

# IN THE NEWS..

**HEADLINE:** *Complicated healthcare jargon can add to anxiety of purchase*

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**Extract:**

ALONG with renewed resolutions for the year ahead, January 2010 also brings medical scheme rate increases for the majority of South Africans. Though experts predict the worst of South Africa's financial woes to be over, insurance premiums such as medical cover will have to be carefully budgeted for.

Consumer education on all big purchases, whether health or motor insurance, a new home or a second mortgage, is key for the year ahead. Fully understanding complex terminology and legally binding fine print is crucial for consumers to help avoid being the victim of over-payments.

Currently, within the healthcare industry, most medical scheme members have selected their medical schemes for the year and medical scheme members have reviewed the options. The trouble is that characteristically complicated healthcare jargon can add to the anxiety of what is already regarded as a grudge purchase.

"One of Medshield's main objectives for the year ahead is to continually strive for clarity when it comes to healthcare insurance. It is important to fully understand what your monthly premium buys you," the medical scheme's chairman, Thabo Mabeta comments

It's pointless waiting until you are in desperate need of substantial medical cover before asking the necessary questions about the option, the benefits and the contracted service providers. Whether first-time members or with a scheme for years, consumers need to understand a number of terms to ensure they know what they have signed up for. Some of these include the following:

- DSP: A Designated Service Provider, is a healthcare provider - whether a doctor, pharmacist or hospital - that is the medical scheme's first choice when members need diagnosis, treatment or care for any medical condition. In many cases, a scheme will not cover medical expenses incurred at service providers other than those stipulated;
- Co-payment/Co-insurance: This term refers to additional costs incurred by you, the scheme member. Some medical schemes offer options that may appear highly competitive however they only provide limited cover and require the member to cover the shortfall;
- NRPL: The National Reference Price List is a guide published by the Council for Medical Schemes as agreed by the National Department of Health to provide reference prices for all medical procedures and treatments. It keeps consumers informed by listing the proposed ceiling prices;

- PMBs: Refer to Prescribed Minimum Benefits - a list of 26 diseases on the Chronic Disease List, which the Medical Schemes Act requires all schemes provide cover for. They include conditions such as meningitis, various cancers, cardiac treatment and medical emergencies;
- Late Joiner Penalty Fee: The Medical Schemes Act allows the levying of penalties for consumers joining a medical scheme for the first time after the age of 35. Depending on the number of years the consumer has not been covered by a scheme, the fee is calculated as a percentage of the monthly medical scheme contribution;
- GCR: The Global Credit Rating is an independent company that rates the claims paying ability of medical schemes, with AA being the highest rating and BBB- the lowest. Consumers are advised to check a medical scheme's rating before signing up; and,
- Contracted out of medical aid: When doctors are contracted out of medical aid, their fees are higher than The National Reference Price List. Members will be liable for the difference.

Mabeta adds, "In a steadily recovering economic environment, consumers should be focusing on how to make their money work for them in 2010.

"Fully understanding purchases ranging from medical cover to home insurance will help to avoid over-payment and ensure benefits are utilised when needed. Consumers are encouraged to enquire with their brokers or medical schemes about terms they do not understand."