

Empower

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Option changes on medical schemes

Medical scheme option change season is upon us!

It is important to review your medical scheme option annually. The reason why option changes are only allowed once a year is to protect the schemes from members who opportunistically move to higher options when they require specific services and then move back to lower options after the procedure/treatment. This is called anti-selection.

While you are only allowed to change options once a year, you can still tailor your cover to suit your changing needs. The problem is that we mostly do not know what our needs in the following year will be. However, planned surgery is sometimes predictable and one can consider postponing such an operation until after reviewing your plan's cover.

While it is the norm to review one's option during the year-end review period, a scheme like Discovery actually also allows you to change to a lower option any time during the year. There are certain rules linked to this and you need to keep in mind that savings more than proportionally used will have to be repaid. Other schemes, like Bonitas or Fedhealth will also allow upgrades during the year after certain life-changing events.

WHAT SHOULD YOU TAKE INTO ACCOUNT WHEN CONSIDERING OPTION CHANGES?

Tips

CONSIDER THE MOST COSTLY EXPENSE ITEMS



HOSPITALISATION

is covered at 100%, 200% or 300%, depending on your option. If you do not have gap cover, this can be a crucial consideration, especially if you know there's a good chance of being hospitalised.



CHRONIC MEDICATION

is typically restricted to the 27 listed Prescribed Minimum Benefit conditions on lower options, but can be extended to 45 or more conditions for higher options.



DAY-TO-DAY COVER

can be left out on hospital plans, be limited on some plans and be quite extensive on some high options. Some schemes, like Bonitas also allow a choice between savings or stated benefits for day-to-day cover. For someone who requires the specific cover which is stated in the benefits, it might be beneficial to rather go for a traditional type plan with such stated benefits.

The above aspects are all covered in Simeka Health's needs analysis tool which consultants use to determine which options to consider for our members. Simeka Health's consultants also make use of a functionality within our quotation system called BENEFIT RICHNESS, which allocates a scoring to each option's benefits based upon an actuarial model, using the actual expenses medical scheme members have as a basis for weightings applied.