



Coffeebreak

03/2023

The Providend Conversation with a CEO That Wears Many Hats

Changes to Cancer Coverage for MediShield Life and Integrated Shield Plan

Eye-opening Experience in Sydney



Providend

Dear Valued Client,

I trust you have all been well. Even as I write this, the Providend Team just returned from Sydney after spending 5 days for our annual retreat. The annual retreat is an important event on the Providend calendar as it is a time set aside for us to reflect on what has happened over the past 12 months, to look forward to what we will be doing in the next 12 months and to build bond as a team. This year's retreat is special because besides trying to achieve the above, we took the team for a study trip to our investment partner, Dimensional Fund Advisor's office in Sydney as well as visited 4 premier wealth advisory firms in Australia. We came away learning how to be better wealth advisers. We are now back refreshed and recharged, ready to serve you even as the financial markets remain volatile.

Warmest regards,
Chief Executive Officer

Christopher Tan





Contents

01

Food for Thought

The Provident Conversation with a CEO
That Wears Many Hats

02

Thought Leadership

Changes to Cancer Coverage for MediShield
Life and Integrated Shield Plan

03

Family Happening

Eye-opening Experience in Sydney

01

The Providend Conversation with a CEO That Wears Many Hats



02



Changes to Cancer Coverage for MediShield Life and Integrated Shield Plan

Mike Zhang, Insurance Specialist

Note: This article has been updated on 4 April 2023.

In 2020, the MediShield Life Council conducted the first major review of the MediShield Life scheme since its launch in 2015. One key finding was that the cost of cancer treatment has been rising at a much faster rate than other treatments and, if not quickly addressed, would make the scheme unsustainable in the future.

It was revealed that the national cancer drug spending would increase from \$375 million to \$2.7 billion in 2030, increasing at a far faster rate at 20% yearly as compared to 6% for other diseases. This is partly due to the rising cancer prevalence among Singaporeans, as well as the availability of more advanced medical treatments that come at a higher cost.

If left unchecked, the runaway for such healthcare spending would eventually lead to escalating insurance premiums, making it unaffordable for many people.

To this end, changes to the MediShield Life scheme regarding cancer benefits have been implemented since 1 September 2022 and the same will apply to Integrated Shield Plans from 1 April 2023.

Cancer drug treatments must fall under the new Cancer Drug List (CDL) for them to be claimable under MediShield Life or Integrated Shield Plans, whilst those outside of the CDL will not be claimable. As treatments under the CDL are typically more cost-effective and have proven clinical outcomes, this approach will help to manage the rising cost of treating cancer.

New Changes to MediShield Life (MSL)

The new changes to MediShield Life are specifically on outpatient chemotherapy for cancer, as shown in Figure 1.

Before 1st Sep 2022

Table A: MediShield Life Benefits (continued) (Applicable for admissions or treatments received on or after 1 March 2021)	
Outpatient Treatment	
Chemotherapy for Cancer	\$3,000 per month
Radiotherapy for Cancer	
- External (Except Hemi-Body)	\$300 per treatment
- Brachytherapy	\$500 per treatment
- Hemi-Body	\$900 per treatment
- Stereotactic	\$1,800 per treatment
Kidney Dialysis	\$1,100 per month
Immunosuppressants for Organ Transplant	\$550 per month
Erythropoietin	\$200 per month
Long-term Parenteral Nutrition	\$1,700 per month
Maximum Claim Limit	
Per Policy Year	\$150,000
Lifetime	No Limit

*Chemotherapy has been replaced. New amendment affects only Outpatient Treatment.

