

Note that our 2021 contribution and benefit changes must still be approved by the Council for Medical Schemes



01 December 2020

To: Alliance-Midmed Members

Dear Member,

## 2021 SCHEME CONTRIBUTION AND BENEFIT CHANGES

2020 was an extraordinary year with extreme challenges, and significant triumphs. An unforeseen outcome is a modest 3.5% contribution increase and a 2.9% increase in benefits. The main reason for this is that members used fewer benefits and some administration changes were made to control costs and help manage benefits more effectively. The changes will be effective from 1 January 2021. We will use a portion of the increased reserves to fund the lower increase. It is important to note that we have already experienced a return to claims levels similar to those seen before COVID-19, which will affect future contribution increases.

### Contribution changes

The 3.9% contribution increase translates to the following Rand amounts.

Income	2021 Alliance-Midmed				Scheme 1	Scheme 1 Option 2 with less benefits	Scheme 2
	Full contribution		After 60% Subsidy				
	New contribution	Increase amount	Member contribution	Member Increase			
<b>R 5,000</b>	R5 469	R185	R3 281	R111	R13 630	R6 100	R13 963
<b>R10,000</b>	R7 815	R265	R4 689	R159			
<b>R20,000</b>	R8 840	R299	R5 304	R179			

### Benefit changes

The Board decided to retain the benefits and not make any changes for 2021. Members will however experience administrative changes. One change is the deregistration of chronic medicines where medicines have not been collected in the past six months. This will improve efficiencies and reduce the cost of maintaining authorisations.

### Administration

As we embarked on self-administration, COVID-19 and lockdown struck. This impacted us severely and resulted in significant delays with answering queries and paying claims. We are classified as an essential service and our new, inexperienced team had to continue to work from home. Hospital and health professional's systems did not function effectively, and three major companies' systems were hacked or stopped working properly, causing significant delays.

We also changed telephone systems, which made things more impersonal and this new system failed twice.

**Proudly Self-Administered**

E-Mail Address: [service@alliancemidmed.co.za](mailto:service@alliancemidmed.co.za), [website](http://www.alliancemidmed.co.za): Client Services: 0860 002 101



As of 28 November, however, we had caught up on 96% of the overdue work and we apologise for the inconvenience this has caused members. The remaining overdue work relates to systems and our specialist team is on track to have all these resolved before the new year.

### **COVID-19**

Yes, we were affected. Our four highest cost cases amounted to R2.3Million, and the average cost of a consultation and the laboratory test is R1070.00. We lost one member to COVID-19, and it is estimated that we will lose another three lives plus incur an additional R4Million to R7Million to this scourge by the end of 2021. Please note that the specific procedure to access the COVID-19 test and evaluation is available from the scheme.

Also note that the Board authorised limited telephone consultations at a specific rate during the COVID-19 lockdown. For more information call us at 0860 00 2101.

### **Health Management Services**

We stopped the health management programmes in April due to COVID-19 because of the risk of exposing our at-risk patients. These programmes will continue as soon as the lockdown is lifted. We urge members to please not stop their treatment and to consult their doctor when needed. Neglecting your health is a very expensive alternative.

In the meantime, we will reach out where someone's health is seriously compromised. Please respond to the nursing team's calls. We request that you continue to play your part and get to know and manage your healthcare numbers (*body-mass index, cholesterol, blood pressure, blood glucose*).

### **Board elections**

This is an early notification that the Board elections will be held during May to July 2021 and you are requested to please participate actively in this important event.

### **Contact**

Please contact us on the Scheme telephone number 0860002161, or alternatively via our email [service@alliancemidmed.co.za](mailto:service@alliancemidmed.co.za). The latest statistics show that 95% of calls are answered and we call back another 3.9% of missed calls within three days. We are working hard to finalise the 2021-member booklet and will advise via email and SMS when this will be available on the Scheme website – [www.alliancemidmed.co.za](http://www.alliancemidmed.co.za),

### **Over-servicing, abuse, and fraud**

We do see some signs of over-utilisation and opportunistic billing. The approximately 6% of your money wastefully spent by members and providers or syphoned off through abuse, fraudulent claims and unnecessary care, will not go unattended. It may inconvenience some of our members and we request your patience.

### **Specialist services and second opinions**

During 2020 we turned down THE FUNDING of approximately R265,000 worth of medical interventions that related to inappropriate care, overuse of benefits and unnecessary procedures. The basis on which we do this is to use renowned experts, including the Wits Donald Gordon Medical Centre. Based on this information, we plan to stop making direct payments to certain health professionals during 2021. Please contact the office at 0860 00 2101 to discuss alternatives.



We have stabilised the administration and payment of claims and the system issues are mostly resolved and we are ready to continue the legendary service that our members are used to. We are also engaging with our partners, health professionals and other stakeholders to ensure a smooth 2021 changeover.

Should you have any concerns or questions, or experience challenges, please email the Principal Officer at [jhhartz@outlook.com](mailto:jhhartz@outlook.com).

Because your health matters.

**Sharon Muller**  
*Chairperson*