

# Medical aid price increases will hurt consumers

WEEKEND ARGUS / 11 NOVEMBER 2018,

On the back of multiple price hikes from petrol to VAT, consumers are now faced with higher premiums.

More than 8 million South Africans on medical insurance will pay an average increase of 9.2% for Discovery; 8.9% for Bonitas; 10.7% for Momentum; and 8.9% for Bestmed.

The window period to make adjustments between the different plans within a scheme closes at the end of November. Discovery Health, with over 2.8million members, will have a 9.2% hike on average.

The sharpest increase of 10% is at the high end. Members will also pay more for children. Momentum, with around 260000 members, will increase by around 10.7%, while FedHealth's will see an increase of 8.5%.

According to the 2017/2018 Council for Medical Schemes annual report, overall contributions by members stood at R179billion.

Acting registrar for the council, Dr Siphon Kabane, noted in the report that the financial performance for 80 registered schemes was positive in the past year, with net profits standing at R3.5bn and reserves at around R63.3bn.

Members are irked by these increases, with many questioning when the new laws would be passed to make health care more affordable.

"Every year these medical aids go up and it's a struggle to afford it. My husband was able to put two of our children on his, while I had the baby and my ill father on mine," says 46-year-old mother of three Veronica Adams.

"But now that he has lost his job, I cannot even afford to add him and the children while keeping my father, who has a heart condition, on.

"I pay close to R8000 on medical aid and, looking at some of these increases for next year, I don't know what I'm going to do."

Principal officer at FedHealth, Jeremy Yatt, said efforts were made to lessen the financial blow when considering increases. He put the increase down to medical technology.

"Procedures and scans that we did not have 10 years are great because it means illnesses that could not be treated are being treated. But the downside to that is that it costs a lot more," he said.

“We have a team of actuaries and we look closely at what we can afford and what we can cut from our benefits to keep the contribution rate down. Every year we go through this process.

“People will join our scheme because they like the benefit structure and then they find they can’t afford it. It is a sad thing that you have this elitist approach. As medical schemes, we are in favour of universal health care and believe that we can contribute towards it, if only the government would let us in terms of bringing the private health-care systems into the NHI (National Health Insurance).”

Recently Health Minister Aaron Motsoaledi addressed the Stellenbosch University’s Business School on the progress of the NHI Bill and the Medical Schemes Amendment Bill that he introduced in June.

Dr Boshoff Steenekamp, senior strategy adviser at Momentum Health, said the Medical Schemes Amendment Bill sought to deal with many of the governance issues within schemes as well as curb exorbitant salary packages for those running schemes.

CMS’s annual report showed that a principal member from Bestmed was paid R11.9million, while Discovery Health paid R5.13m and Bonitas Medical Aid forked out R4.9m.

Remunerations for trustees increased considerably for GEMS and Discovery Health which, when combined, account for 51% of all members.

“The bill introduces some new comprehensive service benefits but it does not define them clearly. There is a set of mandatory minimum benefits which is undefined. There’s some work that needs to be done on this bill, there are a lot of contradictions and it’s not very clear,” added Steenekamp.

Edward Bell of LifeCheq said a number of issues had contributed to rising medical scheme costs, the VAT increase among them.