After 1st Apr 2023

Table A: MediShield Life Benefits (continued) (Applicable for admissions or treatments received on or after 1 April 2023)	
Outpatient Treatment	
Cancer Drug Treatment	\$200 - \$9600 per month depending on cancer drug treatment ⁴
Cancer Drug Services	\$3,600 per year
Radiotherapy for Cancer	
- External (Except Hemi-Body)	\$300 per treatment
- Brachytherapy	\$500 per treatment
- Hemi-Body	\$900 per treatment
- Stereotactic	\$1,800 per treatment
- Proton Beam Therapy – Category 1	\$300 per treatment
- Proton Beam Therapy – Category 3	\$500 per treatment
- Proton Beam Therapy – Category 3	\$1,800 per treatment
Kidney Dialysis	\$1,100 per month
Immunosuppressants for Organ Transplant	\$550 per month
Erythropoietin	\$200 per month
Long-term Parenteral Nutrition	\$1,700 per month
Maximum Claim Limit	
Per Policy Year	\$150,000
Lifetime	No Limit

³Refer to the MOH website for the approved indications for use of Proton Beam Therapy.
⁴Refer to the Cancer Drug List on the MOH website for the applicable claim limit.

(Source: Ministry of Health - updated as of 1st Apr 2023)

Figure 1 | Source: Ministry of Health

Before 1 September 2022

- Chemotherapy benefit is fixed at \$3,000 per month, regardless of whether the cancer drug treatment falls under CDL.

After 1 September 2022

- Chemotherapy benefit now has two parts: cancer drug treatment and cancer drug services.
- Cancer Drug Treatment benefit ranges from \$200 to \$9,600 per month depending on the cancer drug, and these drug treatments must be under CDL.
- Claim limit of specific cancer treatments can be found here: <https://www.moh.gov.sg/home/our-healthcare-system/medishield-life/what-is-medishield-life/what-medishield-life-benefits/cancer-drug-list>
- Cancer drug services benefit is capped at \$1,200 per year, regardless of whether the treatment falls under CDL. Such services include consultation, scans, lab investigation, treatment preparation, administration, support care drugs, and blood transfusions.

After 1 April 2023

- Cancer drug services benefit cap is increased from \$1,200 to \$3,600 per year.

How comprehensive is the CDL?

According to the Ministry of Health (MOH), about 90% of cancer drug treatments are under the CDL and hence would cover most of the cancer drug treatments used here. Moreover, MOH will update the CDL every few months to keep abreast with medical advancements and the latest clinical evidence.

Even so, the benefits under MediShield Life are designed for subsidised patients pegged to B2 and C wards in public hospitals. Those with higher ward expectations, for example, private hospitals, would need higher benefits such as the Integrated Shield Plan (IP).

New Changes to the Integrated Shield Plan (IP)

The changes on cancer treatment benefits will be implemented on IP from 1 April 2023. Similarly, cancer drug treatments under the CDL will be claimable and those outside the list will be excluded.

Figure 2.1 highlights the new IP benefits for the various insurers that you may be under.

Cancer Benefits under the IP (without rider)

(MSHL = MediShield Life Limit)

Healthcare Expectation	Private Hospital	Public Hospital A Ward	Public Hospital B1 Ward	
Income (Enhanced IncomeShield)				
Plan Benefit	Enhanced Preferred	Enhanced Advantage	Enhanced Basic	Standard Plan
Cancer Drug Treatment (Monthly Limit)	5x MSHL Limit	4x MSHL Limit	3x MSHL Limit	3x MSHL Limit
Cancer Drug Services (Annual Limit)	5x MSHL Limit	4x MSHL Limit	3x MSHL Limit	2x MSHL Limit
HSBC Life (HSBC Life Shield) – formerly AXA Insurance				
Plan Benefit	Plan A	Plan B	NIL	Standard Plan
Cancer Drug Treatment (Monthly Limit)	5x MSHL Limit	5x MSHL Limit	NIL	3x MSHL Limit
Cancer Drug Services (Annual Limit)	5x MSHL Limit	5x MSHL Limit	NIL	2x MSHL Limit
Raffles Health Insurance (Raffles Shield)				
Plan Benefit	Raffles Shield Private	Raffles Shield A	Raffles Shield B	Standard Plan
Cancer Drug Treatment (Monthly Limit)	4x MSHL Limit	4x MSHL Limit	3x MSHL Limit	3x MSHL Limit
Cancer Drug Services (Annual)	4x MSHL Limit	4x MSHL Limit	2x MSHL Limit	2x MSHL Limit
Singlife with Aviva (Singlife Shield)				
Plan Benefit	Singlife Shield Plan 1	Singlife Shield Plan 2	Singlife Shield Plan 3	Standard Plan
Cancer Drug Treatment (Monthly Limit)	5x MSHL Limit	5x MSHL Limit	5x MSHL Limit	3x MSHL Limit
Cancer Drug Services (Annual Limit)	5x MSHL Limit	5x MSHL Limit	5x MSHL Limit	2x MSHL Limit

