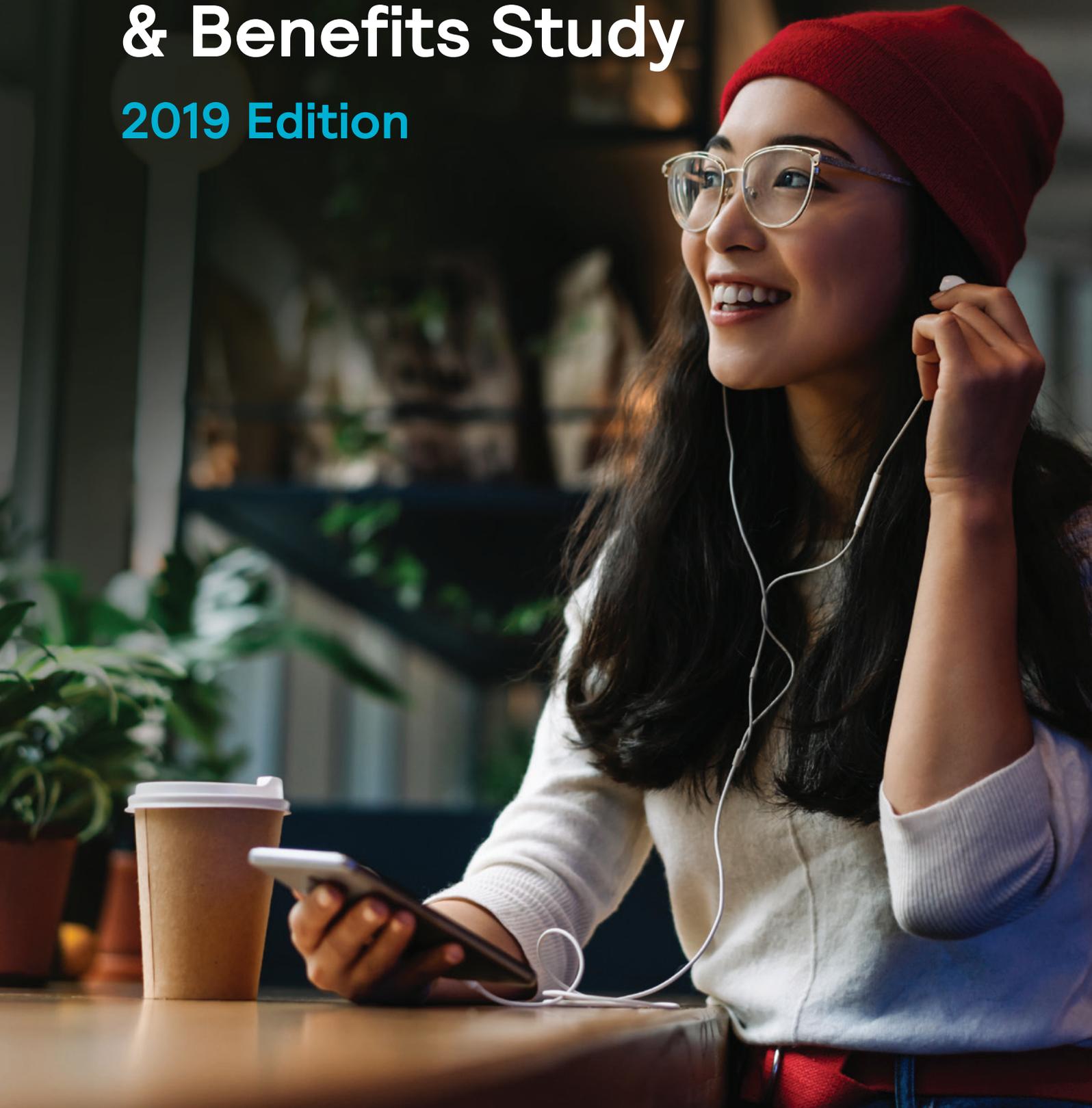


Singapore Health & Benefits Study

2019 Edition





Executive Summary

This study provides both a snapshot of employee benefits in 2019 as well as a holistic view of the trends in employee benefits (Singapore). We highlight:

- Prevalence of different benefits
- Benefit limits in the 25th percentile, median and 75th percentile
- Funding methods
- Trends over the past few years
- Flexible benefits/voluntary programs

Insured Benefits

Prevalence of Medical Benefits

Hospital and Surgical (H&S) remains at the top of medical benefits in term of prevalence, with 96% of the companies in this study offering the coverage to their employees. H&S is commonly funded via an insurance arrangement. Major Medical (MM) comes in second.

