Can you afford to fall ill

As inflation rises, Malaysians need to set up a medical fund, especially for their old age. Here's how to go about it.

Stories by Tho Li Ming

THESE days, bills for treatment of some diseases can cost as much as a house. However, unlike buying a house, you can't plan ahead as to when you would fall ill.

With the current rate of inflation, experts expect the cost of treatment to continue to rise in the country. Nurul Syuhada Nurazmi, actuarial consultant for risk, finance and insurance at Mercer Zainal Consulting Sdn Bhd, says this is due to the "continuing advances in medical technology, and more new treatments, procedures and prescription drugs being developed". At a time when the global recession is threatening many jobs, medical bills would inevitably become more of a worry to the average Malaysian. With this in mind, how can we put aside sufficient funds for that possible rainy day?

Planning ahead

Unless you plan to use the public healthcare system throughout your life, you will need to set aside a portion of funds for healthcare. Lim Yan Chang, chartered financial planner and financial planner with Wings Alliance Sdn Bhd, says Malaysians in general have insufficient funds set aside for medical bills. "Don't fool yourself into thinking that Malaysia is still a cheap place to live in, especially if you include future medical bills, your children's education fund and your retirement fund that you have to fund all on your own." Based on his observations, a five-course treatment for leukaemia can set you back RM250,000, with no guarantee of a cure thereafter. One cancer survivor says she spent RM13,000 for treatment when first diagnosed with cancer, and then RM60,000 when the cancer struck again. She also has to pay RM1,500 in monthly medications.

Being insured is one way to hedge the risks of falling ill. However, setting up your own fund, even if you already have a medical policy, is vital. One reason is that most hospitalisation and surgical (H&S) policies terminate by the time you reach 70 or 80 years of age, a time where old-age illnesses are more common.

Policies also typically aren't inflation-linked and the sum assured doesn't account for rises in prices. Syuhada says based on Mercer's experience in the insurance industry in Malaysia, the medical inflation rate in recent years has been between 10% and 15% per annum.

"Comparisons with other countries show that, in general, Malaysia's inflation rate is relatively higher than those in the developed countries. Ideally, the inflation rate should be close to the GDP rate," she says.

Furthermore, H&S policies typically do not cover extended nursing care, outpatient treatment, and medication, all of which could amount to a lot of money. "Many people are still not too concerned about their medical funds especially for times leading to and after retirement. Here, medical bills don't just refer to major surgery or critical illness, but also the chronic knee and joint problems and conditions that require you to go regularly for check-ups and treatments," explains Lim. For more on how much treatment for common ailments cost, see "'Investing' in health" on Page 63.)

Therefore, the average Malaysian should set aside funds for not just their retirement and children's education funds, but also for their medical costs. "A lot of us tie in our medical funds with our retirement funds, which is a dangerous thing to do. If you treat yourself [using the funds], how are you going to retire then? You might reach a situation where you might be better off dead than alive," says Lim.

He recommends that one put aside 30% to 35% of one's monthly salary. Out of this, he says, about 7% to 8% should be allocated for medical expenses (inclusive of medical policies). The fund should factor in the cost of treatment, recuperation (convalescence), medication, health food and ancillary services.

"That estimate is based on RM250,000 to RM300,000 to be put aside for medical expenses. However, if the amount you can save translates into only RM200 a month, then Lim says you should use that amount to get an insurance policy, namely H&S

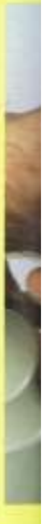
Public hospitals: A safety net?

WHAT if you can't afford private healthcare? The current public healthcare system has subsidised much of the healthcare costs in government hospitals. Datin Dr Zailan Datuk Adnan, deputy director of the planning and development division (Malaysia National Health Accounts) at the Ministry of Health (MOH), says that hospitals under the ministry subsidise patients' bills by up to 98%. "For first class, the ward is subsidised 20% to 30%, the second-class ward is subsidised between 60% and 80%, while third-class wards are subsidised up to 98%. There are no charges for drugs in MOH hospitals. This applies to all Malaysian citizens."

