

# Prevalence of Portable Medical Benefits (PMB)

# Overview

The COVID-19 pandemic has highlighted the heightened importance of medical benefits for employees and tripartite efforts are ongoing to encourage employers to implement MediShield Life. This report examines the provision of medical benefits for resident employees among establishments.

The data presented are obtained from a Survey on Medical Benefits conducted by the Manpower Research and Statistics Department, Ministry of Manpower. The survey covers a representative sample of 5,122 private (with at least 10 employees) and public sector establishments (government ministries, organs of state and statutory boards).

# A brief on PMB

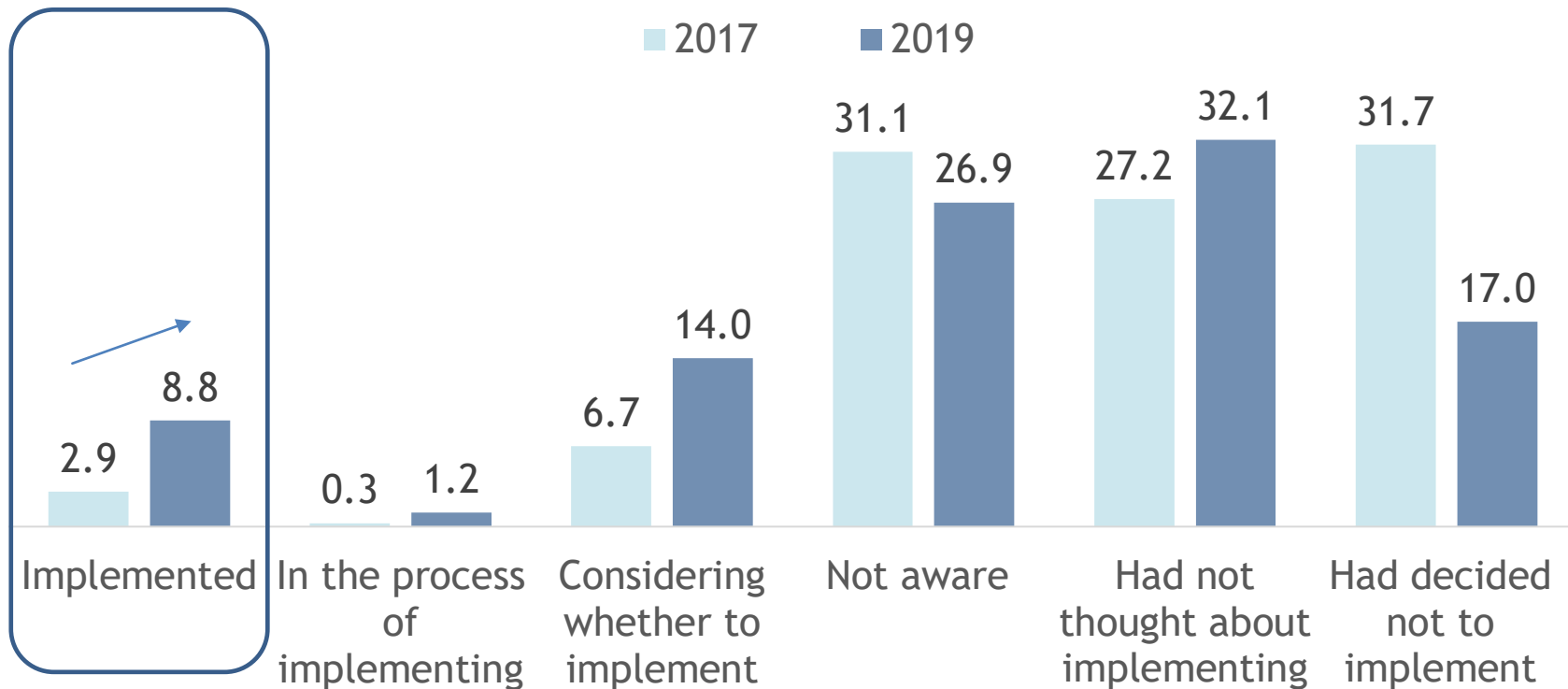


## Tripartite efforts on PMB - *a collaboration among unions, employers and the government*

- ✓ Employees would not lose inpatient and hospitalisation benefits when they change employer or leave the workforce