Figure 2.1

Example: Claims on CDL treatment using Enhanced IncomeShield (Preferred)

Assuming a CDL drug that is being used has a claim limit of \$2,000 per month under MediShield Life, Figure 2.2 shows how much one can claim if the policyholder has an IP for private hospitals from NTUC Income. In this case, the maximum limit this person can claim is up to \$10,000 per month for this CDL drug. In addition, the policyholder can also claim up to \$18,000 per year for cancer drug services.

Plan Benefit	MediShield Life	Enhanced (Preferred)
Cancer Drug Treatment – CDL (Monthly Limit)	\$2,000	5x MSHL Limit = \$10,000
Cancer Drug Services (Annual Limit)	\$3,600	5x MSHL Limit = \$18,000

Figure 2.2

Cancer Benefits for the IP Rider

As the IP rider is not regulated by MOH, it can cover cancer drug treatments outside of the CDL but is subject to certain limitations.

A compilation of upcoming key benefits to IP riders can be found in Figures 3.1 and 3.2.

Cancer Benefits under the IP (rider)

Healthcare Expectation	Private Hospital	Public Hospital A Ward	Public Hospital B1 Ward	
Income (Enhanced IncomeShield)				
Plan Benefit	Enhanced Preferred	Enhanced Advantage	Enhanced Basic	Standard Plan
CDL (Monthly Limit)	10x MSHL Limit	8x MSHL Limit	6x MSHL Limit	6x MSHL Limit
Non-CDL (Monthly Limit)	\$15,000	\$7,000	\$6,000	\$5,200
Cancer Drug Services (Annual Limit)	NA	NA	NA	NA
HSBC Life (HSBC Life Shield) – formerly AXA Insurance				
Plan Benefit	Plan A	Plan B	NIL	Standard Plan
CDL (Monthly Limit)	5x MSHL Limit	5x MSHL Limit	NIL	NA
Non-CDL (Monthly Limit)	\$30,000	\$30,000	NIL	\$5,000
Cancer Drug Services (Annual Limit)	NA	NA	NIL	NA
Singlife with Aviva (Singlife Shield)				
Plan Benefit	Singlife Shield Plan 1	Singlife Shield Plan 2	Singlife Shield Plan 3	Standard Plan
CDL (Monthly Limit)	NA	NA	NA	NA
Non-CDL (Annual Limit)	\$30,000	\$30,000	\$30,000	NA
Cancer Drug Services (Annual Limit)	NA	NA	NA	NA

Figure 3.1

Raffles Health Insurance offers 2 types of IP riders which can be attached to any of its plans (Figure 3.2).

Plan Benefit	Raffles Key Rider	Raffles Premier Rider
CDL (Monthly Limit)	NA	2x MSHL Limit
Non-CDL (Annual Limit)	\$5,000	\$20,000
Cancer Drug Services (Annual Limit)	NA	2x MSHL Limit

Figure 3.2

Example: Claims on CDL treatment using Enhanced IncomeShield (Preferred) and riders.

From the example used in Figure 2.2, if the policyholder has an IP rider, the amount of cancer claim limits is further increased, as shown in Figure 3.3.

His cancer drug treatment limit is now at \$30,000 per month for CDL drugs, and \$18,000 per year for cancer drug services.

Plan Benefit	MediShield Life	Enhanced Preferred	Deluxe Care Rider	Total Benefit
Cancer Drug treatment – CDL (Monthly Limit)	\$2,000	5x MSHL Limit = \$10,000	10x MSHL Limit = \$20,000	\$30,000
Cancer Drug Services (Annual Limit)	\$3,600	5x MSHL Limit = \$18,000	NA	\$18,000
Non-CDL (Monthly Limit)	NA	NA	NA	NA

Figure 3.3

Example: Claims on Non-CDL treatment using Enhanced IncomeShield (Preferred) and riders.

