foot a larger share of each private hospital bill (*75% now vs. 65% previously*). This could likely lead to higher claim costs for the insurers, and I won't be surprised if this will be **potentially passed to policyholders in the form of higher premiums**.

Expect higher premiums (for *both* public and private hospitalisation insurance)

Unless we manage to curb the rising healthcare costs as a nation, it is only a matter of time that our insurance premiums will continue to rise. This isn't just happening amongst the private insurers – even our mandatory insurance scheme hasn't been spared.

As a result, another change announced by MOH earlier this year is that [we will now have to pay more \(up to 35%\) for our MediShield Life premiums](#):

Premiums
increase

Age next birthday	Current Premium	Revised Premium
1 - 20	\$130	\$130
21 - 30	\$195	\$195
31 - 40	\$310	\$310
41 - 50	\$435	\$435
51 - 60	\$630	\$630
61 - 65	\$755	\$755
66 - 70	\$815	\$815
71 - 73	\$885	\$885
74 - 75	\$975	\$975
76 - 78	\$1,130	\$1,130
79 - 80	\$1,175	\$1,175
81 - 83	\$1,250	\$1,250
84 - 85	\$1,430	\$1,430
86 - 90	\$1,500	\$1,500
>90	\$1,530	\$1,530

When you add up the premiums for your MediShield Life and private IP, it is likely that most of you guys are paying annual premiums anywhere between \$1,000 - \$2,000 easily right now (myself included). If you're in the older age bands, or have more riders on your plan, you're likely paying even more.

Obviously premiums cannot be allowed to continuously rise at an unsustainable rate, which is why some insurers like AIA, Prudential and Great Eastern have introduced Claims-Adjusted pricing.

How will Claims-Adjusted pricing affect me?

This framework will reward consumers who stay healthy and make no (or low) claims, since they will now benefit from lower insurance premiums. As a result, it should incentivise more people to take better care of their health, such as by eating healthier and integrating exercise into their weekly routines.

Conversely, if your health is poor and you end up making more claims on your insurance, then the trade-off will be that you'll have to pay more (towards the risk-pooling) in the form of higher premiums the following year.

Here's an example of how the changes might look like for Great Eastern policyholders with GREAT TotalCare (Elite-P) and (Classic-P) plans:

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Premium Levels for life assured **below age 65** at policy renewal



For claim amount S\$2,000 and below at Private Hospitals
or any claim amount at Restructured Hospitals

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Premium Levels for life assured **age 65 and above** at policy renewal



For claim amount S\$2,000 and below at Private Hospitals
or any claim amount at Restructured Hospitals

Source of claim	Claim Amount* paid by Great Eastern	Pre at t
No claim	Nil	
Restructured Hospital/ Government-funded Community Hospital/ Inpatient Palliative Care Institution	Any amount	R (M (Move up
Private Hospital/ Private Community Hospital/ Private Medical Clinic	S\$2,000 and below	R (M (Move up
	More than S\$2,000	(Move up 2 levels For I (Move up 2 limit at LEVEL

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*Refers to all claims paid by us from your GREAT SupremeHealth, GREAT TotalCare and GREAT TotalCare Plus (where a

