
Benefits of the health insurance Medishield Life

One of the most important types of insurance is health insurance. One of its benefits is to cover your medical bills in the event that you become hospitalised and require treatment. In Singapore, all citizens and permanent residents are covered under Medishield Life, which is a basic health insurance provided by the Central Provident Fund (CPF). Medishield Life is designed to cover hospital bills and select outpatient treatments such as dialysis and chemotherapy, which can often be very costly. However, this coverage is designed for subsidised treatment in public hospitals, and those who choose a private hospital or a higher class ward in a public hospital will need to bear the additional costs. If you require or prefer a higher level of coverage than Medishield Life can provide, you should start considering an Integrated Shield Plan (IP).

Here are the three things you need to know before you opt for IP. What Level of Coverage Does it Provide? IPs are provided by private insurers and sit on top of Medishield Life. There are six recognised providers in Singapore: AIA, Aviva, AXA, Great Eastern, NTUC Income, and Prudential. All of them split their coverage in a similar manner, and the tiers are usually broken down into Class C, B2, B1, and A wards in public hospitals, while private hospitals are a separate category altogether. Medishield Life only provides enough coverage for classes C and B2 in public hospitals, so if you require a higher level of care an IP is a must. Here is a quick chart detailing the differences between the classes. Another significant difference in coverage between an IP and Medishield Life is the maximum amount you can claim. Medishield Life limits that to S\$100,000 per year, but IPs tend to have limits that are above and beyond that, depending on the plan you choose.

How Much Can You Afford to Pay? The next logical consideration after the level of coverage should be the amount you can afford to pay in the present. Private hospital plans are the most expensive option and the rest follow in descending order. If you can afford a private hospital or Class A plan, you also have access to treatment in any ward of a lower grade than the one you purchased. Most insurers will reward you with a small rebate or higher daily allowance if you choose a lower class ward, but on the flip side, getting treatment at a higher class than your chosen IP will cost you more out of pocket. Another important consideration is how much your premium will cost in the future, as it will increase as you age. If you are currently below the age of 35, insurance may seem very affordable and you can be tempted to immediately buy the plan with the highest coverage. Policyholders should project the future costs of their plan at age 45, 65, and so on to ensure that they will always be capable of paying their premiums.

Furthermore, the chances of being hospitalised greatly increase as you age and you want to

Need help with the assignment?

Our professionals are ready to assist with any writing!

[GET HELP](#)

ensure that you will have sufficient coverage. CPF allows its members to pay for Medishield Life and their IP premiums through their Medisave account, and the amount you can use from Medisave each year depends on your age. If you are below 40, you can withdraw S\$300. From the age of 41-70 you can withdraw S\$600, and when you are 71 and above you can withdraw S\$900. Most people rely on this option to reduce the cash amount they have to pay for their premiums, since the money in their Medisave account cannot be used for anything besides medical costs.

Do You Need a Rider?

The final consideration is whether you want to top up your plan with optional riders. Riders are add-ons that provide extra benefits to the policyholder at an additional cost. One example of a health insurance rider would be one that covers all deductibles and coinsurance costs so you do not have to pay anything out of pocket. If you do not have a rider for this, you will be required to pay these two things yourself, which could make the cost of treatment quite unpredictable. As with any insurance, opt-in for this only if you really require it and can afford it. Health insurance is the one type of insurance you should definitely try to have on hand, as medical emergencies can occur at any moment. Therefore, it is important to do a careful examination of your healthcare needs and consider if an IP is for you, or if you are satisfied with Medishield Life's basic coverage. Even if it costs a little more in the present, it is always advisable to be protected rather than be hit with an unpredictable medical bill that could compromise your finances in the future.

Need help with the assignment?

Our professionals are ready to assist with any writing!

[GET HELP](#)