We know by now that non-CDL treatments are not covered under MediShield Life and IP. But with an IP rider, policyholders are now eligible to qualify for non-CDL claims.

Assuming a qualifying non-CDL drug costs \$10,000 per month, if one has a private hospital IP rider from NTUC Income, he or she would now be able to claim up to \$15,000 per month for non-CDL treatments, as illustrated in Figure 3.4.

Plan Benefit	MediShield Life	Enhanced Preferred	Deluxe Care Rider	Total Benefit
Cancer Drug treatment – CDL (Monthly Limit)	NA	NA	NA	NA
Cancer Drug Services (Annual Limit)	\$3,600	5x MSHL Limit = \$18,000	NA	\$18,000
Non-CDL (Monthly Limit)	NA	NA	\$15,000	\$15,000

Figure 3.4

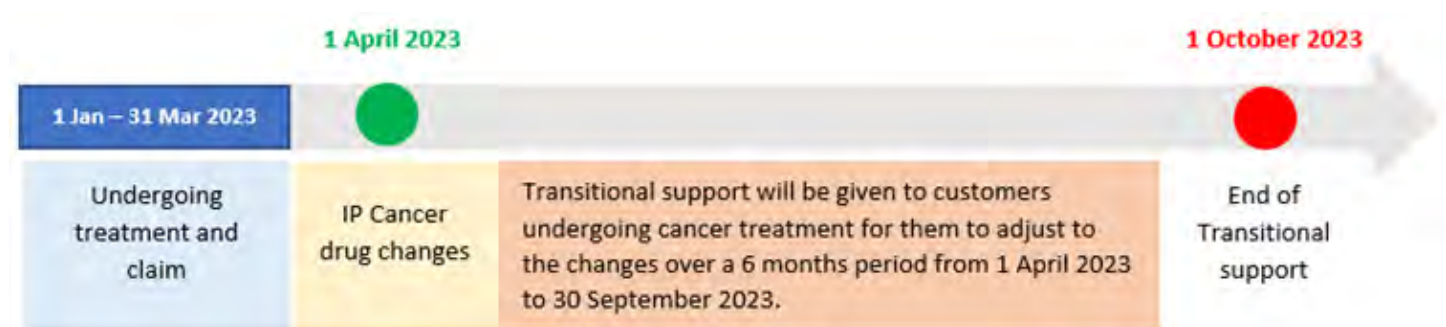
What is the qualifying non-CDL treatment?

Cancer drug treatments that fall outside of CDL can be further classified using a guide provided by the Life Insurance Association, which helps to determine if these treatments may be claimable under non-CDL benefits.

As the guide is quite technical, it is preferable to seek advice from one's doctor and the IP insurer to check if a particular non-CDL treatment falls under the approved classification.

When would the new IP changes be applicable to you?

To support those undergoing cancer treatments, all insurers offer transitional support by delaying the implementation of the new IP changes to 1 October 2023. To qualify, policyholders must have undergone cancer drug treatment, have made a claim between 1 January 2023 to 31 March 2023, and whose policies are due for renewal between 1 April 2023 to 30 September 2023.



Policyholders whose policies are due prior to 1 April 2023, will have the new IP changes implemented on the next annual renewal.

To further support the IP policyholders, IP premiums are restricted from any upward increase from now till 31 August 2024. However, this does not apply to IP riders.

Is my MediShield Life and IP sufficient to cover the cost of cancer treatment?

With the upcoming changes in IP, cancer drug treatment that falls outside of the CDL will not be claimable under MediShield Life or the IP (main plan).

To fund these non-CDL treatments, it may require to either dip into one's personal savings, claim from the add-on IP rider or even from a critical illness policy. The choice of these funding options is dependent on the size of your personal savings, your healthcare expectations, as well as your risk management perspective.

The following are three groups of people and how they might be impacted by these changes.

Group 1 – Those with only MediShield Life (no IP)

With these changes, you can now enjoy a higher claim limit for the more expensive cancer drugs provided that they fall within the CDL.