Source: Great Eastern

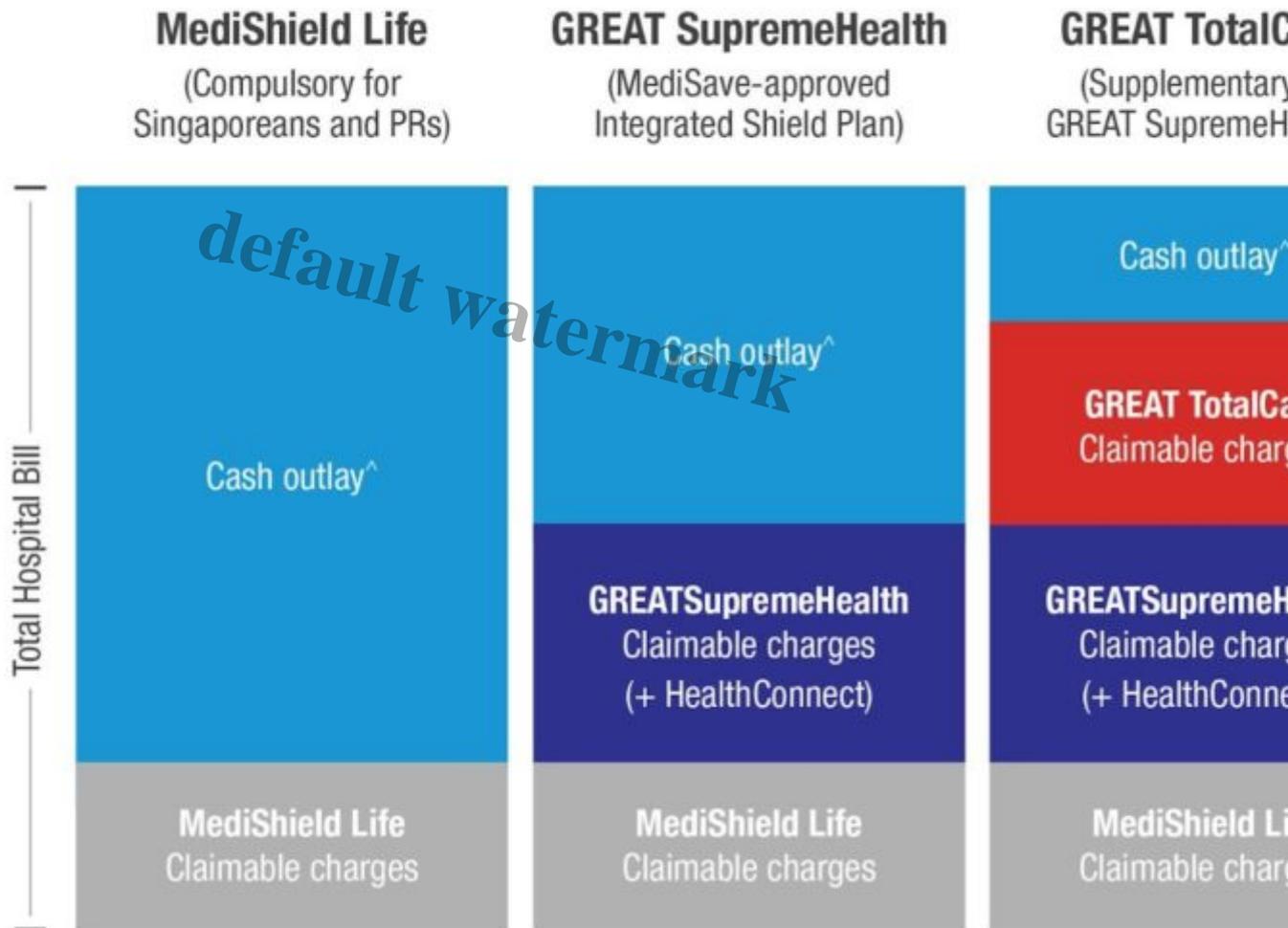
Thus, assuming you are at the Standard Level, you can expect to pay 20% lesser premiums next year if you don't make any claims this year if your plan is with Great Eastern.

In the event that your total claim size is more than \$2,000 for treatment at a private hospital, you'll be moved up to the next level (e.g. pay 50% more). But if you choose to seek treatment at government or restructured hospitals, then you'll remain at the same level, which means you pay the same premium amount as your current / move up to Standard if you were previously at Preferred.

So, should I still keep my Integrated Shield plan?

In order to answer that question, you need to understand exactly how your IP helps you when it comes to reducing your cash outlay for hospitalisation bills:

Minimise Your Cash Outlay



^ Including deductibles and co-payments.

Source: Great Eastern

You can see (in the second column) the difference an Integrated Shield plan can make to your bill in reducing how much cash you'll have to pay out of your own pocket when you're hospitalised. However, if your hospital bill is larger, the cash outlay you will need to pay can still be pretty sizeable.

Since we cannot predict in advance what health conditions may befall us, or what kind of treatments we'll end up needing, this makes it difficult to save up some buffer cash for such situations. Consider [the recent case of an unlucky 31-year-old hawker who got into a traffic accident on his way home from work, and racked up a \\$100,000 bill at Khoo Teck Puat Hospital \(a public hospital\)](#).

So if that worries you and you want more assurance when it comes to your hospital bills, you can see that **adding another layer of coverage with riders** (third column)- such as via a supplementary plan like GREAT TotalCare (regardless of whether you opt for Elite-P or Classic-P) to partially cover the deductibles and co-insurance portion of your bill **can help cover up to 95% of your total hospital bill.**

That way, you end up co-paying only 5% of your hospital bill i.e. essentially the minimum that MOH has mandated. This is a fairly popular approach that many people have opted for, with 1 in 3 of the population having IPs with a rider.