"For example, a non-specialist private clinic charges a consultation fee of between RM10 and RM35. In a specialist outpatient government clinic, the patient pays RM5, as compared with RM60 to RM180 at a private hospital. The most complex of procedures done will cost the patient about RM3,000, compared to about twice that amount at private hospitals." According to the Hospital Kuala Lumpur's website, ward charges applied to a non-pensioner for a first-class single-bed room is RM80, while charges for a third-class ward is RM3.

According to Zailan, there are about 62 specialist hospitals and institutions (which include the main referral hospitals in the state) and 75 non-specialist hospitals. She adds that there were more than 2,541 specialists in public healthcare institutions across the country as at end December last year, and that in general, most of the specialisations are available in most hospitals. "For specialists such as oncologists, where there is a shortage, it will be outsourced to the specialists in the private sector as the patient cannot afford to wait for treatment and consultation."

However, at public hospitals, you often see lengthy queues and the waiting lists to seek consultation or treatment are long. It can take months to see a specialist, when early management of problems may be vital. Can the public system cope with the number of patients seeking treatment? Zailan says that all this while, healthcare services have been a shared responsibility between the public and private sectors. "I



think the number [of specialists and hospitals] to handle cases now is sufficient. However, this is if you're talking about there being no increase in people accessing the system. [However], once you improve the system, you will find that those who can afford the private system will come back to the public facilities because they pay very minimal [amounts]. So, it's difficult to say whether it's sufficient. The ministry works on the norm that where there is a certain population size, there should be a certain number of hospitals and clinics [to cater to their needs]," says Zailan.

A way to tap both sectors has been talked about for the past decade. The National Health Financing Scheme (NHFS) was proposed as a mechanism to sustain the healthcare delivery system. The plan, which will replace the current one, will run like a social insurance-based system by means of using taxation. Nurul Syuhada Nurazmi, actuarial consultant for risk, finance and insurance at Mercer Zainal Consulting Sdn Bhd, says the system will give the government opportunity to tap the resources of private hospitals via outsourcing or contracting the delivery of healthcare at private hospitals.

"As costs of medical treatment rises, the middle-income group may no longer afford private healthcare and there will be a further shift to public hospitals, compounding the problems of overly crowded hospitals and over-utilisation of the public hospital facilities and doctors. On the other hand, we have a strong presence of private hospitals with excess capacity. Hence, the 'integration' between public and private hospitals would ensure better accessibility to healthcare for the entire population both in public and private hospitals," she says.

From what has been made public so far, the financing of the national health scheme will be based on a "community-rated" premium, Syuhada says. "Under such a scheme, healthcare financing will be incurred and shared across the population, with cross-subsidising between the healthy and the sick, the rich and the poor, young and elderly."

However, since the financing scheme was first mooted in the 1990s, there has been no sign of its implementation. Zailan says the new scheme is still in the design-and-planning phase. "The government is studying several models from other countries on their best practices, successes and limitations. However, we know there can be implications and hindrances to the implementation. The government is mindful of that when it designs the scheme and has to ensure a smooth implementation as you can't have a system that is worse than the current one." ■

Total expenditure on health (by source of financing) 2006

Private household out-of-pocket expenditures	RM10.04 billion (40.54%)
Ministry of Health	RM9.23 billion (37.25%)
Private insurance enterprises	RM1.89 billion (7.66%)
Social security organisation (Socso)	RM49 million (0.2%)
Employees Provident Fund (EPF)	RM44 million (0.18%)

SOURCE: MALAYSIA NATIONAL HEALTH ACCOUNTS: HEALTH EXPENDITURE REPORT (1997-2006)

and critical illness, whilst building up your own fund slowly. If you have an illness covered by your critical illness plan, the lump sum payment you receive would help defray costs that are not covered by your hospitalisation and surgical plan.

Others like Sharon Chong, licensed chartered financial consultant and CEO of Moneywise Wealth Planning Consultancy Sdn Bhd, agree on the saving of RM200 a month, saying that one should have at least RM100,000 worth of funds for a medical emergency. "This figure should be maintained at any one time regardless of age in order to feel secure should any expenses be required."

