



PACIFIC PRIME

Top-Up Insurance Guide 2016

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GUIDE TO TOP-UP INSURANCE PLANS

It is common practice in Singapore for employers to provide medical insurance benefits to their employees, especially foreigners, though it is actually not a statutory requirement in most cases.

Medical treatments in Singapore being particularly expensive, insurance premiums also tend to be high and therefore employers provide basic packages to 'tick the box' on a checklist.

This also does not always extend to dependents and recent trends in the workplace show a shift from the old 'fully-inclusive expat package' to local contract terms and very minimum insurance coverage (if any at all).

Local basic insurance policies are free for the employee and there are solutions (Top-up plans) that can enhance the package you get by leveraging on the existence of a minimum hospitalisation coverage to reduce the premiums you will pay personally to extend the benefits or increase its limits.

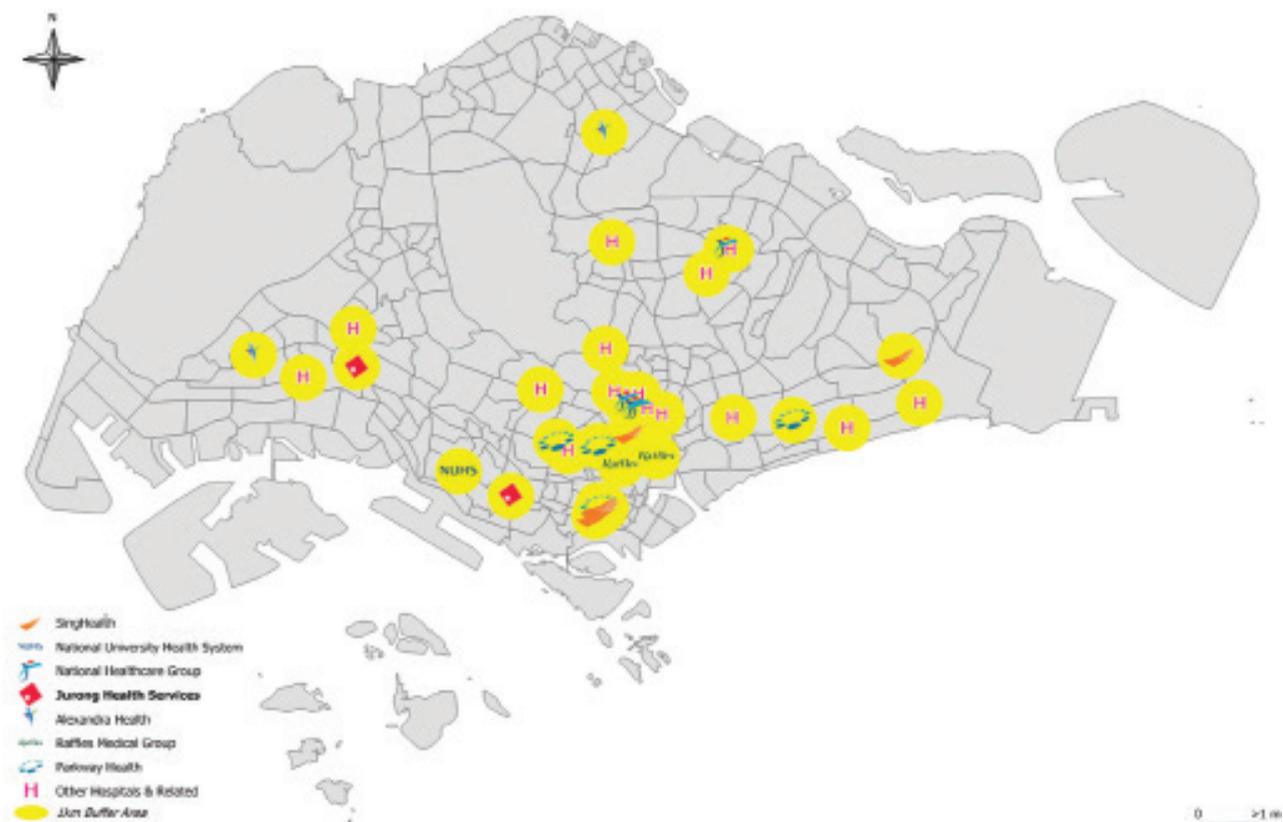
"... Top-up plans can enhance the package you get by leveraging on the existence of a minimum hospitalisation coverage..."



