

News release from GTC

When selecting a medical aid plan, go beyond just cost and benefit factors – GTC Healthcare

27 June 2016

When choosing a medical aid plan for individual or family needs, the ultimate cost and medical benefits within the plan are paramount to the selection process.

But, GTC Healthcare warns that there's more to making the right choice for a plan that most closely meets one's needs than just cost and benefit factors. The longevity and overall stability of the plan are also very important.

"While costs of medical aid premiums is a major deciding factor for members, we've taken the analysis of all medical aid plans in South Africa one step further, by accounting for the longevity of the plan too," says Jill Larkan, Head of Healthcare Consulting at leading financial advisory group GTC. "And when we assessed longevity, we carefully analysed four important factors namely growth in principal membership, coupled with the average age, pensioner ratio and solvency levels of the scheme."

GTC Healthcare Consulting releases an annual Medical Aid Survey (MAS) with the 2016 edition published during June this year. The 2016 edition is the sixth annual research survey in the series, and provides analysis and ranking of different medical aid plans, according to the various options offered and available by South Africa's 23 open medical aid providers.

Based on data provided in the latest Council for Medical Schemes (CMS) annual report as well as on annual data from each medical aid scheme and plan provider, GTC has applied its own measures to produce a ranking and measurement system that sheds new light on the affordability, applicability and viability of the vast range of available schemes and plans.

The GTC Medical Aid Survey ranks all plans according to the top qualities required to receive GTC's 'high likelihood of support and recommendation' rating.

"This rating indicates the likelihood at which our team of healthcare consultants would recommend a particular plan to an individual or company, according to how it has scored overall," continues Larkan.

Larkan agrees that considering the cost which members may be asked to bear for the provision of a medical scheme at whatever level, limited of course by the benefits which they can afford or are prepared to pay, is the foremost requirement in the survey.

"In fact, we believe that price accounts for as much as 50% of the consideration required in order to make an informed decision about which plan to choose," she continues.

"Our Healthcare Consulting team deals primarily with large corporates and in the case of companies, moving a whole group of people from one provider to another is a very complicated and time

consuming process. It's just too much to do this on an ongoing basis, so we work hard to select a medical aid for our clients that confidently meet important longevity requirements," says Larkan. "In the case of individual members, our concern focuses specifically on the appropriate level of advice provided and on the demographics of the scheme being proposed, while ensuring that the plan continues to meet clients' benefits and needs without making premiums too exorbitant."

Larkan adds that selecting a plan for its longevity benefits is important because the biggest deterrent for individual members needing to move from one plan to another, is the three-month general waiting period which may be imposed when opting to voluntarily move between schemes. This is causing members to remain on a more expensive or deteriorating scheme to their detriment in the long term.

While the annual CMS report covers a vast range of topics relating to the longevity of the scheme, the GTC Medical Aid Survey focused on four key aspects within the report which would guide the survey's focus.

"Growth in principal membership, coupled with the average age, pensioner ratio and solvency levels of the scheme, are the most important factors according to GTC's survey, which would need to be combined with the premium requirements of the client, to refine our recommendations to clients," says Larkan. "These factors are what defines the 2016 survey's 'likelihood of support' rankings."

The GTC 2016 MAS allocates a weighting of 25% to each of these factors.

But Larkan emphasises that the survey's "likelihood of support" rating is simply a starting point for the healthcare investigation which GTC's consultants would conduct before recommending a medical aid plan to a client, individual or employer.

"Once the door is open and the discussion initiated, then the deeper client requirements can be uncovered or investigated," she says. "Matters such as levels of hospital cover; network or non-network plans; chronic illness benefit levels; upcoming hospitalisation events; average age of employees; number of adult, children or student dependants over the age of 21; dentistry or oncology requirements, must all be combined into the investigation to ensure that each and every client's needs are addressed.

"So although our survey provides healthcare brokers with an entry point from which to commence their investigations, this is only a starting point, and guide. The assistance of a professional healthcare consultant cannot be discounted or replaced."

Ends (823 words)

NOTES TO EDITORS:

GTC's overall list of schemes for 2016 – ranked by "likelihood of support"

The macro and micro rankings combine to create GTC's overall list of schemes in the Medical Aid Survey for 2016 ranked by "likelihood of support". The final analysis reflects a score which indicates the likelihood that a particular plan / scheme would receive GTC's support or not through recommendations to clients.

	NETWORK	NON-NETWORK
RISK ONLY		
Non Hospital		Unable to determine
Entry Level Comprehensive – Target Market	Compcare NetworX	Momentum Ingwe – Any

Entry Level Comprehensive – Student Market	Compcare NetworX	Momentum Ingwe – Any
Entry Level Comprehensive State – Target Market	Momentum Ingwe – State	
Entry Level Comprehensive State – Student Market	Momentum Ingwe – State	
Entry Level Comprehensive Core – Target Market	Discovery KeyCare Core	
Entry Level Comprehensive Core – Student Market	Discovery KeyCare Core	
Hospital Only	Bestmed Beat 1	Genesis Private Choice
Saver	Bestmed Beat 2 N	Bestmed Beat 2 N
Saver No Carry Over MSA	Bonitas Standard Select	Compcare Mumed R0-R7900
Comprehensive	Momentum Extender Associated State	Momentum Extender Any State
Traditional	Unable to determine	Unable to determine
COMPLETE COSTS		
Comprehensive	Fedhealth Maxima Standard Elect	Discovery Essential Comprehensive

**table above only highlights the rankings for a family of four (Principal Member + Adult + 2 Children)*

Issued by Lianne Osterberger, Owner, StratComms Advisory Services

On behalf of: GTC Holdings

Lianne Osterberger 083 272 7313 / lianne@stratcomms.co.za

For more information contact:

Jill Larkan

Head: Healthcare Consulting

GTC Healthcare

M +27 (0)83 453 3344

jlarkan@gtc.co.za

Vanessa Partington

Senior Marketing Executive

GTC Holdings

T +27 (0)10 597 6800 | M +27 (0) 82 858 0314

vpartington@gtc.co.za

About GTC Holdings

GTC, formerly Grant Thornton Capital is a well-established, leading financial advisory business, established 25 years ago, in 1991 from within the Grant Thornton Johannesburg audit practice, itself part of Grant Thornton International. The Johannesburg practice was established in 1920.

Effective late 2012 GTC was obliged to separate itself from the audit practice as a result of various international regulations separating the asset management capability of any business from that of Grant Thornton.

This resulted in the business changing its name from that of Grant Thornton Capital to GTC. Today GTC continues to have Grant Thornton as a shareholder. Gary Mockler, the founder of GTC, remains the

Chief Executive Officer and a shareholder. The association between GTC and Grant Thornton continues within the parameters permitted by international regulation.

GTC is nationally represented with offices in Johannesburg, Cape Town and Durban.

GTC specialises in the areas of retirement fund administration and consulting, healthcare consulting, private client wealth management, short term risk solutions, investment management, stockbroking, derivatives trading, fiduciary services and other areas of financial advice. GTC also operates a unit trust management company.

GTC is the advisory business holding the necessary licenses including FAIS.

Collectively the Group employs some 115 staff in the three national centres. Assets under management and administration total some R28 billion. There are 2 500 private clients and some 85 000 participating members of retirement funds through some 300 participating employer schemes, most of these structured through one of several GTC umbrella funds.