Insure yourself

Those buying policies should take a few things into account. For one, Lim recommends getting hospitalisation and surgical insurance (HSI) and a critical illness policy. "The HSI will cover hospitalisation costs and outpatient treatments whereas the critical illness policy will provide a lump sum amount that can be used for nursing care, home care or even provide funds to go overseas for non-standard treatments."

Alfred Sek, CEO of Standard Financial Planner Sdn Bhd, recommends policies with guaranteed renewability. When a claim is made, the insurer cannot deny further coverage, unless there is fraud involved or the policy lapses due to the limits being exhausted.

Although one of the popular ways to buy medical policies would be as a rider on top of an existing investment-linked plan or whole life policy, Lim recommends standalone policies. "Medical insurance premiums will increase over the years, so if it's a rider on top of the investment-linked policy, for example, instead of forking out higher premiums, the difference in amount might be taken out from the cash value units in the investment-linked portion of the policy, so you might find yourself without much cash in your policy at the end of the day." (For an example of how premiums increase, see right.)

Chong agrees, saying that standalone plans will allow policyholders to be able to know the actual cost of premiums.

"If its a rider, not many people will know how to interpret the policy statements and find out the cost of the medical portion. On top of that, if your investments do not perform at the end as you expect them to, you might find yourself having less units to deduct from. Your policy becomes a ticking time bomb."

However, be careful not to let your standalone policy lapse as you might find yourself unable to claim when you really need to. "Always be prompt with your payment and if necessary, set up an automatic deduction feature from your banking account," adds Lim.

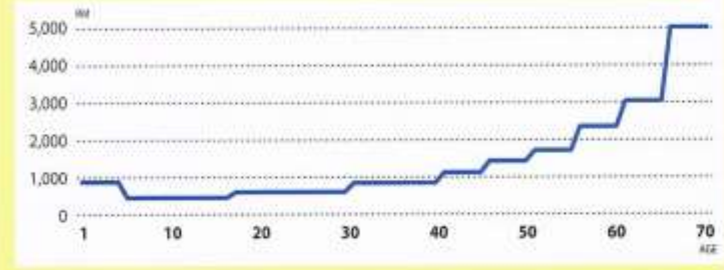
Although some policies today provide coverage up to advanced ages, planners like Lim and Chong still recommend conventional medical plans that insure up to age 70 or 80.

"For those that insure up to age 100, usually the benefits are reduced after you reach the age of 70 and above," says Chong.

Lim says premiums are also much higher for a plan that covers you up to an advanced age. "In some cases, it is actually a whole-life plan with a medical rider attached — so you pay extra premiums throughout the years to build up your cash reserves (in the plan)," he says. "When you make claims after the age of 70, you are in fact drawing down from your cash reserves."

When buying a policy, make sure you take a good look at the terms and conditions as well as your coverage items and limits that are pegged to them. Given the inflationary costs of medical treatment, planners generally advise that you buy as much as you can afford. ■

How a mid-range H&S plan's annual premium increases



Medical cost trends continue to increase globally

	2006 (%)	2007 (%)	2008 (%)(PROJECTED)
ASIA AND AFRICA			
China	15.2	21.2	19.6
Hong Kong	6.8	8.8	9.1
Philippines	11.6	11.4	11.5
Russia	13.3	13.7	15.7
Saudi Arabia	13.3	13.3	16.3
Singapore	5.5	6.5	7.5
South Africa	7.4	10.0	12.6
EUROPE			
France	5.6	6.6	7.3
Italy	5.5	11.0	11.3
Netherlands	6.0	5.2	6.0
Switzerland	3.8	7.5	6.0
UK	6.0	8.0	8.0
AMERICAS			
Brazil	9.2	5.9	7.2
Canada	12.3	11.5	12.0
Chile	5.8	6.5	7.1
Mexico	12.0	12.8	12.6
US	8.3	8.0	11.0
Venezuela	31.3	25.0	25.0

SOURCE: POLL OF INSURANCE COMPANIES CONDUCTED BY GLOBAL CONSULTING FIRM WATSON WYATT WORLDWIDE

Seeking the cure for rising costs

By Tho Li Ming

LAST year, many Malaysian consumers were alarmed by the rise in their food bill. But medical inflation is also rising rapidly, and astronomical medical charges can hit one unawares.