Outpatient Clinical (OC) and Outpatient Specialist (OS) benefits had the highest increase in prevalence as compared to 2017 (13% and 15%, respectively, in absolute terms). This increase is a result of companies shifting their funding method from self-funded to an insurance arrangement.

Prevalence and Sum Assured for Risk Benefits

Term Life (TL) and Personal Accident (PA) continue to be the top two risk benefits. The study found a 4% absolute increase for both coverages from 2017.

Critical Illness (CI) has the highest increase in prevalence among risk benefits, with a 7% increase from 2017. More employers are offering CI coverage in response to the rising

incidences of major illnesses (for example, cancer, heart diseases and stroke) in Singapore. With a CI plan in place, employers are able to provide additional financial aid to employees in addition to their Hospitalization benefit.

Some companies differentiate their value proposition by offering less common (due to higher cost) benefits. An example is the Disability Income (DI) coverage, which costs relatively more and continues to be at 8% when compared to the 2017 study.

Figure 2. Prevalence of insurance benefits (by number of companies)

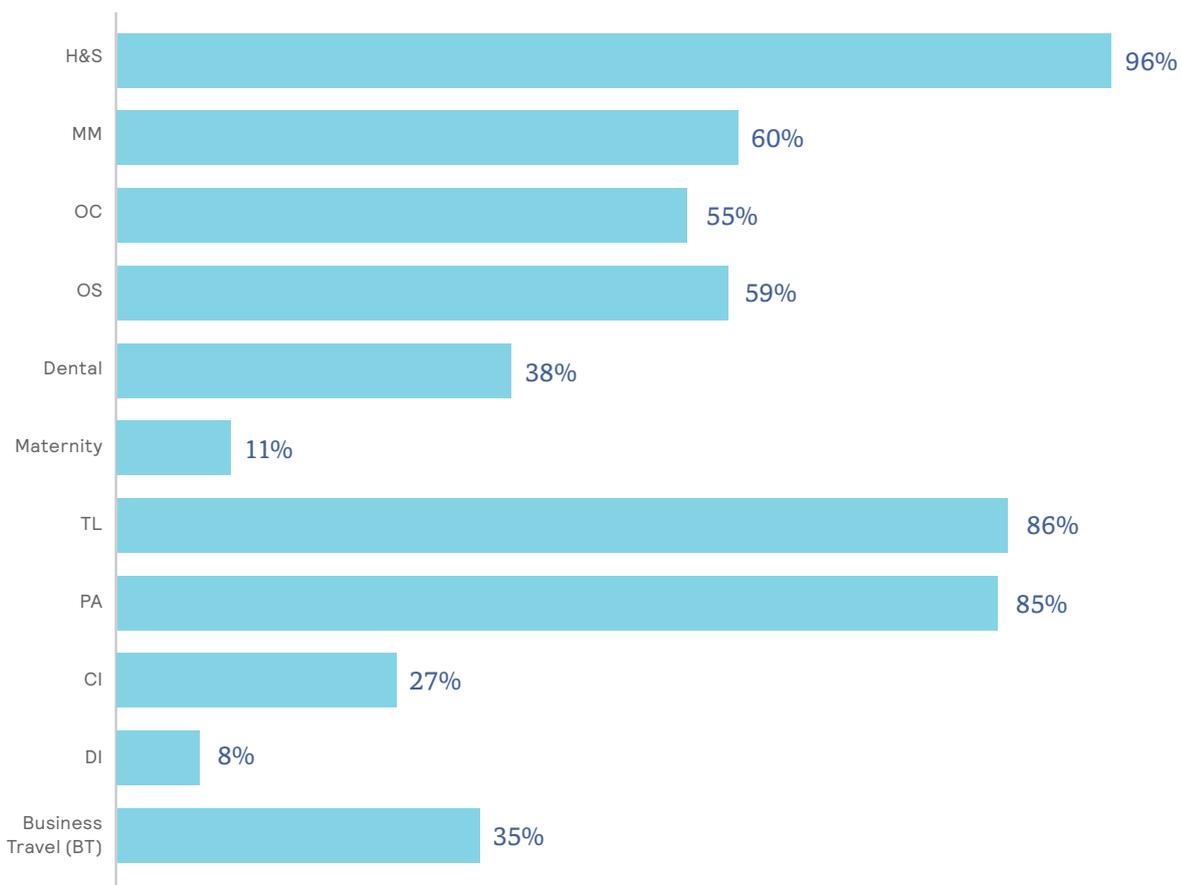


Table 1. Median benefit limits for medical coverage

Insured benefits	Median benefit level
H&S	
Daily room and board (R&B) (dollar limit)	\$310
Daily R&B (ward type) – government/restructured hospital	2 Bed
Daily R&B (ward type) – private hospital	1 Bed
Intensive care unit (per disability)	\$10,000
Intensive care unit (per day)	\$900
Hospital miscellaneous services	\$4,500
Surgical benefit	\$7,000
In-hospital doctor consultation	\$110
Hospital miscellaneous services + surgical fee	\$11,000
Hospital miscellaneous services + surgical fee + in-hospital	\$20,000
Pre-hospitalization consultation	\$500
Pre-hospitalization diagnostic X-ray and lab tests	\$500
Post-hospitalization consultation/treatment	\$500
Emergency outpatient due to accident	\$2,000
Pre- and post-hospitalization	\$1,500
