

## South Africa has a new ‘best’ medical aid scheme –

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The latest South African Customer Satisfaction Index (SAcsi) for medical schemes, conducted by Consulta, has been published – showing that the big medical aid schemes are struggling to keep customers happy, while a new industry leader has emerged.

According to the satisfaction index, the medical scheme industry average dropped from 74.2 in 2017 to 72.7 in 2018 – primarily due to two of the large brands showing declining scores.

Bonitas’ score declined from 73.1 to 70.2 and Discovery Health also reported a decline from 74.8 to 73.1 over the year.

Medihelp was the only open scheme in this year’s benchmark to see an improved SAcsi score, continuing to reap the benefits of its turnaround strategy noted in 2017. It consistently improved from 70.7 in 2015 to 72.6 in 2017 and 75.1 in 2018 to lead the industry in customer satisfaction.

Consulta noted that Momentum Health maintained its SAcsi score of 2017 – now on 72.0.

Although GEMS is a closed scheme, Consulta was requested to measure its SAcsi score for the last three years in addition to the open scheme brands. Having dipped from 67.5 in 2015 to 64.3 in 2017, GEMS recovered substantially (68.8) in 2018.

The table below outlines the performance:

#	Medical aid scheme	2017 score	2018 score	Change
1	MediHelp	72.6	75.1	+2.5
2	Discovery	74.8	73.1	-1.7
	<i>Industry Average</i>	74.2	72.7	-1.5
3	Momentum	72.2	72.0	-0.2
4	Bonitas	73.1	70.2	-2.9
5	GEMS	64.3	68.8	+4.5

*The Medical Scheme SAcsi results reflect the years from 2015 – 2018, excluding 2016 as it was not measured. The 2018 SAcsi sample included 1,675 respondents who were randomly selected from five medical schemes to participate in the survey.*

According to Consulta head Adre Schreuder, the 2018 medical scheme SAcsi reflects an industry battling to find a competitive position in the market – particularly as the implementation of the National Health Insurance (NHI) looms over them.

Further, South Africans are becoming increasingly frustrated by rising premiums and shrinking benefits, as well as a feeling of lower value for money in comparison to other financial service products.

“While the market’s dominant heavyweights remain strong competitors, pack leader Discovery seems to have shifted focus to other business offerings in its product suite, including the launch of its anticipated banking services and its long- and short-term insurance offerings,” Schreuder said.

“This has allowed its competitors to even out the playing field in the medical product suite by delivering simpler, traditional medical insurance that is seen to be less expensive and easier to understand.”

With more than 270 options available, choosing medical insurance products is even more confusing to customers. Many are left feeling frustrated when their claims aren’t covered and the general customer experience of medical schemes remains one of capped benefits and rising premiums, Schreuder said.

“To remain relevant in the face of NHI, private medical schemes need to assess the value they provide to customers, such as quality, affordability, transparency and ease of use, which should be integrated into their daily operations.”

### **NHI challenges ahead**

In June, Minister of Health Aaron Motsoaledi announced the NHI and Medical Schemes Amendment Bill, proposing sweeping changes to the running of medical schemes.

These changes are aimed at benefitting a wider range of members and paving the way for the NHI financing system for all South African citizens, not just those who can afford medical aid products.

Opponents of the plan point to various challenges to the viability of the NHI, should it be implemented.

According to Schreuder, there are also concerns that the changes announced will have a significant effect on increasing premiums for 2019 and medical aid schemes will have to deliver commensurate improvement in their service offerings to neutralise the potential negative impact in customer satisfaction levels.

“Over the years we have noted the impact of organisational changes, including restructures and changes in management on customer experience as the organisational focus and energy tend to shift towards internal developments rather than on customer delivery.

“Medihelp’s strategy to focus on leveraging the contributions and focused delivery from its strong leadership team, which is underpinned by targeting a niche audience and offering exactly what members want and understand, is working,” he said.