SINGAPORE HOSPITALS

Singapore operates both **public** and **private** hospitals with overall excellent levels of health care. Costs are generally higher in private hospitals and the subsidies offered in public hospitals are only granted to Singaporean nationals and Permanent Residents.

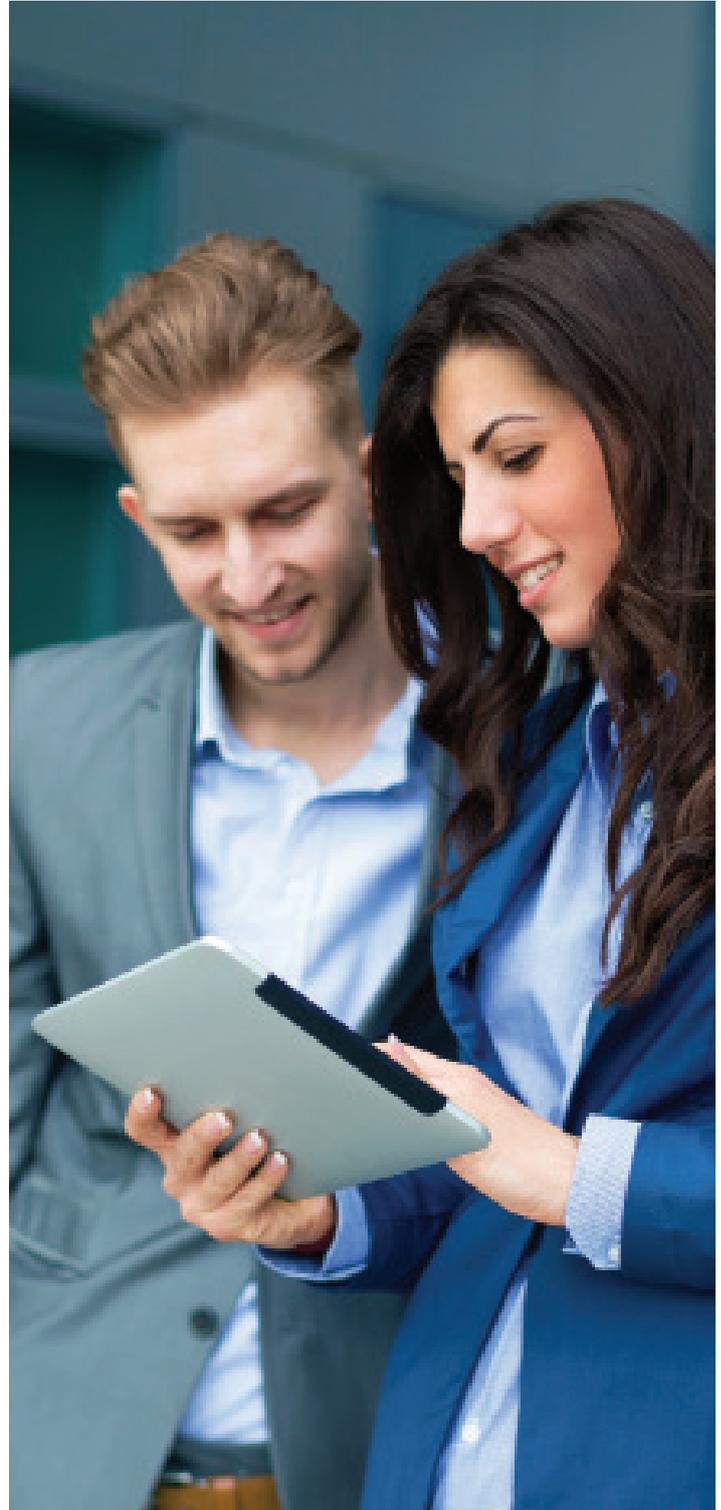
Local basic insurance plans usually include a **surgical schedule of fees** (see *appendix 1*) or a **restricted % of coverage** (or lower overall limits) if you elect to have treatments in a private hospital. Some plans do not even allow for treatments outside (public) Government Restructured Hospitals and certain types of wards (2 or 4-bedded).