Pre- and post-hospitalization + emergency outpatient	\$2,250
Overall limit for admission in Singapore government/restructured hospital	\$18,000
Lump sum (per disability)	\$25,000
Lump sum (per policy year)	\$125,000
Accidental miscarriage	\$1,000
Death benefit	\$5,000
Kidney dialysis (per month)	\$500
Cancer treatment (per month)	\$400
Erythropoietin and cyclosporine (E&C) (per month)	\$400
Outpatient kidney/cancer treatment/E&C (per month)	\$2,000
Kidney dialysis (per policy year)	\$20,000
Cancer treatment (per policy year)	\$20,000
Outpatient kidney/cancer treatment (per policy year)	\$15,000
Outpatient kidney/cancer treatment/E&C (per policy year)	\$20,000
Rehabilitation	\$5,000

Inpatient psychiatric care (per policy year)	\$750
Organ transplant (per policy year)	\$100,000
Surgical implant (per policy year)	\$5,000
MM	
Overall maximum limit per policy year	\$60,000
Overall maximum limit per disability	\$60,000
Overall maximum limit per lifetime	\$150,000
Surgical implant (per policy year)	\$5,000
Surgical implant (per disability)	\$5,000
Surgical implant (per disability per policy year)	\$7,000
Parental accommodation (limit per day)	\$100
Home nursing (limit per day)	\$100
Human immunodeficiency virus (HIV) (per policy year)	\$7,750
HIV (per disability)	\$8,000
OC	
Non-panel (per visit)	\$35
Standalone/Out of panel (per visit)	\$90
Standalone/Out of panel (per policy year)	\$1,000
Overseas general practitioner (GP) (per visit limit)	\$100
Accident and Emergency (A&E) (per visit limit)	\$100
Traditional Chinese Medicine (TCM) (per visit)	\$40
TCM (per policy year)	\$300
OS	
Overall maximum limit (per policy year)	\$2,000
OS – benefits with panel network arrangement	
Non-panel – OS consultation	\$1,200
Non-panel – X-ray and lab tests	\$1,000
Non-panel – other diagnostic scans	\$1,000
Non-panel – OS consultation, X-ray, lab tests and other diagnostic scans	\$2,000
Non-panel – OS consultation, X-ray and lab tests	\$1,000
Non-panel – X-ray, lab tests and other diagnostic scans	\$2,000
Non-panel – pediatrician (per policy year)	\$300
Non-panel – pediatrician (per visit)	\$30