The medical inflation rate in the country is measured by the constant average price increase of medical and hospitalisation-related expenditure. Nurul Syuhada Nurazmi, actuarial consultant for risk, finance and insurance at Mercer Zainal Consulting Sdn Bhd, estimates the medical inflation rate in recent years to be between 10% and 15% per annum, but some parties disagree. Edwin Peh, chief financial officer and appointed actuary with Manulife Insurance Bhd, says the rate was closer to 20% at end-2008 compared with end-2007. "This number is derived from our own survey and experience where we compared our claims with those of friendly competitors."

The continuous hikes in medical costs are caused by advancements in medical technology, cost of supplies and facility upgrades. Datuk Dr Jacob Thomas, president of the Association of Private Hospitals of Malaysia (APHM), says there has been an increase in costs for the delivery of care. "The cost of medication, medical supplies like catheters, syringes, needles and surgery drapes have gone up. The cost of manufacturing medicine has also increased. There is also competition from neighbouring countries such as Dubai and Singapore for our nurses and paramedical staff, so we have to try and pay them reasonably well.

"In addition, with the pace of advances in medicine, new drugs, treatment options and gadgets are required. For example, back in the old days, all hospitals had were X-ray machines. Today, newer machines such as CT, MRI and PET scans that give doctors sharper and quicker images cost between RM7 million and RM15 million each," says Thomas.

As for medication costs, Dr Y T Chuan, a general practitioner in Petaling Jaya, Selangor, says the price of some drugs can increase by 5% to 15% annually. "Some companies keep prices static but others increase their prices every year or every three years and this includes common medication such as high-blood-pressure medication."

Keeping it down

Why are we concerned with the inflation rate? Medical care is a basic necessity and spiralling costs spells trouble for everyone. "If the inflation rate is not controlled, the individual will 'suffer' from higher hospital bill charges. Even if the individual has medical insurance, he will have to pay higher insurance premiums from year to year as the insurance company adjusts premiums for inflation. In extreme cases, the individual may no longer afford to pay the hospital bill or insurance premiums," says Syuhada.

Even with the public healthcare system, higher costs strain budgets and can result in higher taxes. Developed countries like the US and the UK are also struggling to reform their health systems and keeping costs from spiralling out of control.

How can the inflation rate be controlled then? Syuhada says since the inflation rate is made up of local and import elements, it would not be easy to do so. "Local refers to the medical services and advances available in Malaysia, while import refers to the medical technology that needs to be imported from developed countries. It would not be easy to control the inflation rate as Malaysia is still dependent on the medical technology of the developed countries."

"While these two elements represent the 'true' medical inflation, another factor that could contribute to the inflation is the 'abuse of the system'. While it may not be prevalent in Malaysia, there is a risk that private hospitals would overcharge the insurer, resulting in higher inflation," she adds.

In private healthcare, a certain amount of expectation is placed on the quality of medical care as well as hospital facilities. Thomas says since private healthcare today is run like the hotel industry and provides hotel-like facilities, refurbishments have to be done quite often as well, and these costs have to be passed on to consumers. "People expect rooms to be clean and presentable, whether from a good coat of paint or wallpaper. They don't want to see torn carpets or cracks in the walls. It's not too healthy either to keep a facility in that state [as things like] carpets cannot be left too long as they may get mouldy. Although we have been asking for it, we don't get tax exemptions [for refurbishments] from the government, unlike hotels."

However, Thomas maintains that

the private hospitals don't make much income at the end of the day. "When a patient is treated in a private hospital, a significant amount of what he pays for goes to doctors, staff (nurses, housekeeping and security), medical supplies (pharmaceuticals and equipment) and renovation costs. A small amount, between 5% and 10%, goes back to the hospitals as revenue."

However, some steps have been taken by the Ministry of Health and the private healthcare sector to control the rate of inflation. Thomas says chargeable fees by medical practitioners are limited to and bound by the Private Healthcare Facilities and Services Act 1998.

"The fees are reviewed from time to time by the government, with input from the Malaysian Medical Association.