COMMON GAPS IN EMPLOYER-PROVIDED INSURANCE SCHEME

In the past 10 years operating in Singapore, Pacific Prime has come across a huge amount of corporate policies and has been able to identify typical areas of concern for employees on the benefits provided.

- **Overall low limits of coverage in case of hospitalisation and surgery**
- **Limited (or no) out-patient benefits (when you do not stay in a hospital for more than 4 hours)**
- **Limited benefits for cancer treatments and kidney dialysis**
- **Restricted networks of providers or panel (no freedom to choose your doctor/specialist)**
- **Coverage only in Singapore**
- **No maternity benefits**
- **No dental benefits**
- **No wellness benefits (health screenings) or vaccinations**
- **Necessity to obtain a referral from a GP before consulting with a Specialist**
- **No portability option**
- **Exclusion on pre-existing conditions**



COMMON GAPS IN EMPLOYER-PROVIDED INSURANCE SCHEME

To illustrate those limitations, here are a few common scenarios that Pacific Prime advisors come across regularly when reviewing corporate insurance plans offered to expats in Singapore:

Scenario A

Your 'Group Hospital and Surgical' coverage is up to a maximum of 100,000 but the employee is required to pay a 10 or 20% co-insurance or **co-pay % for bills above 20,000 SG\$**



Scenario B

The max payable for **surgeries** is subject to a **surgical schedule**. This means that you will be reimbursed only up to a **percentage** of the **surgical benefit** (usually around 10,000 SG\$) depending on the type of surgery performed. For example, a heart surgery may be paid up to 100% of the surgical benefit but a knee surgery only up to 50% (and a max of 5,000 SG\$)

Scenario D

An expat employee (age 55) works for 10 years for the same company and eventually loses his job or works for a new employer (or own business). Now seeking medical insurance but has developed medical conditions (cancer, diabetes, chronic conditions, etc.) and gets declined for coverage by all medical insurance companies he applies to.

Scenario C

Trips to the A&E department are reimbursed only in case of an **accident** and usually up to very low limits (80 SG\$) which does not cover the actual costs involved (it actually costs 80SG\$ for a simple registration at the A&E department meaning all actual treatment costs are out-of-pocket).

Scenario E

A total overall coverage of 10,000 SG\$ (or 20,000 SG\$) for out-patient **chemotherapy** which does not even cover the actual cost of one cycle of treatments.

If your plan does not cover or has low limitations which does not pay for all bills, expats do not enjoy any form of help or social security system and liable to pay 100% of bills, which can be extremely costly.

ACTUAL COSTS OF MEDICAL TREATMENTS AND SURGERIES

The scenarios and examples above highlight a number of gaps in the coverage but obviously without a realistic idea on actual costs for surgeries and treatments, it's difficult to judge whether those limits are high enough in the event you need to seek medical attention.

The Ministry of Health's website provides useful information regarding the costs of medical care for many different types of procedures in local hospitals. The information below refers to typical costs in **private hospitals** and **public hospitals**. It is essential to keep in mind that these are **hospital** and do not necessarily include the **anesthetists** and doctor's fees which could be added on top of the costs shown below. There's also a number of costs before and after (pre/post hospitalisation).