OS – benefits without panel network arrangement	
Standalone/Out of panel – OS consultation	\$1,000
Standalone/Out of panel – X-ray and lab tests	\$1,000
Standalone/Out of panel – other diagnostic scans	\$1,000
Standalone/Out of panel – OS consultation, X-ray and lab tests	\$1,400
Standalone/Out of panel – OS consultation and other diagnostic scans	\$1,375
Standalone/Out of panel – X-ray, lab tests and other diagnostic scans	\$1,000
Standalone/Out of panel – pediatrician (per policy year)	\$100
Standalone/Out of panel – pediatrician (per visit)	\$100
TCM	\$300
Physiotherapy	\$500
Chiropractic	\$300
Physiotherapy and chiropractic	\$500
Dental	
Per policy year	\$500
Maternity	
Normal delivery	\$3,500
Cesarean section	\$5,000
Miscarriage	\$2,000

Note: Non-panel refers to plans with a panel network arrangement and that also reimburse visits to a non-panel GP; standalone/out of panel refers to plans without a panel network arrangement.

Table 2. Median benefit limits for risk coverage

TL	
Multiplier of basic monthly salary (BMS)	31
Fixed lump sum	\$140,000
PA	
Multiplier of BMS	36
Fixed lump sum	\$200,000
CI	
Multiplier of BMS	18
Fixed lump sum	\$50,000
Percentage of TL sum assured	50%

DI	
Percentage of BMS	70%
BT	
Accidental death and permanent disablement	\$300,000

Benefits Provision

H&S ward-type plans are much more popular. Prevalence has significantly increased from 68% in 2017 to 83% in 2019. The increase indicates employers are keen to ensure their offerings keep pace with medical inflation.

Also growing is the number of companies offering combined sub-limits under medical benefits; with a combined sub-limit, the benefit limit is shared between two or more benefits and supplement each other. This is one way companies are able to provide flexibility to their employees with only a minor change in the benefits plan design.

Since the last study in 2017, demand has grown for less common benefits, such as Inpatient Psychiatric Care, Organ Transplant, Surgical Implants under H&S coverage and Prolonged Illness benefits under TL coverage. While most companies are still considering these benefits, approximately 2% to 6% of companies have introduced one or more of these benefits under their insured benefits program.

Flexible and Voluntary Benefits

Companies are increasingly implementing flexible and/or voluntary benefits tailored to individual employees in response to the needs of a diverse workforce. Around 7% to 16% of the companies in this study provide some degree of flexibility. Employees have the choice of opting in, opting up or opting down their benefits and/or have flexible benefits spending dollars.

More than 80% of the companies extend their medical insurance coverage to their employees' dependents, either on a non-contributory (compulsory) or on a contributory basis (voluntary).

Self-Funded Benefits

Prevalence and Median Amount

In the past two years, as OC, OS and dental care have shifted from self-funded to an insurance arrangement, the prevalence of these coverages for employees has dipped by an average of 7% in absolute terms. At the same time, the prevalence for dependents has increased by an average of 12% in absolute terms across the board.

We note there has been a significant increase in the prevalence of self-funded benefits for vision and maternity care – from 35% and 16% to 58% and 37%, respectively, in the two years to 2019. Parallel to the prevalence increase, the median amount for both benefits has increased by approximately 7% in absolute terms.

