

## **More medical aids performed well, but members must know what they are entitled to**

In the battle for a slice of the private healthcare market, there has been significant growth in the number of medical schemes performing well across all sections of the medical aid spectrum. Whilst this means that members get more choice, it also makes the landscape increasingly complex.

At a media roundtable releasing the GTC 2018 Medical Aid Survey (MAS) Jill Larkan, Head: Healthcare Consulting, of leading wealth and financial advisory firm GTC, welcomed the greater diversity.

The survey analyses and rates medical aid schemes according to a standardised comparison and ranks the choices available to members.

When analysed purely in terms of premiums – the survey’s micro ranking – Fedhealth emerged as the medical aid which held the most top positions across all the classifications. Discovery was ranked in first place for the survey’s macro rankings, which analyses a medical aid’s overall ‘health’ and longevity in terms of factors such as its solvency level, membership growth, net healthcare result and member satisfaction. When combining both the GTC micro and macro rankings, Discovery claimed the highest number of top positions among all categories – for the second consecutive year since the survey’s release eight years ago.

“While the overall results appear to tell a similar story to last year, it is encouraging – when drilling down into the details – to see such a variety of participants offering options across all sub-sections of the medical aid spectrum, meaning consumers can confidently access more schemes and plans offering private healthcare, and so decrease the burden on the government. In the past, the larger and more established companies tended to dominate the majority of the categories,” she says.

Larkan ascribes this to companies becoming more innovative in their offerings in an attempt to differentiate themselves.

“We always welcome more competition among schemes, as it indicates a growing market and more variety for members with changing healthcare needs. However, this does add more complexity to a healthcare arena that is already difficult to navigate for the majority of members.”

According to Larkan, this year’s survey proved again that the medical aid market continues to be a complicated space to navigate.

“What is worrisome is that many of the plans attempt to attract members concerned with the high cost of healthcare, by offering ‘manageable premiums’, perceived to be of good value, which in fact have far fewer benefits than their more ‘traditional’ counterparts. It is now more important than ever for members not only to look at price – which remains the most important consideration for many members under ever increasing financial strain – whilst also considering which benefits they are forfeiting for their lower premium,” she says.

This year's survey includes a comparison of average annual salary increases over ten years – according to the 21st Century 'The South African Trends Report 2017' – against average annual medical aid premium increases since 2006.

"Over this period, medical aid premiums increased by 104.87% cumulatively, while salaries increased by 80.20%, which clearly demonstrates the pressure that consumers have been under in trying to keep up with healthcare costs," says Larkan.

The MAS analyses plans based on a number of classifications, namely entry level, hospital, saver and comprehensive plans. Some of the entry level plans are salary-based and only cover prescribed minimum benefits (PMBs) whilst others restrict hospitalisation to state facilities.

"These entry level plans are a good option for members who are new to the private healthcare market and are happy to have a combination of a primary healthcare and hospital plan. Those members who expect slightly more comprehensive coverage but limit themselves to the cheaper plans, as a means to minimising cost, will be disappointed when they find out that they are not covered for a number of procedures they might have expected. In healthcare, the mantra 'you get what you pay for' could not be more apt."

The Council for Medical Schemes (CMS) reported to Parliament earlier this year that complaints from medical aid members have increased by 29% from 1 017 to 4 536 during 2017-18, compared to the previous year. This was largely attributed to a lack of understanding of the cover provided by their medical aids.

"This is in line with our experience: one of the biggest reasons for members' unhappiness about a selected scheme is not knowing what their plan pays for. As there is no standardisation in the medical aid industry, it is very complicated for members to analyse medical aids, without the help of experienced professionals," she says.

This year's survey reviewed 21 open schemes and one closed scheme (Profmed) covering 22 plans divided into five categories, eight subcategories and three micro categories. Many of these were further split between network and non-network schemes, whilst some of them go on to reflect day-to-day spending levels. The full range of plans have been graded according to GTC's 'likelihood of support' and offers a simplified method of comparing options and cost for members.

Larkan explains that, in addition to factoring in complaints received from members on social media sites such as Hellopeter.com – as an indication of members' satisfaction with their medical aids – this year's macro grading also took into account the compliments that schemes received, as well as the Hello Peter Index.

Bonitas moved up seven places in the macro rankings as a result of Liberty's members being amalgamated into the Bonitas scheme. "This greatly enhanced the number of members on the scheme, which carries the highest weighting in the GTC macro rankings. The long-term effect of this amalgamation on measures such as net healthcare results will remain to be seen in the next year, when the claiming patterns of the new members are experienced in the Bonitas scheme."

Larkan is also encouraged by the number of schemes that are giving due consideration to maternity benefits. "There are generally good benefits for young families, which means they can cover many items – including ante natal classes, maternity scans and consultations – out of the general risk carried by the scheme, without having to dip into their savings accounts."

The table below is the ranking of GTC's micro and macro gradings combined, for a family (principal member, spouse and two children):

<b>Macro combined</b>	<b>Best performer</b>
Family (P+S+2C)	
Entry Level Comprehensive LI	Momentum Ingwe Network R676 - R6 300
Entry Level Comprehensive MI	Discovery KeyCare Plus R0 – R8 550
Entry Level Comprehensive HI	Bonitas BonCap R7 500 - R12 194
Entry Level State LI	Momentum Ingwe State R0 - R675
Entry Level State MI	Momentum Ingwe State R676 - R6 300
Entry Level State HI	Discovery KeyCare Access R8 551 - R12 200
Hospital Plans - Network	Bestmed Beat 1 Network
Hospital Plans - Non Network	Bestmed Beat 1
Saver Only Plans - Network	Bestmed Beat 2 Network
Saver Only Plans - Non Network	Bestmed Beat 2
Saver Plus Plans - Network	Compcare Symmetry ED
Saver Plus Plans - Non Network	Medimed Medisave Standard R0 - R8 500
Comprehensive Plans Risk Only - Network	Discovery Essential Delta Comprehensive
Comprehensive Plans Risk Only - Non Network	Discovery Essential Comprehensive
Comprehensive Plans Complete Costs - Network	Discovery Essential Delta Comprehensive
Comprehensive Plans Complete Costs - Non Network	Discovery Essential Comprehensive

Larkan concludes: "Given the complexity of the medical aid industry and the varying needs of members, it is more important than ever for members, with the help of their healthcare advisor, to do a thorough analysis of their needs and means; and compare this to the options available in the healthcare market, before deciding on a scheme and then a plan option for their future."