"If you compare it with the rest of the region and the world, we are reasonable and competitive. In the US, a heart bypass surgery can cost about US$130,000 (RM461,165), whereas the same surgery done in local private hospitals will cost about US$10,000," says Thomas.

Contrary to the belief that doctors are out to earn more money by asking patients to undergo multiple tests and scans, he says, doctors do not get the revenue from the tests conducted. "They have a fixed-term contract with the hospitals but they function on their own. Their main role is to give accurate diagnoses and order the appropriate treatment."

In addition, hospitals are also trying to control rising costs by looking at their supplies, he says, citing that if a generic drug has the same efficacy and the price difference is significant, hospitals will opt for the generic drug.

Another common grievance patients have is the high price of drugs sold in private hospitals. Thomas explains that the marked-up prices go towards defraying the costs of running a hospital. "To me, that is like asking why a luxury hotel charges RM25 for a plate of mamak mee when at the mamak shop, it only costs RM5. That's because you're paying for the electricity, air-conditioning and other comforts.

"Similarly, in the hospital, you have infection control, housekeeping, security, air-conditioning, the cost of the generator which is on standby, and more. If we charge Panadol at the actual price, who is going to pay for all that?"

However, charges are also often made up of hospital admission and administration charges and facility usage charges such as room and board, which is often one of the gripes of insurance companies. These charges are not governed by the Private Healthcare Facilities and Services Act and are left to the hospitals to determine. Insurers have complained of inconsistencies in charges for those who have medical insurance and those who don't.

Thomas says that this shouldn't be so as hospitals have deals with the insurance companies. "They're [insurance companies] told of the rates and packages for our treatments. Our charges are revised every two to three years when costs of operations and providing care goes up."

As many of the charges are fixed or standardised across the private healthcare industry, the only variables in hospital charges are the type of rooms, the length of stay and the facilities provided, says Thomas.

Projection of costs

Treatment that costs **RM10,000** today would cost **RM25,937** in a decade (inflation rate of **10%**)

"Surgical costs and the cost of supplies are the same for every patient."

Room rates for private hospitals are published on APHM's website at www.hospitals-malaysia.org but do double-check with the respective hospitals for current rates.

What happens to premiums

Has inflation affected those who are insured? A letter by a *News Straits Times* reader published in April said that his medical premiums have been raised by 10%. Sharon Chong, licensed chartered financial consultant and CEO of Moneywise Wealth Planning Consultancy Sdn Bhd, observes she has seen premium increases of between 15% and 50% in the past few years at selected companies.

"Most companies raise premiums at difference cycles. While we haven't raised premiums for the past six years, it's high time we increased but when we do it, it will be less than 20%," says Manulife's Peh.

Kevin Choong, vice-president of composite insurance division with Malaysian Assurance Alliance Bhd (MAA), says although many insurers have raised their rates, MAA has managed to balance its marketing, underwriting and claims control pretty well. "Bank Negara regulates insurance companies and when we apply for an increase, we have to back them up with actuarial calculations and certification. Usually, premiums are increased because of [rising] claims in total, and when insurance companies find themselves in a loss position.

"We haven't raised our premiums yet, but with medical inflation hovering at 10% per annum, an increase won't be surprising. When insurers raise their rates, it will be between 20% and 40% or even higher for certain age bands, so we don't have to raise them every year." ■

Cutting healthcare costs

THE cost of health is wide and involves anything from surgical fees and hospital room rates, administration fees and medicines. Here's how to keep the lid on costs.

1. Buy generic pills

● Whenever possible, opt for generic medication. Dr Y T Chuan, a general practitioner in Petaling Jaya, Selangor, says in general, generic drugs are 50% to 75% cheaper than patented drugs. In our June 2007 article on generic pills, Dr Ong May Lea, a clinical specialist at a hospital in the Klang Valley, said that generic pills are identical to the patented ones in terms of the active pharmaceutical ingredient, safety in terms of its studied side effects, strength, route of administration, quality, purity, performance characteristics and intended use.

