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THE STATUTES OF THE REPUBLIC OF SINGAPORE

**MEDICAL ENDOWMENT SCHEME ACT
(CHAPTER 173A)**

**Act
4 of 1993**

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Medical Endowment Scheme Act

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An Act to establish a medical endowment scheme and for matters connected therewith.

[1st April 1993]

PART I

PRELIMINARY

Short title. **1.** This Act may be cited as the Medical Endowment Scheme Act.

Interpretation. **2.** In this Act, unless the context otherwise requires —

“approved hospital” means any hospital or any medical institution approved by the Minister under section 10;

“Council” means the Advisory Council established under section 8;

“eligible patient” means a person who is eligible to make an application under section 13;

“Hospital Medifund Account” means the account of an approved hospital referred to in section 11;

- “Hospital Medifund committee” means the committee of an approved hospital appointed under section 12;
- “Medifund” means the Medical Endowment Fund established under section 3 (1).

PART II

MEDICAL ENDOWMENT SCHEME

3.—(1) For the purposes of this Act, there shall be established a fund to be called the Medical Endowment Fund into which shall be paid all capital money provided by Parliament pursuant to this Act and all income of that Fund and out of which shall be met all payments authorised to be paid under this Act.

Establishment of Medical Endowment Fund.

(2) The Minister shall be responsible for the administration of the Medifund and all moneys belonging to the Medifund may be deposited in any bank and invested in any investment authorised under the Financial Procedure Act.

Cap. 109.

(3) The Medifund shall be deemed to be a Government fund for the purposes of any written law.

4.—(1) Upon the commencement of this Act, the Government shall pay into the Medifund as capital money such sum as the Minister for Finance may determine out of moneys to be provided by Parliament.

Capital money of Medifund.

(2) For the purposes of this Act, the Minister for Finance may from time to time pay into the Medifund such sums of capital money as he may determine out of moneys to be provided by Parliament.

(3) The capital money of the Medifund shall not be used for any purposes other than for investment.

(4) Where at any time there is a permanent diminution of the capital money of the Medifund, the Minister shall, before paying out the income of the Medifund, make good such diminution from the income of the Medifund.

5.—(1) The income of the Medifund may be paid out and expended for all or any of the following purposes:

Application of income of Medifund.

- (a) for the provision of grants to approved hospitals to be applied for the purpose of defraying in whole or in part the hospital charges, fees and other

expenses incurred by patients approved by a Hospital Medifund committee and who are unable to pay such charges, fees or other expenses; and

(b) for such other purposes as are authorised under this Act or as may be prescribed.

(2) For the purpose of providing income to the Medifund for the year 1993, the Minister for Finance shall pay to the Medifund such sum of money as is adequate for that purpose out of moneys to be provided by Parliament and such sum of money shall not be regarded as forming any part of the capital money of the Medifund.

Mode of payment out of Medifund.

6. No payment shall be made out of the Medifund unless such payment is authorised by the Minister.

Conditions on payment of grants.

7.—(1) The Minister may, in authorising payment for any purpose under section 5 to any approved hospital or other person, impose such terms and conditions as he may think fit.

(2) The Minister may require any approved hospital which or other person who fails to comply with such terms or conditions to repay into the Medifund any moneys paid under section 5.

Advisory Council.

8.—(1) For the purpose of advising the Minister as to the application of the income of the Medifund, there shall be established an Advisory Council.

(2) The Council shall consist of not less than 5 and not more than 9 members to be appointed by the Minister.

(3) The Minister shall appoint one of the members as chairman.

(4) The Schedule shall have effect with respect to the Council.

Functions of Council and directions by Minister.

9.—(1) The Council shall from time to time make recommendations to the Minister on all matters relating to the application of the income of the Medifund.

(2) The Minister may, on the recommendations of the Council, issue to the Hospital Medifund committee of an approved hospital directives or guidelines on the approval

of applications from eligible patients and on the administration of the Hospital Medifund Account of that hospital.

PART III

GRANTS TO APPROVED HOSPITALS

10.—(1) The Minister may, by notification in the *Gazette*, approve or revoke the approval of any hospital or medical institution for the purposes of this Act. Approved hospitals.

(2) The Minister may from time to time authorise the payment of grants in such amount and to such approved hospitals as he may think fit.

11.—(1) Every approved hospital which has received a grant under section 5 shall establish and maintain an account to be called a Hospital Medifund Account with a bank in Singapore. Hospital Medifund Account.

(2) An approved hospital shall pay into the Hospital Medifund Account all moneys received as a grant under section 5 and any interest accruing thereon shall be paid into and form part of the moneys in the Hospital Medifund Account.

12. An approved hospital which has received a grant under section 5 shall, with the approval of the Minister, appoint a Hospital Medifund committee to consider and approve applications from eligible patients and to administer payments out of its Hospital Medifund Account. Appointment of Hospital Medifund committee.