- ✓ Employers can receive higher tax deduction for medical expenses of up to 2% of total employee remuneration if they implement any of the following portable medical schemes:
  - a) **Portable Medical Benefits Scheme (PMBS),**
  - b) Transferable Medical Insurance Scheme (TMIS) and
  - c) Shield Plan

# A bright spot: more employers had implemented PMB arrangements for their local employees in 2019

Implementation of at least one of the three portable medical benefits arrangements for local employees (%), 2017 and 2019



Many establishments which were previously considering implementing PMB in 2017, likely to have chosen to implement at least one of the PMB arrangement in 2019

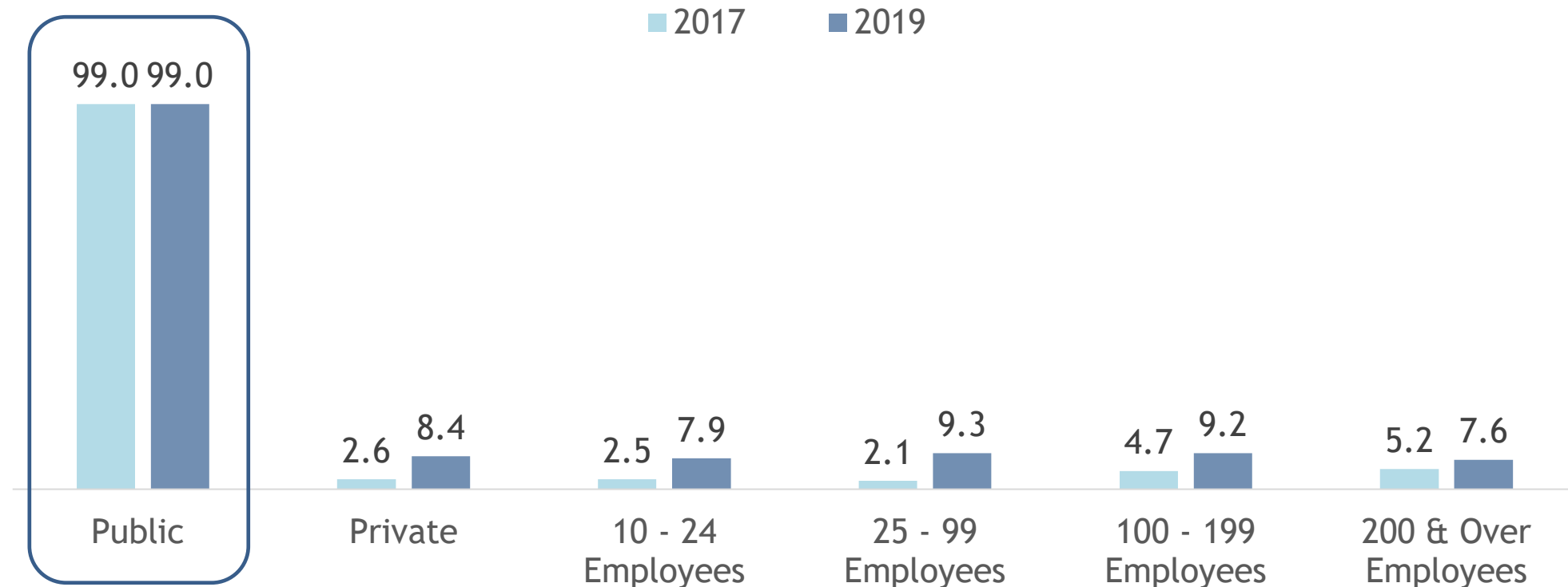
Source: Medical Benefits Survey, Manpower Research & Statistics Department, MOM