Figure 3. Benefits funding method: insurance versus self-funded arrangements

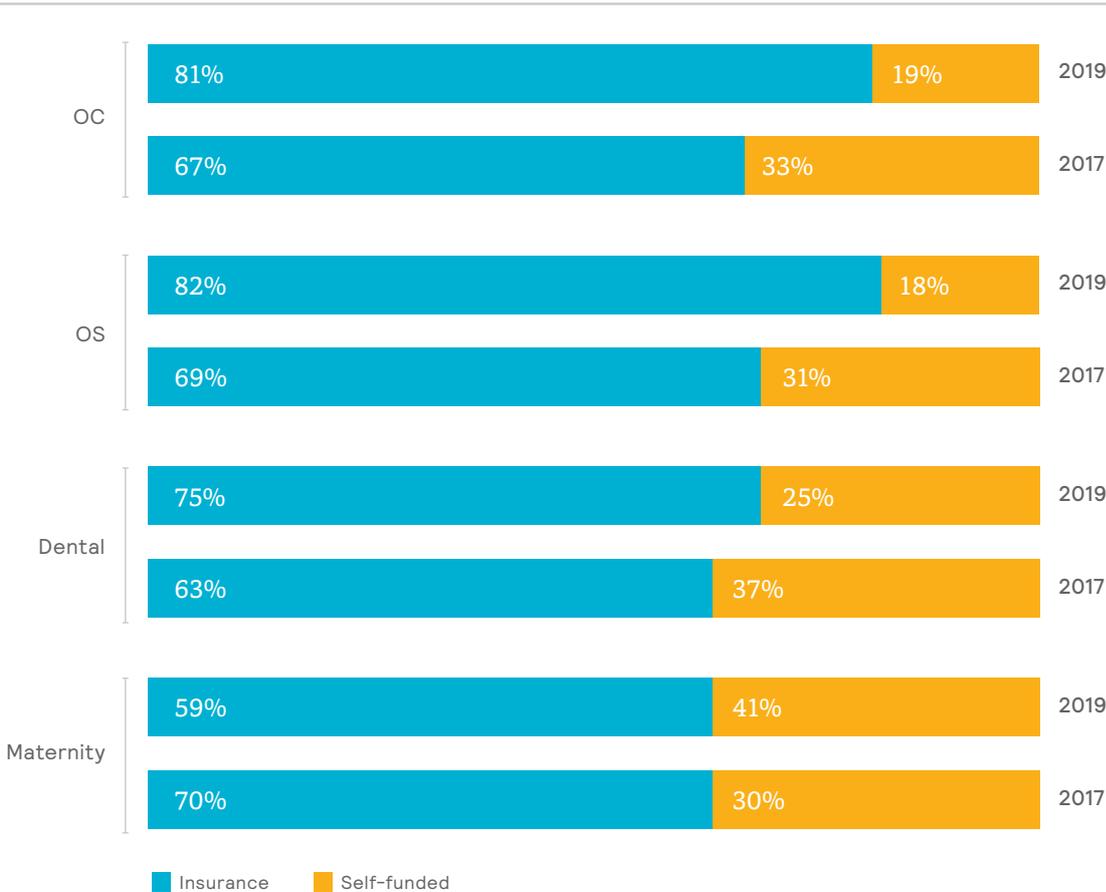


Table 3. Median benefit limits for self-funded benefits

	Median benefit level
Employee only	
GP visits	\$750
Specialist (SP) visits	\$1,200
TCM	\$300
Dental care	\$275
Wellness	\$325
Maternity	\$3,500
Vision care	\$250
Dependents only	
GP visits	\$500
SP visits	\$1,000
Employee + dependents	
Dental	\$1,000
Maternity	\$4,000
Combined annual limits	
GP visits + SP visits	\$1,160
GP visits + SP visits + TCM	\$1,400
GP visits + SP visits + TCM + dental care + wellness	\$1,500
GP visits + SP visits + TCM + dental care + wellness + maternity + vision care	\$1,600

More companies are now focusing on a holistic well-being approach by providing mental, financial and physical well-being programs as part of the company benefits offering. Their programs provide employees with educational as well as financial support.

A strong benefits program providing suitable standards of care to employees is an essential tool for increasing employee satisfaction and engagement. It is also imperative in talent attraction and retention.