

For immediate release

IP Riders to incorporate co-payment as part of multi-prong effort to manage healthcare and healthcare insurance costs in Singapore

Life insurance industry continues to drive implementation of recommendations by the Health Insurance Task Force for continued accessibility of healthcare

Singapore, 7 March 2018 – The Life Insurance Association Singapore (LIA Singapore) supports the Ministry of Health’s requirements for all six Integrated Shield Plan (IP) insurers to incorporate co-payment features in new IP riders. This is in line with a recommendation made by the Health Insurance Task Force (HITF) in October 2016 aimed at addressing rising healthcare and health insurance costs in Singapore.

LIA believes that the incorporation of co-payment into IP riders will:

- encourage consumers to play an active role in choosing their medical providers and treatments for their health care,
- encourage healthcare providers to recommend medically appropriate and cost-effective treatments to patients,
- enable IP insurers to better manage claims cost and reduce the need over time for significant premium increases, as well as
- enable IPs/IP riders to continue to be viable and sustainable options for consumers who seek additional benefits to complement the coverage by MediShield Life.

“LIA supports the new requirements from the Ministry of Health. IP insurers’ adjustment to their product design is another proactive tool to help manage rising premiums, rather than relying on raising premiums to cope with higher claims.

With each stakeholder - life insurers, policyholders, healthcare providers, medical professionals, patients and government agencies - playing a part, LIA Singapore is confident that healthcare in Singapore will continue to be accessible and affordable for Singaporeans,” said Mr Patrick Teow, President of LIA Singapore.

Other efforts in line with HITF recommendations

In line with the HITF recommendations, LIA Singapore has also developed two best practice guidelines to help consumers manage their healthcare costs:

- **Pre-Authorisation Framework** - Establishing a process for policyholders to obtain a review and approval for a medical treatment and its estimated bill size prior to the actual procedure.

This serves to guard against unnecessary treatments, any unexpected out-of-pocket payments, and possible denial of claim.

A common practice amongst international health insurers, this framework provides numerous benefits including:

- Allowing insurers to assess the medical necessity and cost of the treatment before the treatment is carried out,
 - Providing policyholders certainty, informing whether the treatment is or is not within their insurance coverage, and
 - Providing healthcare providers clarity, informing whether the treatment is or is not within the insurance coverage of their patients.
- ***Panel of Preferred Healthcare Providers*** - Establishing a list (panel) of doctors which IP insurers are confident of offering appropriate and cost-effective medical services to policyholders

This initiative, which is common for employee benefit insurance, has proven to be effective in managing fees charged by healthcare providers.

The industry agrees that the use of a panel of preferred healthcare providers for IP plans with fees ascertained upfront will help to keep claims within reasonable range. Policyholders who use panel doctors have the assurance that their claims will be covered by their insurer.

Panel insurers should aim to have a sufficient network of preferred healthcare providers who can offer a wide range of medical services to its customers.

Panel insurers should aim to ensure that the standard of care provided by its panel of preferred healthcare providers is consistent with customary medical treatment and in accordance with generally accepted medical practice in Singapore.

IP insurers have agreed to adopt the best practices, and have or are planning to roll out the above initiatives.

Promotion of health and wellness

Insurers are also rolling out creative efforts to encourage customers to stay healthy and well. This includes encouraging the use of health monitoring devices, attending exercise and wellness programmes, as well as adopting healthier dietary choices. Such efforts are in line with national efforts to promote healthy living amongst Singaporeans.

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Life Insurance Association, Singapore (LIA Singapore)

Established in 1962, the Life Insurance Association, Singapore (LIA Singapore) is the not-for-profit trade body of life insurance product providers and life reinsurance providers based in Singapore and licensed by the Monetary Authority of Singapore (MAS).

Vision and Mission

The vision of member companies is *to provide individuals with peace of mind and to promote a society where every person is prepared for life's changing cycles and for those situations unforeseen.*

They are *committed to being a progressive life insurance industry by collectively enhancing consumer understanding, promoting industry best practices, and through the association fostering a spirit of collaboration and mutual respect with government and business leaders.*

Values underpinning the association and its members

Unified	in our resolve to deliver innovative solutions where every individual's needs are best met.
Professional	in the way we conduct ourselves and in the counsel we give.
Ethical	in ensuring our policyholders' interests are managed with utmost integrity.
Fair	in how we strive to provide favourable outcomes to both our policyholders and shareholders.
Open & honest	in all that we do to build an environment of trust and transparency.
Proactive	in the steps we take to give our people the skills and knowledge to provide sound solutions at all times.

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