

MEDI BRIEF

OCTOBER 2022

Contribution and benefit changes for 2023

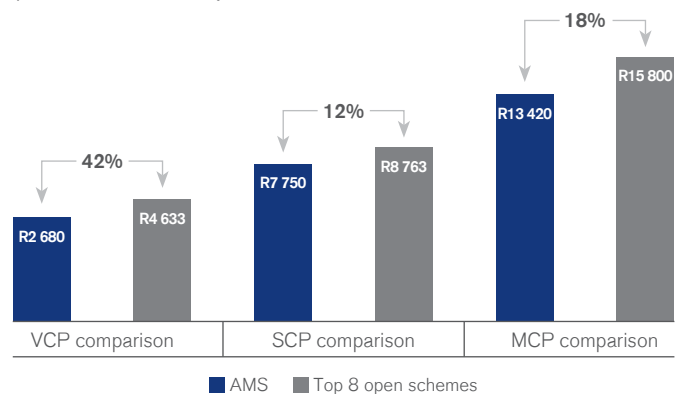
Though it's hard to imagine, 2022 was once again not a normal year for medical schemes. In fact, our entire industry has been questioning what 'normal' is since the start of the pandemic. While we see a slow increase in claims compared to pre-pandemic levels (prior to March 2020), our members still have not used healthcare services at the levels we expected. We anticipate that most of us will eventually need to have procedures performed and ailments treated at pre-Covid 'normal' levels and this has been budgeted to take place in 2023.

Some medical schemes did not increase their contributions at the beginning of the new year during Covid, partly as their actuaries were trying to gather more data on which to base their decisions around contribution increases, and partly so as to not lose members in the open scheme market during the difficult financial times. However, deferring contribution increases to mid-year did not necessarily result in them staying lower – increases remained constant – but it made contribution comparisons across the industry more difficult to understand. Looking back over several years and comparing contribution trends, AMS has been performing better than others on average and overall, while still having lower contributions for similar benefits.

If we compare the contributions paid on AMS Plans against similar options offered by the top 8 open Schemes, AMS fares well, as you can see in the graph on the right. Our contributions continue to be competitively priced, while the AMS Plans offer more comprehensive and less restrictive benefits than most of those schemes included in the comparison.

In actual rand amounts, AMS members received significantly more benefits, on average, than they pay for. By the end of the year, the Scheme is expected to pay back about R100 million from the reserves to fund members' claims, something most other schemes cannot afford. This is only possible due to the employer investment

AMS contributions are priced lower, compared to top 8 open schemes. Example: Family of two adults and two children (2022 contributions)



into the Scheme reserves decades ago and the income generated from them which means AMS member contributions are effectively subsidised from the reserves to artificially keep contributions affordable.

As doctors and healthcare providers increase their tariffs annually and our members need more healthcare services as they age, the overall costs to the Scheme increase at an ever-faster rate. This rate, known as medical inflation, is normally calculated as the Consumer Price Index (CPI) + 3.5% - 4.5%. To try to curb the increases, the Scheme has agreed to many Discovery Health negotiated tariffs which tend to increase at a slower rate as well as network arrangements where rates are also lower. In September, when our Board of Trustees agreed the contributions for 2023, CPI was at 7.6% and claims were expected to increase to near pre-pandemic normal figures. Expected salary and pension increases were considered. Ultimately, the contribution increase was set at 8%. Below are the rand amounts.

Contribution increases over the last 5 years

	% 2019	% 2020	% 2021	% 2022	% 2023	ZAR	
Managed Care Plan	9.5%	9.5%	3.9%	6%	8%	Adult: R435	Child: R100
Standard Care Plan	9.5%	9.5%	3.9%	6%	8%	Adult: R240	Child: R70
Value Care Plan	9.2%	9%	3.9%	6%	8%	Adult: R85	Child: R20

2023 Contributions

	Managed Care Plan	Standard Care Plan	Value Care Plan
Main Member	R5 885	R3 220	R1 160
Adult Dependant	R5 885	R3 220	R1 160
Child Dependant	R1 360	R965	R285

2023 Benefits

While none of us want to hear it, Covid is still with us; the Ukraine war has destabilised the world; and investment markets are more volatile than ever. Due to these uncertainties and the lack of understanding as to what the AMS 'normal' claims are likely to be, it wouldn't be prudent to implement big changes in benefits now. The Board of Trustees agreed on small improvements, according to our members' needs.

On the Standard Care Plan and Managed Care Plan, benefit limits were increased by 7%, the Scheme Reimbursement Rate on average by 7% (rounded) and on the Value Care Plan benefit limits were increased by 4.3%, based on negotiated tariff increases.

As the Value Care Plan membership is the youngest of our three Plans, a contraceptive medicine benefit was added to this Plan. Value Care Plan members can now access benefits for contraceptives up to a certain value. The maternity programme will also include three specialist consultations (in addition to

the existing GP visits for expecting mothers) and defined and prescribed vitamin supplements.

On the Standard Care Plan, root canal treatment was added as a benefit, payable from Risk. The co-payment for non-network hospital admissions was increased by 6.7%.

For the Standard Care Plan and Managed Care Plans, prescribed vitamin supplements were added to the maternity programmes. Co-payments for cataract surgeries and endoscopic procedures in hospital were increased in line with the tariff and limit increases for 2023. These co-payments can still be avoided in totality if you chose a network day clinic for these procedures.

Diagnoses of mental illness have been increasing, and more rapidly so since the onset of the pandemic, which is becoming a significant health concern. The Scheme is working closely with our administrator on a Mental Health Care Programme to assist severe and special cases of mental illness with new tools and benefits which will be implemented in the new year.

2023 Benefit Guide

As with every year, we will post your 2023 Benefit Guide at the beginning of November and inform you via SMS once it is on its way to you. As of that time you will be able to access it on the Scheme's website – www.angloms.co.za – for more detailed information about your 2023 benefits and how to access them.

09 December 2022 – the last day to send us your Plan change request for 2023

Should you need to change your Plan for the year ahead, you need to send us your Plan change request form by latest 09 December 2022 as it must be processed before year-end. The form will be available in the back of your Benefit Guide and on the Scheme website under Info Centre > Find Documents and forms. Please hand it in to your pay point consultant if you are employed; your pension fund administrator if you are retired; or directly to the Scheme if you are a self-paying member. Remember, you cannot change your Plan during the year so please carefully consider if the change in contributions and benefits will be right for you for the next 12 months. As always, if you need advice, please speak to your Client Liaison Officer.

Do you have further questions on the articles in this edition? Contact us on the numbers and addresses listed here:

Visit www.angloms.co.za to learn more about your Scheme and benefits.

Find all previous MediBrief editions in the Info Centre > Knowledge Library.

Member Queries:

Value Care Plan: 0861 665 665, anglo@primecure.co.za

Standard and Managed Care Plan: 0860 222 633, member@angloms.co.za

Claims: claims@angloms.co.za