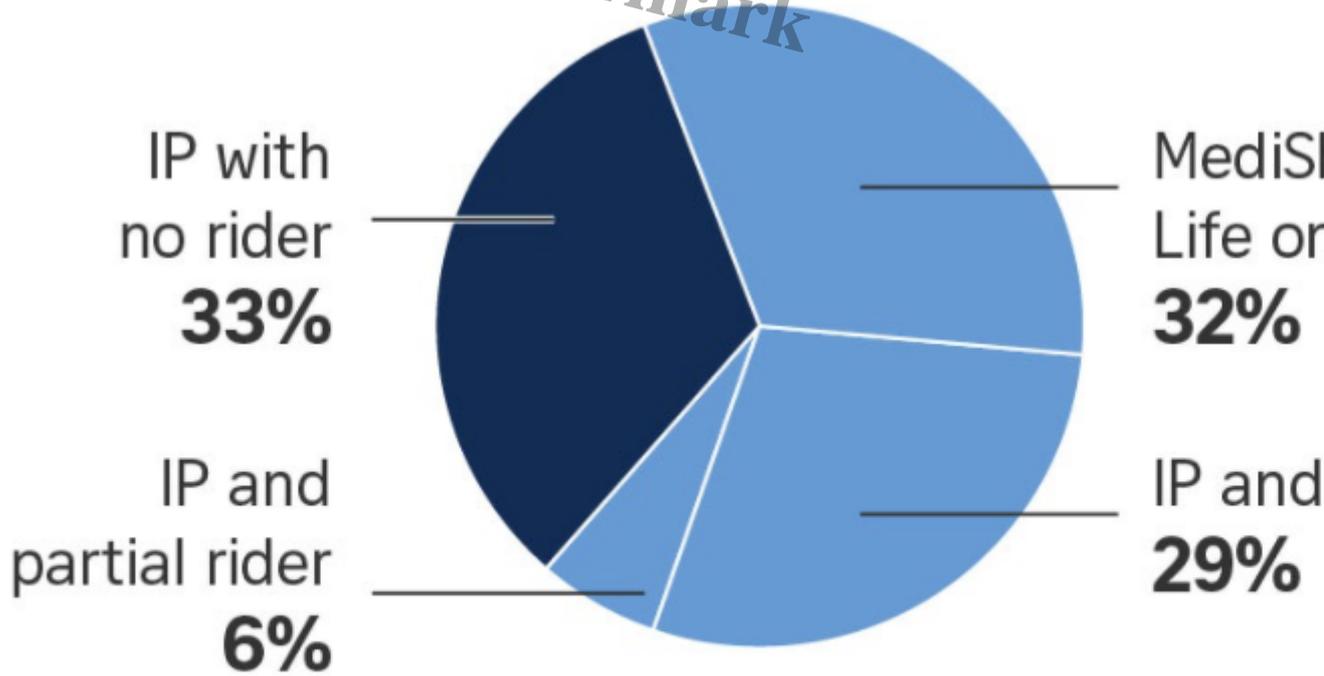
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Over the past two years premiums have gone up by

up to **80%**
for Integrated Shield Plan (IP)

up to **225%**
for full rider

INSURANCE PLANS OF S'PORE'S 3.9 MILLION PEOPLE



Source: [The Straits Times](#)

Of course, if you want to add on even more coverage, add-ons such as **GREAT TotalCare Plus Rider** or even **Supreme MediCash** can give you more benefits *â?? but just note that youâ??d have to pay for the premiums in cash (and not from your MediSave).*

For a complete hospitalisation coverage, you can add on Supreme MediCash to help provide daily hospital cash benefit to close up the co-payment gap. GREAT TotalCare Plus Rider, on the other hand, will give you 24/7 specialised support for overseas emergency situations.

The questions you'll need to ask yourself are:

1. Can I afford to pay for all that premiums?
2. How much am I willing to pay for the benefits given by the additional rider(s)?

My personal take is that while it sounds attractive to add as many riders as your insurer offers you (such as GREAT TotalCare Plus Rider by Great Eastern), which can extend your coverage to include overseas medical bills, this is a benefit that some of us can do without if we intend to seek treatment only in Singapore. As such, it is highly likely that even if we pay to add on this rider, it'll potentially be an option we might never end up utilising.

Which is why I feel opting for just the IP and a basic supplementary plan (or rider) might just be good enough for me.

Using Great Eastern's GREAT SupremeHealth enhanced with GREAT TotalCare supplementary plan as an example, you will get covered for

- up to 95% coverage of your total hospitalisation bill,
- pre-hospitalisation coverage of 120 days,
- post-hospitalisation coverage for up to 365 days (one year) to focus on your recovery, and even
- long-term cancer treatment coverage.

Key Benefits for GREAT SupremeHealth and GREAT TotalCare



Comprehensive hospitalisation coverage for life

Enjoy up to 95% coverage of your total hospitalisation bill when you have the supplementary plan, with high annual coverage of up to S\$1.5 million. Plus, the assurance of unlimited lifetime coverage with guaranteed renewal.

With pre-hospitalisation coverage for 120 days and post-hospitalisation coverage for 120 days, you can focus on your recovery and leave the worrying to us.



Advanced long-term cancer treatment coverage

We'll cover all your eligible expenses beyond hospitalisation for cancer treatment, medication, scans and consultations. Get covered against some of the latest cancer treatments available, such as proton beam therapy and cell, tissue and gene therapy.