Notes:

- (1) Data pertain to private sector establishments with at least 10 employees and public sector
- (2) Based on establishments with medical benefits schemes for local employees

# Public sector led by example with near full implementation to offer PMB arrangements to their employees

Implementation of at least one of the three portable medical benefits arrangements for local employees by sector and establishment size (%), 2017 and 2019

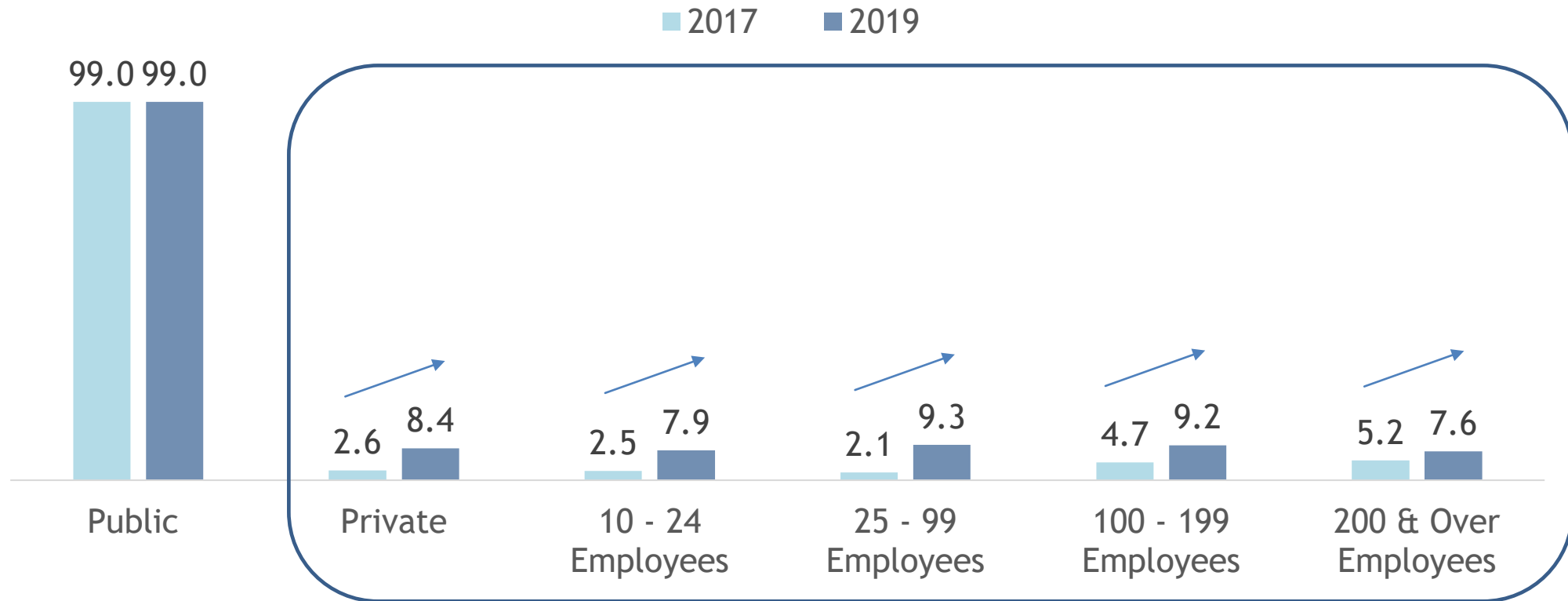


Source: Medical Benefits Survey, Manpower Research & Statistics Department, MOM

Note: Based on establishments with medical benefits schemes for local employees

# Growth in implementation in private sector, especially among smaller establishments

Implementation of at least one of the three portable medical benefits arrangements for local employees by sector and establishment size (%), 2017 and 2019