Stanley Teoh, 60, who has gout, says he made a saving when he switched from patented drugs to generic drugs. "Patented drugs like Zyloric and Voltaren are imported and cost between RM1 and RM2 per tablet. Alopurinol and Remafen, the generic versions, cost about RM3 for a strip of ten tablets," says the retiree.

2. Avoid extra costs

● If your test results are up to date, bring them along when you are admitted to hospital so you don't have to undergo the tests again. However, bear in mind that not all historical tests can be used, as some conditions will require very current information. You can also say no to having a television set in your room or a toiletries kit in the bathroom, although the cost saving may be small.

3. Opt for deductibles

● Already covered by your employer? One way to save on costs and still have medical insurance is to purchase a plan that comes with a deductible option. Under such a plan, your company's group insurance covers up to a certain amount, after which your policy will foot the remainder, if any, says Alfred Sek, CEO of Standard Financial Planner Sdn Bhd.

Sek says AXA-Affin's Smart Care Optimum is one such option where policyholders may pay the first RM7,500, RM10,000, RM15,000 or RM20,000 of their hospitalisation bills. Under this option, policyholders can enjoy a premium discount of up to 50%.

4. Ask for itemised billing

Regardless of whether you are paying with cash or claiming under your insurance policy, ask for an itemised bill before you make your payment. Check your bill thoroughly. "Mistakes could happen, though they are rare," says Datuk Dr Jacob Thomas, president of the Association of Private Hospitals of Malaysia. Medical professionals such as doctors and surgeons are required to adhere to ceiling prices in their fees (see box).

Fee schedule

General practitioners

ITEM	FEE (RM)
Consultation only Consultation with examination Consultation with examination and treatment plan	RM10 – RM35
Consultation after stipulated clinic hours	Up to 50% above the usual rate (RM15 to RM52.50)

Specialist fees

ITEM	FEE (RM)
Consultation only Consultation with examination Consultation with examination and treatment plan	RM60 – RM180
Consultation after stipulated clinic hours	Up to 50% above the usual rate (RM90 and RM270)

Other common procedures

ITEM	FEE (RM)
Procedures like plaster cast (where this is the sole procedure), cardiopulmonary resuscitation (CPR) and biopsy of skin or subcutaneous tissue	Maximum charge of RM275
Caesarean delivery by surgeon	Maximum charge of RM1,650

EXCERPTED FROM THE PRIVATE HEALTHCARE FACILITIES AND SERVICES ACT 1998

5. Don't forget the tax exemptions

Paying less tax may not be an obvious way to reduce costs, but it does mean that you have more money in your pocket. You are entitled to a deduction of up to RM500 for a full medical examination, as well as a RM5,000 tax exemption for medical expenses for serious diseases, although a claim on the former reduces the latter. You are also entitled to deductions of up to RM3,000 a year for medical insurance premiums (a limit combined with education insurance premiums).

6. Ask for estimates

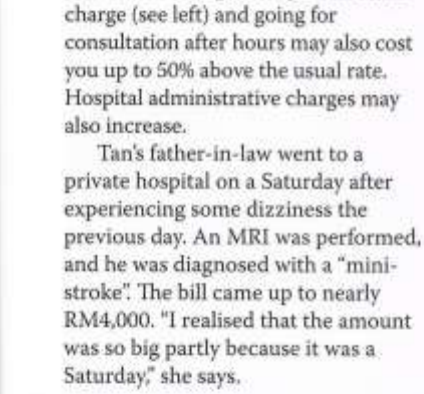
Ask your doctor for an estimate of the cost of treatment, consultation and medication. Thomas says patients can ask for an estimate of costs before treatment begins. "Discounts might also be given on a case-by-case basis, where hospitals will ask for a salary slip or other necessary documents as proof of income. They can also ask to pay in instalments."

However, Jeanne Tan found that in two cases of emergency treatments at a private hospital, charges ended up some 50% more than estimated.

7. Select the right time and doctor

If the situation allows it, pick the right time to seek medical treatment and choose your consultant carefully. Specialist fees can cost more than four times what general practitioners charge (see left) and going for consultation after hours may also cost you up to 50% above the usual rate. Hospital administrative charges may also increase.

