

News release from GTC

Missed the deadline to make medical aid changes for 2017? Don't worry – here's why.

December 2016

The 2016 year has been fraught with busy-ness, and deadlines seemed to have whizzed past many of us over the past 12 months. “Financial crunch” and “economic crisis” are common phrases used by most of the population, as individual salary increases seem to be continuously constrained or even, in some cases, non-existent. Home budgets are stretched so tightly that there's just no room to squeeze anything more out of them.

Yet, without fail, annual insurance premiums and medical aid fee increases continue to climb at above-average rates, directly affecting a family's take-home pay even further.

Now, just as you're about to assess your prospective income and expenses for 2017, you realise you've missed the company medical aid annual end of year review presentation or possibly even misplaced the reams of information sent to you by the medical aid company which you meant to print out and try to read.

Have you missed the opportunity to make changes to your medical aid plan for next year?
Can you even afford the increases proposed for 2017?

Jillian Larkan, head of Healthcare Consulting at financial advisory business GTC says that quite a few medical aids still allow you to make changes during the year and not just at year end, although individuals need to be certain that their medical aids do allow this, before assuming they can up- or downgrade at any time.

Some plans only allow changes at year-end

“Bonitas, Topmed and CompCare, are three fairly popular medical aid plans which do not allow either up- or downgrades during the year, and individuals are only allowed to change plans in January each year,” says Larkan. “So, if you're with one of these plans, it's vital to contact your professional healthcare consultant immediately, to ensure that you are aware of the options which are available to you and hopefully to be able to make your up- or downgrade amendments before 2017 arrives.”

Different schemes allow different changes – check your policy rules

Larkan says that Discovery, which is currently South Africa's largest open medical aid scheme and thus caters to most of the people with medical aid plans in our country, allows members the option of one medical aid plan downgrade during the year.

“In general terms, members who are on a non-network plan with Discovery, retain the option to downgrade to a Network plan, whilst members who are on a 200% plan may downgrade to a 100% plan, at any time during the year,” Larkan confirmed. “But it's important for members to be aware

that those who have used more than their pro-rated savings account, at the time in the year when they decide to make a downgrade, will be asked to refund the difference back to Discovery.”

She also warns that members who are already on a Network plan will not be allowed the option to change out of their Network plan during the year and these individuals will need to wait until January of the following year (2018) to up- or downgrade their plans.

Fedhealth does not allow a downgrade during the year, but the medical aid scheme will, upon diagnosis of a life changing event, allow individuals to upgrade to a more suitable plan which better meets the needs of their changed situation.

Fedhealth’s main rules define a “Life Changing Event” as follows: “Life Changing Event shall mean the member’s divorce, marriage, retrenchment, change of employment, death or initial onset of dread disease, which will have a severe financial impact on the member”. In addition, the limitations for the upgrade are that the change to a new plan needs to be confirmed within 30 days of the event / diagnosis.

Larkan advises that individuals who are part of Momentum’s medical aid schemes are able to upgrade their chronic cover status at any time during the year.

“Momentum members who have selected the State as their chronic provider, which effectively covers most members who do not have a chronic cover requirement, who develop a new chronic condition when chronic cover is suddenly needed, may upgrade the chronic provider on their plan from State to an associated or any pharmacy, at any time of year,” says Larkan. “There are some conditions associated with these upgrades, with the worst case scenario being that the difference in premium would be backdated to January of the year in question.”

Larkan urges individuals to consult their professional healthcare providers or to call the scheme directly in order to verify personal situations and plans, if changes are needed.

Cost-effective alternative plans for adult student dependents

Members will need to be ready for significantly increased medical aid fees, when dependents classified by a medical aid scheme as children, cross over to the scheme’s adult classification.

But Larkan advises individuals to consider giving the young adult the opportunity of having their own medical aid which is better designed for young, mostly-healthy students, and which may be a more cost-effective option.

“Each medical aid scheme sets their ‘adult’ ages differently and members would do well to check with their schemes to confirm this before getting caught off guard,” says Larkan.

With Discovery, for example, the ‘adult’ age is 21 years, Bonitas and Topmed set this age at 24, and Fedhealth, only at 27.

“Student plans generally provide mostly networked hospital cover as well as out of hospital cover from networked doctors, optometrists or dentists,” continues Larkan. “It is very important for members to be ready to make the change for their young adult dependents at the right time, to save on fees while ensuring the various student plan options are well researched too.”

GTC releases a medical aid survey on an annual basis, helping individuals to better understand the range of medical aid schemes and plans available. The survey provides analysis and ranking of different medical aid plans, according to the affordability, applicability and viability of the vast range of available schemes and plans by South Africa's 23 open medical aid providers (Profmed is the only "closed scheme" included in GTC's survey, along with seven non-hospital providers). "The 2017 survey is already underway and we look forward to sharing the nation's medical aid data in the new year," Larkan concludes.

Ends (1030 words)

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About GTC Holdings

GTC, formerly Grant Thornton Capital is a well-established, leading financial advisory business, established 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. Gary Mockler, the founder of GTC, remains the Chief Executive Officer and a key 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, Durban and Kuruman. 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 an advisory business holding the necessary licenses including FAIS, and has recently been awarded a PMR Diamond Arrow Award for having the highest ranking in the category of 'medium-sized pension fund administrators and consultants' in the recently completed 2016 PMR Survey.

Collectively the Group employs some 120 staff in four offices. Assets under management and administration total some R32 billion. There are 2 500 private clients and about 85 000 participating members of retirement funds through some 300 participating employer schemes, most of these structured through one of several GTC umbrella funds.