Basic uncomplicated Appendix surgery

Hospital	Room	50th Percentile bill size*	90th Percentile bill size*
Mount Alvernia (Private)	1-Bedded	13,816	19,557
Mount Elizabeth (Private)	1-Bedded	16,073	19,750
Raffles Hospital (Private)	1-Bedded	16,449	19,500
KK Hospital (Public)	Ward A	6,972	10,125
Singapore General (Public)	Ward A	6,814	9,556

Knee arthroscopic surgery

Hospital	Room	50th Percentile bill size*	90th Percentile bill size*
Parkway East (Private)	1-Bedded	19,157	28,929
Mount Elizabeth (Private)	1-Bedded	16,403	28,269
Gleneagles (Private)	1-Bedded	14,988	19,639
NUH (Public)	Ward A	8,580	13,586
Singapore General (Public)	Ward A	7,432	12,869

* A percentile means that 50% (or 90%) of patients paid the amount stated or below

In the event your policy covers surgery up to a max of 10,000 SG\$ and the surgical schedule of fee specifies you are covered for 70% of the benefit for appendectomy, your total reimbursement is 7,000 SG\$ under a Group Hospitalization & Surgical' coverage. This leaves **12,000 SG\$ to be paid out-of-pocket** when hospitalized in a private institution.

If your plan includes a Group Hospital & Surgical (GHS) benefit of 8,000 SG\$ and a 'Group Major Medical' benefit for bills over the GHS plan up to 80,000 SG\$ with a 20% co-insurance. In the event of knee surgery (50% of the surgical benefit), you maximize your GHS coverage up to 4,000 SG\$ but the remaining 21,000 SG\$ are reimbursed only at 80%. **Total out-of-pocket 4,200 SG\$.**

WHAT SOLUTIONS DO I HAVE?

1 New medical Insurance plan

• If you have identified gaps in your coverage and very limited benefits (you probably would not be reading those lines otherwise), the best solution is to buy a full new insurance plan. This can ensure:

- **Continuation of benefits** for as long as **YOU** want (and not tagged to the company you work for)
- Flexible **underwriting of pre-existing conditions** (no exclusions or waiting periods)
- **International coverage** (and portable) so you can receive treatments anywhere you want
- **Comprehensive benefits** to include out-patient, maternity, dental, wellness
- **Freedom of choice of providers**, you can consult with any doctor/hospital of your choice
- **High Limits** of coverage (most plans offered by Pacific Prime cover in excess of 1 Million \$)

Premiums are age-related and can range from simple hospital plans to fully comprehensive benefits. Your health insurance advisor at Pacific Prime can provide options suited to your specific requirements.



WHAT SOLUTIONS DO I HAVE?

2. Top-up Solutions

Instead of buying a brand new policy to cover all your medical expenses, you can lower premiums by using the employer’s plan as a 1st level of coverage. You would use the benefits up to their limits and the Top-up plan comes into play only if/when hospital bills exceed the company cover.

The main drawback is a bit of ‘juggling’ between 2 insurers while you submit claims to offset the deductible on your policy. It also works only if the claims & treatments are eligible on **both** policies and providing you do not make a ‘profit’ from the claims. Hence, you cannot submit twice a bill for actual reimbursements but you can offset the **deductible** on your plan:

Insurer A Corporate Plan	Insurer B Private Top-Up Plan
Member claims \$1,000 for accident	Member claims \$1,000 for accident
No deductible	Deductible \$500
Insurer A evaluates and pays claim	Insurer B evaluates claim for \$1,000 to offset deductible limit (now down to 0)
Member incurs \$15,000 for surgery	Member incurs \$15,000 for surgery
Member opts to claim to insurer B due to limitation on surgery coverage	No deductible remaining, insurer B evaluates / settles claim for \$15,000

Another advantage of **Top-up plans** is that you can also **add other benefits** with no (or very low) deductibles on some benefits such as **out-patient, dental, optical** and **wellness**. This is an excellent way to complement a very low or overall basic level of coverage offered by your employer (hospitalization-only plans) without having to pay the higher premiums for a brand new and full insurance plan. **Top-ups plans** are also portable and can tag along any similar company-funded Hospitalisation cover in future.

Pacific Prime is an insurance broker in Singapore and can offer a full range of insurance solutions locally, Pacific Prime is tested, approved and recommended by Expat Living, as well as the The HoneyCombers, Expat Woman and JustLanded.