Tan's father-in-law went to a private hospital on a Saturday after experiencing some dizziness the previous day. An MRI was performed, and he was diagnosed with a "mini-stroke". The bill came up to nearly RM4,000. "I realised that the amount was so big partly because it was a Saturday," she says.



8. Tap your employer

Many employers provide not only medical and hospitalisation insurance but also pay for preventive health measures like pap smears and yearly check-ups. Some foot the medical bills of employees' spouses and children. So, check with your human resources department to find out the details of your medical coverage and allowances. ■

'Investing' in health

FOR most people in the rat race, the focus is to build up funds. But taking proper care of your health can mean more to a comfortable retirement than just growing that bank account. Being healthy can save you thousands of ringgit.

Dr Y T Chuan, a general practitioner In Petaling Jaya, Selangor, says for those who are above 40 and have high blood pressure, medication can cost from RM80 to RM100 a month. If you don't have to pay for those pills for 10 years, you would add RM13,000 to your nest egg.

Even the effect of being healthier longer also boosts your fiscal balance. Chuan says, "For those who have kidney failure, which is usually due to high blood pressure and diabetes, dialysis can cost RM60 to RM300 a session, with an average of about two to three sessions a week for life." That's RM10,000 to RM50,000 a year — in today's ringgit terms (for more on medical inflation, see page 59). Although good health is no guarantee that you will not be hit by disease, taking certain steps will help reduce your risks.

1. Quit smoking

Smoking has long been linked to lung cancer, but recent studies have found that it is also linked to other forms of cancer, mid-life memory loss, pancreatitis, age-related macular degeneration (blindness late in life) and gum disease. What's more, cutting out a pack a day can save you around RM3,000 a year. When invested at a 5% rate of return, that amount will grow your nest egg by RM37,000 over a 10-year period. Beyond the health issues, non-smokers get to enjoy discounts in insurance premiums. According to Lim Yan Chang, chartered financial planner and financial planner with Wings Alliance Sdn Bhd, these discounts can range between 40 sen to RM1 per RM1,000 sum assured.

2. Stress less

In a study called "The association between ten modifiable risk factors and health care expenditures" published by the *Journal of Occupational and Environmental Medicine* in October 1998, of the 46,026 subjects, those with uncontrolled stress had adjusted annual healthcare expenditures that were 46% greater than those who were not stressed. Common ways of reducing stress include learning how to manage it, setting your priorities, exercising, avoiding caffeine and setting aside time for relaxation.

3. Eat right and exercise

Staying in shape also helps lower the risk of contracting many diseases, and consequently, avoiding the cost of treatment. According to the Mayo Clinic in the US, regular exercise can help you prevent — or manage — high blood pressure and cholesterol problems. It can help prevent type 2 diabetes, osteoporosis and certain types of cancers. Chuan recommends cardiac exercise sessions of 30 to 45 minutes, three times a week. "Slow jogs, brisk walking and swimming keep your heart pumping, and are thus considered cardiac exercises."

Eating right and maintaining a good diet can also help you save on medical bills. Although that may not help prevent certain diseases, it would be easier to control them, says Chuan. Always have a balanced diet of vegetables, meat and fruits, with an emphasis on those that are high in fibre, he adds. "Food such as raisins and oats take care of your intestines and reduce bad cholesterol and improve bowel movement. Also, if there are no restrictions, having a glass of red wine everyday is good for the arteries and the heart."

4. Take care of those eyes

Simple steps like wearing sunglasses, consuming brightly coloured fruits and vegetables and not smoking can help prevent future eye diseases. Dr Choong Yee Fong, consultant ophthalmologist at the International Specialist Eye Centre (ISEC), says common conditions such as cataract and age-related macular degeneration are caused by excessive exposure to ultraviolet rays and bad habits like smoking. "Sun exposure to the eyes is not good as it will accentuate their ageing process and cause oxidative stress in the body. Smoking causes free radicals, which causes damage to the eyes, as well as other parts of the body."