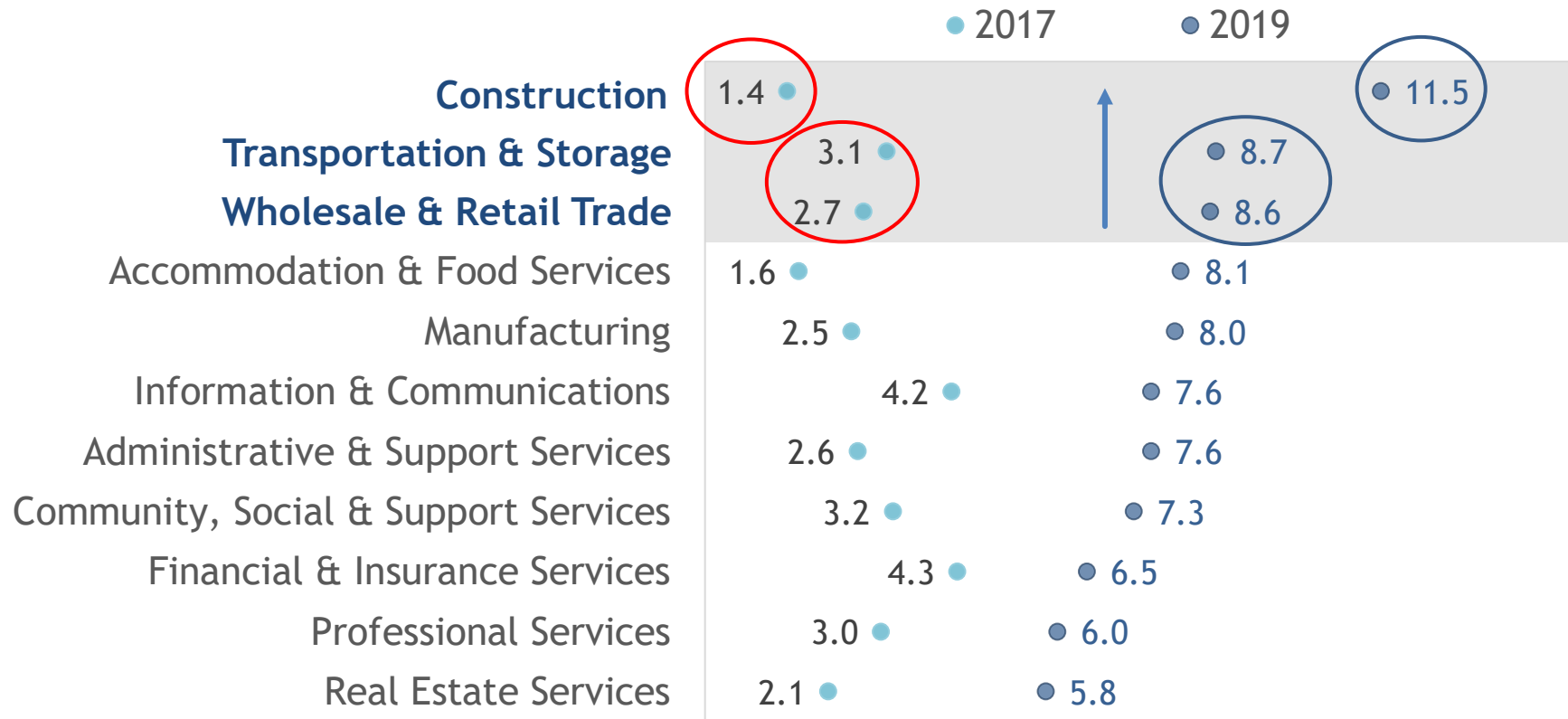


Source: Medical Benefits Survey, Manpower Research & Statistics Department, MOM

Note: Based on establishments with medical benefits schemes for local employees

# Construction, transportation & storage and wholesale & retail trade were top 3 in the implementation of PMB arrangements