13.—(1) Every person who —

- (a) is a citizen of Singapore;
- (b) has received treatment or requires treatment from any approved hospital;
- (c) is unable to pay the hospital charges, fees or other expenses incurred by him; and
- (d) satisfies such other requirements as may be prescribed,

Applications by eligible patients.

may apply to the Hospital Medifund committee of the approved hospital for a payment out of the Hospital Medifund Account to defray in whole or in part the hospital charges, fees and other expenses incurred by him.

(2) Every application under this section shall be supported by such evidence as may be prescribed and by such further evidence as the Hospital Medifund committee may reasonably require.

Application made on behalf of patient.

14. If for reason of incapacity by physical or mental illness or any other cause, an eligible patient is unable to make an application under section 13, any member of his immediate family or the medical social worker in charge of his case may submit the application on his behalf.

Payments authorised by Hospital Medifund committee.

15.—(1) Upon an application made under section 13, the Hospital Medifund committee of an approved hospital may, if it thinks fit and subject to the availability of moneys in the Hospital Medifund Account, approve the application of any eligible patient and authorise in writing payments of such amount as it thinks fit out of the Hospital Medifund Account to the approved hospital to defray in whole or in part the hospital charges, fees and other expenses incurred by the eligible patient.

(2) The Hospital Medifund committee shall, in considering any application and authorising payment, comply with any regulations made under section 27 and any directive and guideline issued by the Minister under section 9 (2).

(3) The Hospital Medifund committee may consider any other circumstances which, in the opinion of the committee, is relevant to the application.

(4) Notwithstanding subsection (1), the Hospital Medifund committee of an approved hospital may authorise any person to approve the application by any eligible patient in exceptional circumstances and when the payment does not exceed such amount as may be specified in any directive issued under section 9 (2).

(5) Nothing in this Act shall be construed to require a Hospital Medifund committee or an authorised person referred to in subsection (4) to approve the application of every patient who satisfies the requirements under section 13.

16.—(1) An approved hospital shall not withdraw any moneys from the Hospital Medifund Account unless such withdrawal is authorised in accordance with section 15.

Withdrawal from Hospital Medifund Account.

(2) An approved hospital shall repay to the Hospital Medifund Account any moneys withdrawn in contravention of subsection (1).

17.—(1) Notwithstanding any other written law to the contrary, all moneys in the Hospital Medifund Account of any approved hospital —

Liquidation of approved hospital.

(a) shall be deemed not to form part of the property of the approved hospital if it goes into voluntary or compulsory liquidation; and

(b) shall not be available for payment of the debts of the approved hospital or be liable to be paid or taken in execution under an order or process of any court.

(2) The moneys in the Hospital Medifund Account of any approved hospital shall, after deduction of any payment to the approved hospital which has been authorised under section 15, be vested in and paid into the Medifund if the approved hospital goes into voluntary or compulsory liquidation.

PART IV

MISCELLANEOUS

18.—(1) All expenses incurred in connection with the administration of the Medifund, including the cost of auditing the accounts of the Medifund, shall be defrayed out of the income of the Medifund.

Expenses.

(2) The costs of auditing the accounts of the Hospital Medifund Account of any approved hospital shall be defrayed out of the income of the Medifund.

19.—(1) The financial year of the Medifund shall begin on 1st April of each year and end on 31st March of the succeeding year except that the first financial year shall begin on the date of the establishment of the Medifund and shall end on 31st March of the succeeding year.

Financial year of Medifund and accounting period of Hospital Medifund Account.

(2) The accounting period of a Hospital Medifund Account of an approved hospital shall begin on 1st April of each year and end on 31st March of the succeeding year except that the first accounting period shall begin on the date of the establishment of the Account and shall end on 31st March of the succeeding year.

Accounts of
Medifund.

20.—(1) The Minister shall cause to be kept proper accounts and records of all transactions and affairs relating to the Medifund and shall do all things necessary to ensure that all payments out of the Medifund are correctly made and properly authorised and that adequate control is maintained over the assets and receipts of the Medifund.

(2) The Minister shall, as soon as practicable after the close of each financial year, cause to be prepared and submitted financial statements in respect of that year to the auditor of the Medifund.

Accounts of
Hospital
Medifund
Account.

21.—(1) Every approved hospital shall cause to be kept proper accounts and records of all transactions and affairs relating to its Hospital Medifund Account and shall do all things necessary to ensure that all payments are correctly made and properly authorised and that adequate control is maintained over the moneys and receipts of its Hospital Medifund Account.

(2) Every approved hospital shall, as soon as practicable after the close of the accounting period of its Hospital Medifund Account but not later than 30th June of each year, cause to be prepared and submitted financial statements in respect of that year to the auditor of the Hospital Medifund Account.

Appointment,
powers and
duties of
auditor.