Additional rider to cover overseas treatment

Get access to the care you need, wherever you are in the world with the Overseas Treatment Plus rider. Plus, 24/7 specialised support is on hand during overseas treatment. Plus, you get the best medical care you need.

Note: (1) S\$1.5 million and S\$400,000 annual benefit limit applies to GREAT SupremeHealth P Plus and GREAT TotalCare (Elite-P) / (Classic-P) plans respectively.



Which plan to

GREAT SupremeHealth P Plus

- you do not mind having to fork out a little more cash w
- option for both private & restructured hospitals

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GREAT TotalCare Classic-P

- premium savings with low out-of-pocket expenditure on medical bills
- option of medical treatment with Great Eastern's private panel specialists (with pre-authorisation)

OR

- freed spec
- lower expe

According to Great Eastern, their GREAT TotalCare Classic-P has one of the **most comprehensive** list of benefits in the market at an **affordable premium**, making it one of the **most value-for-money health plans**.

Here's another illustration showing how your MediShield Life + Integrated Shield plan + riders will stack up to give you a more complete coverage of your hospitalisation bills:

Your Complete Hospitalisation Coverage



Supreme MediCash

- Provides daily hospital cash benefit to close relatives
- Premiums fully payable by cash

GREAT TotalCare Plus Rider

- Extends coverage to overseas, including pre-departure medical checks, overseas and Overseas Emergency Assistance
- Premiums fully payable by cash

GREAT TotalCare

- Covers the deductibles and co-insurance of MediShield Life after deducting co-payment
- Premiums fully payable by cash

GREAT SupremeHealth

- Integrated Shield plan which complements MediShield Life, providing additional hospitalisation coverage
- Premiums partially payable by MediSave*

MediShield Life

- National Compulsory Basic Health Coverage
- Premiums fully payable by MediSave

* Premiums payable by MediSave is up to the Additional Medisave Contribution Limit or the MediSave Withdrawal Limits as set out by the Ministry of Health

But while 5% co-payment sounds reasonable, what happens if my bill is \$200,000? That 5% will then cost me at least \$10,000, and I may not have that kind of liquid cash lying around!

Considering how [100 patients in Singapore hit the annual claims limit on their MediShield Life in 2019](#) and have no further coverage for their hospital bills (*which were higher than \$100,000*), you may

rightfully be concerned about not having enough cash to co-pay your hospital bill.

But there's a solution for this. [As long as you stick to the panel of specialists offered by your insurer](#) and obtain pre-authorisation for any medical treatment and hospitalisation, **you will not need to worry about having to pay anything more than the \$3,000 co-payment cap.**

Of course, if you prefer to choose your own doctor who's not on your insurer's panel, then you'll have to be prepared to fork out potentially more.

Conclusion: Focus on what you can afford + pay attention to your health

As I grow older, I've begun to appreciate the wisdom of "health is wealth". My metabolism has dropped, and my body no longer works as well as before. Gone are the days where I can indulge in junk food and not bother to exercise - today, I'm making more effort to eat healthier and schedule exercises like swimming or HIIT in my calendar.

But while I work on maintaining and improving my health, I still need insurance to cover me against rising hospital bills. This is why I continue to keep my IP and rider (supplementary plan), but choose not to pay for riders that entitle me to additional benefits such as overseas treatments because that will leave me with less money to pay for other types of healthcare insurance that I might also need ([such as CareShield Life](#) supplementary plans).

When you're younger and still in the pink of health, it makes sense to get the highest hospitalisation coverage you need and can afford to pay for - before you risk becoming uninsurable.

But if you're paying for more than what you can comfortably maintain, then you may want to check with your financial advisor whether it makes sense to either drop some rider(s), or downgrade your hospitalisation plan.

At the end of the day, we must **focus on insurance that we can afford.**

If you're looking for Integrated Shield plans and/or riders that provide comprehensive coverage without costing an arm or a leg, while rewarding you for healthier living, [you may want to check out Great Eastern's plans here.](#)

Sponsored Message:

For a limited-time only, you can sign up and enjoy 20% off your first-year premiums for GREAT TotalCare (Elite P) and (Classic-P) plans. Lifeproof your health today.

[Find out more here](#) or [request for a call back.](#)

Disclosure: This post is written in collaboration with Great Eastern. All opinions are that of my own, and information accurate as of 5 June 2021.

Notes:

1. *GREAT TotalCare and GREAT TotalCare Plus are not MediSave-approved Integrated Shield plans and premiums are not payable using MediSave.*

2. *GREAT TotalCare is designed to complement the benefits offered under GREAT SupremeHealth. GREAT TotalCare Plus is a rider that can only be attached to GREAT TotalCare to extend medical coverage worldwide.*

This advertisement has not been reviewed by the Monetary Authority of Singapore.

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Category

1. Insurance

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