Key concerns:

- In some cancer treatments where a combination of drugs is required, the claim limit might not be sufficient as it is based on the drug with higher claim limit and not an aggregation of individual drug claim limits.
- Moreover, any treatments outside of the CDL would have to be funded through your personal savings.
- As MediShield Life is designed for public hospitals in B2 and C wards, those who seek treatments at higher wards will find the claim limits inadequate.

Group 2 – Those with IP only (no IP rider)

The higher claim limit for cancer drug treatments should be hugely sufficient if your IP matches the hospital ward class of your choice, and the treatments fall within the CDL.

Key concerns:

- However, any treatments outside of CDL would have to be funded through your personal savings.

Group 3 – Those with both the IP and IP rider

The higher claim limits from the IP and IP rider should be adequate if your IP matches your healthcare expectation and the treatments fall within the CDL.

In addition, the IP rider also provides a monthly claim limit for non-CDL treatments, minimising the risk of out-of-pocket expenses.

Key concerns:

- In situations where the cancer treatment falls out of the non-CDL category, such expenses would have to be self-funded. However, you may cover this potential gap with a critical illness policy or a cancer-only policy.
- The cost of IP riders rises with age and may become unaffordable over time.



03 Eye-opening Experience in Sydney

Lee Kang Hui, Head of Finance & People

At Providend, one of the important internal events that we look forward to is our Annual Retreat. This is a time where we gather to reflect on the past year with gratitude, look forward to what we can achieve in the current year, and to foster stronger bonds as a company.

Prior to the pandemic, we had planned for a unique Annual Retreat in 2020 where we would bring our people to Sydney for a study trip to visit like-minded wealth advisory firms. Unfortunately, the plan was put to a halt when the world came to a lockdown. After Australia reopened its border early last year, we were all exhilarated to continue our plan of visiting Sydney for our 2023 Annual Retreat.





We had the opportunity to visit our investment partner, Dimensional Fund Advisors Australia office, and four Australian wealth advisory firms to learn more about the Australian wealth advisory landscape, some of their best practices and challenges they faced over the years.



Through these visits, our people, from both the advisory and non-advisory teams, were inspired as we learnt that there are many things which we could do to further improve our processes and add value to our clients.

At the same time, we were also encouraged that we have been adopting similar practices as our Australian counterparts, re-affirming us of our beliefs as we continue to stay true to our purpose, knowing in confidence that what we have been doing is all in the best interest of our clients.

Besides the firm visits, we also enjoyed ourselves with great food, stunning sceneries and awesome companionship with our fellow colleagues during our free time. On our finale night, we had our "Family Sharing" where everyone was given an opportunity to be authentic, share our appreciation to each other and personal challenges in the previous year. While the sharing can get emotional, we are glad to know that we will constantly support one another whenever we face challenges, value the contributions made by every single one of us, and this is what strengthen our corporate family culture and keeps us going when times are difficult.

As our annual retreat concluded, we are certain that we are recharged, inspired and encouraged to look forward to the rest of 2023 (and beyond!) to walk with you, our clients, every step of the way.





Disclaimer

The information and opinions provided above are general in nature and prepared from data believed to be reliable. No representation, whether express or implied, is made with respect to the accuracy, completeness or reliability of the information or opinions offered, and we expressly disclaim liability for errors or omissions in such information and materials.

Any opinions or views we offer are not necessarily indicative of future or likely performance of any particular investments. The information provided may contain projections and other statements regarding future events or future financial performance of countries, regions or markets. These statements will necessarily only be predictions and actual events or results may differ. You should make your own assessment of the relevance, accuracy and adequacy of the information contained in the information provided and make such independent investigations as you may consider necessary or appropriate. Any opinion or views offered is made on a general basis and is not to be relied on as advice. Accordingly, neither we nor any of our associates, directors, connected parties and/or employees accept any liability whatsoever for any loss, whether direct or indirect, that may arise from the use of information or opinions provided.

The information and opinions provided are not to be considered as an offer to sell or a solicitation of an offer to purchase any investments. Please note that investments are subject to risks, including the possible loss of the principal amount invested. Past performance of any investments is not indicative of its future performance.

See You Latte!



Providend

Providend Ltd

Company Registration No: 200209049C

38 Duxton Hill Singapore 089616

© Providend Ltd 2023. All Rights Reserved.