Implementation of at least one of the three portable medical benefits arrangements for local employees by industry (%), 2017 and 2019



Source: Medical Benefits Survey, Manpower Research & Statistics Department, MOM

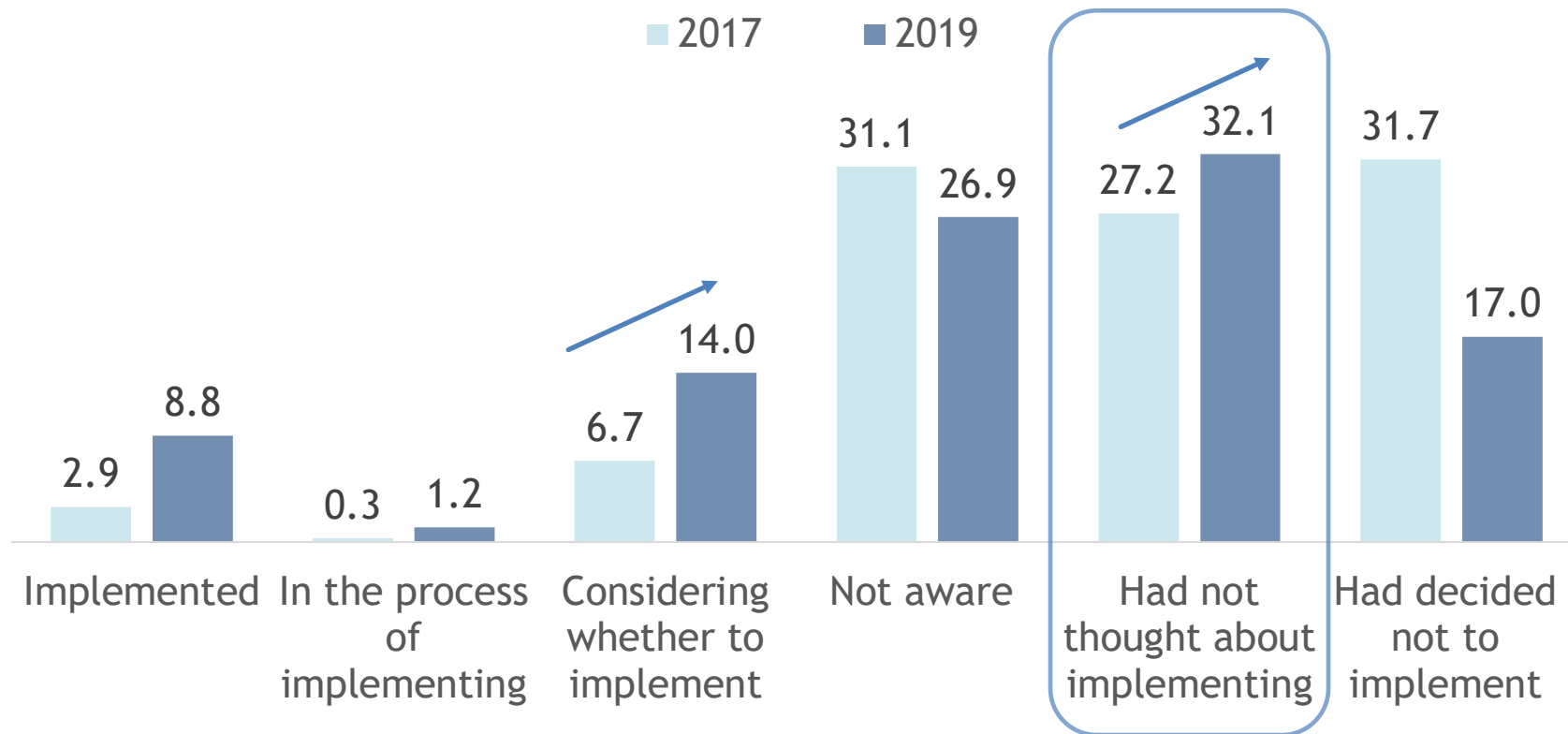
Notes:

(1) Data pertain to private sector establishments with at least 10 employees

(2) Based on establishments with medical benefits schemes for local employees

# Challenges ahead: many did not have proper consideration of the schemes

Implementation of at least one of the three portable medical benefits arrangements for local employees (%), 2017 and 2019



- ❑ More are “considering”
- ❑ Education and reinforcement of the pros of PMB arrangements might help the conversion rate

Source: Medical Benefits Survey, Manpower Research & Statistics Department, MOM

Notes:

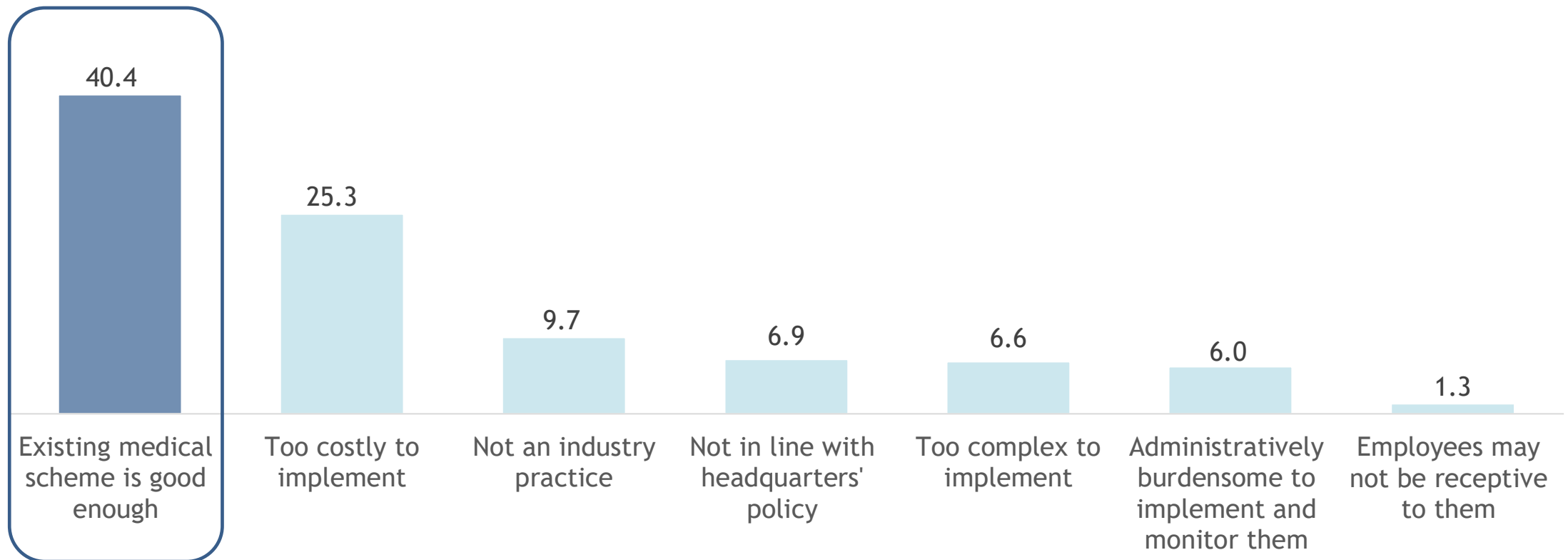
(1) Data pertain to private sector establishments with at least 10 employees and public sector

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# Among those who decided not to implement, most felt their existing scheme was good enough

Main reason for not implementing any portable medical benefits arrangement for local employees (%), 2019