22.—(1) The accounts of the Medifund and every Hospital Medifund Account shall be audited by the Auditor-General or such other auditor as may be appointed annually by the Minister in consultation with the Auditor-General.

(2) A person shall not be qualified for appointment as an auditor under subsection (1) unless he is an approved company auditor under the Companies Act.

Cap. 50.

(3) The auditor or any person authorised by him is entitled at all reasonable times to full and free access to all

accounting and other records relating, directly or indirectly, to the financial transactions of the Medifund and every Hospital Medifund Account and may make copies of, or extracts from, any such accounting and other records.

(4) The auditor shall in his report state —

- (a) whether the financial statements show fairly the financial transactions and the state of affairs of the Medifund or the Hospital Medifund Account of an approved hospital, as the case may be;
- (b) whether proper accounting and other records have been kept, including records of all assets of the Medifund or the Hospital Medifund Account, as the case may be;
- (c) whether receipts, expenditure and investment of moneys and the acquisition and disposal of assets on account of the Medifund or the Hospital Medifund Account, as the case may be, during the financial year were in accordance with the provisions of this Act; and
- (d) such other matters arising from the audit as he considers necessary.

(5) The auditor shall, as soon as practicable after the accounts of the Medifund or a Hospital Medifund Account, as the case may be, have been submitted for audit, send a report of his audit to the Minister and shall also submit such periodical and special reports to the Minister as may appear to him to be necessary or as the Minister may require.

(6) Where the Auditor-General is not the auditor of the Medifund or any Hospital Medifund Account, a copy of the audited financial statements and any report made by the auditor shall be forwarded to the Auditor-General.

23.—(1) The auditor or any person authorised by him may require any person to furnish him with such information in the possession of that person or to which that person has access as the auditor considers necessary for the purposes of his functions under this Act.

Failure to furnish information to auditor.

(2) Any person who without reasonable excuse fails to comply with any requirement of the auditor under subsection (1) or who otherwise hinders, obstructs or delays the

auditor in the performance of his duties or the exercise of his powers shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$1,000.

Presentation of financial statements, auditor's report and annual report to Parliament.

24. The Minister shall, as soon as practicable, cause an annual report in respect of the administration of the Medifund and every Hospital Medifund Account during the preceding financial year to be prepared and shall present a copy of such report and of the audited financial statements and the auditor's report to Parliament.

Offences.

25. Any person who for any purpose connected with this Act —

- (a) knowingly makes any false statement; or
- (b) produces or furnishes or causes or knowingly allows to be produced or furnished any document which he knows to be false in a material particular,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$1,000.

Protection against personal liability.

26. No suit or other legal proceedings shall lie against any member of the Hospital Medifund committee of an approved hospital or any person acting under the directions or authorisation of the Hospital Medifund committee for anything which is in good faith done or intended to be done by him in the execution or purported execution of this Act or any regulations made thereunder.

Regulations.

27. The Minister may make such regulations as are necessary or expedient for the purpose of carrying out the provisions of this Act and, in particular, such regulations may —

- (a) prescribe the procedure for payments out of the Hospital Medifund Account and the criteria for approval of applications by eligible patients;
- (b) prescribe the procedure for the repayment of grants by approved hospitals or other persons to the Medifund;
- (c) prescribe the membership, terms of office and procedure of the Hospital Medifund committee of an approved hospital;

- (d) provide for the disposal of amounts which are unpaid or otherwise remain in the Hospital Medi-fund Account of an approved hospital;
- (e) prescribe the procedure of the Council; and
- (f) prescribe anything which may be prescribed under this Act.

THE SCHEDULE

Section 8 (4).

THE ADVISORY COUNCIL

1.—(1) Subject to this paragraph, every member of the Council shall hold and vacate his office in accordance with the terms of his appointment and shall, on ceasing to be a member, be eligible for reappointment.

(2) Any member of the Council may resign his office at any time by written notice given to the Minister.

(3) If the Minister is satisfied that a member of the Council —

- (a) is guilty of neglect of duty or misconduct;
- (b) has become bankrupt or made an arrangement with his creditors;
- (c) is incapacitated by physical or mental illness; or
- (d) is otherwise unable or unfit to discharge the functions of a member,

the Minister may remove him from office.

2. The validity of any proceedings of the Council shall not be affected by any vacancy among the members or by any defect in the appointment of any member.

3. At any meeting of the Council, one-half of the number of members shall constitute a quorum.

4. The arrangements relating to meetings of the Council shall be such as the Council may determine.

5. The chairman shall preside at all meetings of the Council at which he is present and in his absence the members present shall elect one of their number to act as chairman of that meeting.

6. All questions arising at any meeting of the Council shall be decided by a majority of votes of the members present and, in the case of an equality of votes, the chairman or member presiding shall have a casting vote.

7. Subject to the provisions of this Act and any regulations made thereunder, the Council may regulate its own procedure in such manner as it thinks fit.