While sunglasses can cost from RM80 to thousands of ringgit, depending on the brand, pricier doesn't necessarily mean better. "Ultraviolet protection in sunglasses cost very little to manufacture, and the same form of protection can be found in expensive and cheap sunglasses." Another way to prevent eye problems is a good diet. "As for fruits and vegetables, eat colourful food like papayas, carrots, *siew pak choy* and pumpkins for Vitamin A and antioxidants," says Choong. For those above 45 years of age, check your eye pressure every one or two years. The test will cost between RM40 and RM60.

On the other hand, cataract surgery can cost between RM1,000 in a government hospital and RM3,000 to RM6,000 in a private one, depending on the type of lens used, he says. The injection used to stabilise the age-related macular degeneration will cost you about RM5,000 per jab, with some patients needing between three to four jabs in total, while others may need eight to 10 jabs," Choong adds.

5. Detect early

Early detection through check-ups is vital, not just to stop the disease in its tracks but also to lighten the burden on your pocket. Health experts recommend basic medical tests every year or twice yearly if you're under 30. Basic medical tests vary but they can encompass blood analysis for kidney and liver function tests, diabetes, cholesterol and urine analysis and arthritis screening. Health screening packages cost from RM55 to RM155 at clinics and RM380 to RM450 for more in-depth tests at private hospitals. Other exams such as breast exam can be self-conducted with no charge at all.

Not knowing about an approaching problem can cost you if the condition worsens. For diabetics, it can cost between RM30 and RM300 a month. Diabetes can affect the eyes as well, says Chuan.

6. Visit the dentist

Taking care of your teeth is just as important as taking care of the rest of your body. A dentist running a private clinic in the Klang Valley says one should go for check-ups at least once a year. "Dental problems are like silent diseases such as cancer. Sometimes, a decay hidden in between two teeth or under your gums may not be visible to the naked eye."

If you haven't visited the dentist in a while, you'd need an initial check-up that includes taking X-rays of your mouth. That would cost about RM90 (consultation and two X-rays). For subsequent routine check-ups that only require scaling and polishing, costs range from RM120 to RM600, depending on the severity of the gum disease. "There are cases where the patient maintains extremely good oral hygiene and won't need scaling, but such cases are very rare." The cheapest way to avoid a big dental bill? Practice good oral hygiene, floss and brush. "Brushing thoroughly is very important, and if you do it correctly, once a day is enough. Avoid consuming too much sticky, sweet food and acidic carbonated drinks that dissolve your teeth's enamel. If you consume the latter frequently, remember to rinse your mouth with water immediately after."

Tooth decay and gum disease are two of the most common problems found in patients. "Tooth fillings cost between RM45 and RM500, depending on the size of the decay, difficulty involved, and material and technique used. For some cases, a crown may be needed, and this can cost a few hundred ringgit to RM2,000, depending on the type of crown used. A root canal will be needed for more severe cases. If it involves the nerves of the tooth (pulp), it can cost a few hundred ringgit to RM1,200. This doesn't include the crown that will be put in place after the root canal procedure," says the dentist.

7. Lose weight

Being overweight has been linked to a higher risk of diseases such as high cholesterol, heart disease, stroke and respiratory problems. But beyond savings on potential medical bills, losing weight does have other benefits; you also save on your medical insurance premiums.

The Life Insurance Association of Malaysia (LIAM) says the loading amount may vary according to the degree of obesity, the underwriting experience of the insurance company and the type of plan. An insurance agent with an established company says one of her client's premium was loaded with an additional 100% as she was classified as severely obese. If her annual premium is RM1,000, she would be forking out an extra RM10,000 over a 10-year period.

8. Quit the heavy drinking

Long-term consumption of alcohol results in liver disease, which is linked to other problems such as osteoporosis, pancreatitis, heart disease, stroke, dementia and brain damage. It also increases the risks of some types of cancers. A study on alcohol consumption patterns and healthcare costs in an health management organisation in the US, published in the *Drug and Alcohol Dependence Journal* in 2002, found that the per-person, per-year costs for those with a heavy drinking history were US$2,421, compared with US$1,706 for non-drinkers. In Malaysia, says Chuan, medication for acute liver problems like inflammation can cost about RM300 a month and if you are hospitalised, you are looking at bill of a few thousand ringgit. ■