Source: Medical Benefits Survey, Manpower Research & Statistics Department, MOM

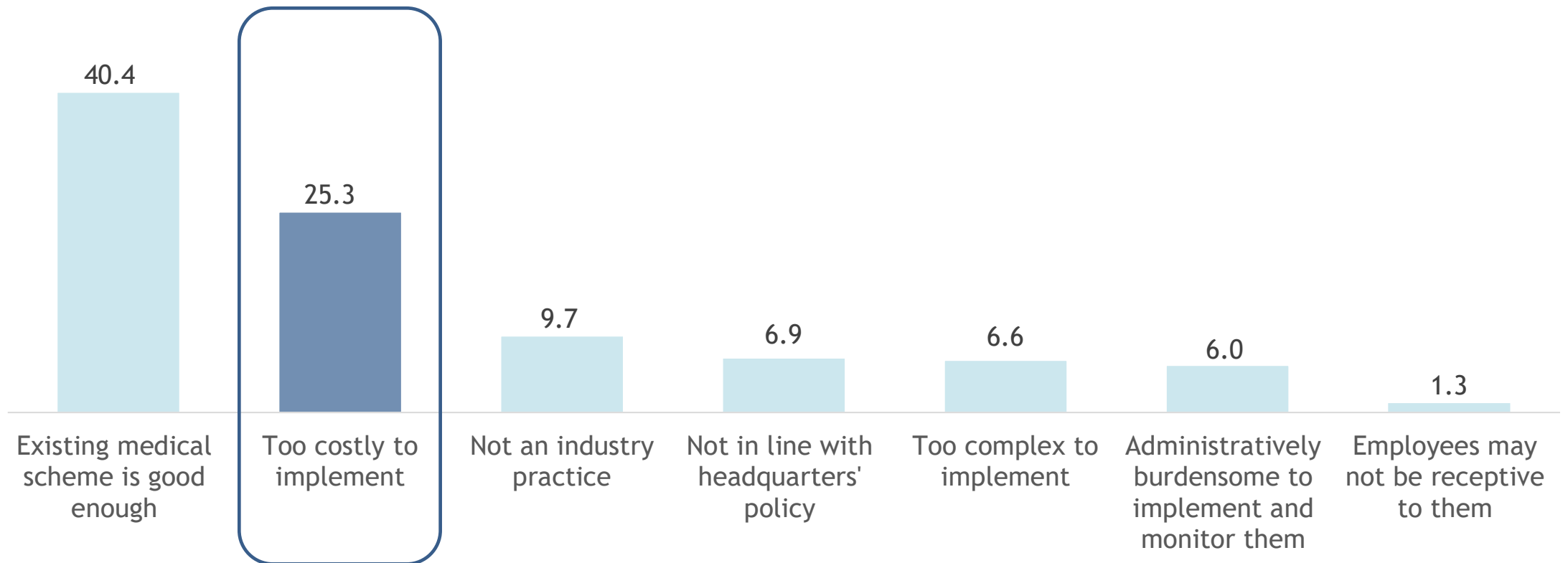
Notes:

(1) Data pertain to private sector establishments with at least 10 employees and public sector

(2) Based on establishments which had decided not to implement portable medical benefits for local employees

# Others felt high cost was the barrier to switching to PMB arrangements

Main reason for not implementing any portable medical benefits arrangement for local employees (%), 2019



Source: Medical Benefits Survey, Manpower Research & Statistics Department, MOM

Notes:

(1) Data pertain to private sector establishments with at least 10 employees and public sector

(2) Based on establishments which had decided not to implement portable medical benefits for local employees

# Key Takeaways

- With the ongoing tripartite efforts in encouraging establishments to enhance the portability of medical benefits, **more establishments within the private sector** had implemented at least one PMB arrangement, especially among **small firms**.
- The encouraging sign was having **more firms in 2019 consider the implementation of PMB arrangements**. This segment of employers will likely be the easiest to convert to PMB arrangements as long as they receive more information.
- However, the porting over to PMB arrangements are not without challenges. **Cost and inconvenience remains high** on the list.

**END**