BENEFIT BEAT

DE BEERS BENEFIT SOCIETY

November 2012 | Issue no 33

This issue:

Benefit Society query line: **053 807 3400**

Society continues to offer value for money

The Trustees have again done their best to keep the Society's contribution increases for the next benefit year as low as possible, whilst not affecting the ongoing viability of the Society. In view of this an average contribution increase of 7.6% has been approved for 2013.

This contribution increase compares very favourably with that approved by major players in the medical aid industry and was possible because of the following factors:

- The ongoing benefits gained from the appointment of Clicks directmedicines for the supply of chronic medicine at very competitive rates;
- Savings generated on Generic Reference Pricing introduced on medication benefits;
- The positive member response to limit claims costs through the introduction of a chronic medicine formulary for the chronic illnesses on the Chronic Disease List (CDL) and the introduction of certain chronic conditions not on CDL as from 1 December 2012;
- The appointment of the Medical Services Organisation (MSO), which further improved hospital authorisation and case management;
- The appointment of the Independent Clinical Oncology Network (ICON) as the DSP for oncology treatment;
- The appointment of the Medi-Clinic group of hospitals as a preferred provider; and
- The fact that the Society has prudently maintained self-sustaining reserves well in excess of the statutory requirements so that ongoing funding in this regard is not required and some of its investment returns on these reserves can be used to subsidise contributions.

KEEPING COSTS LOW

One of the reasons for the Society being able to offer comparable benefits at lower prices is that it is a not-for-profit organisation with its own in-house administration. It simply aims to balance its member claims and administration costs against contribution income and part of its investment income. In addition, the following factors assist the Trustees in managing the Society's administration costs:

- No marketing or brokerage fees are payable;
- Prudent management of staff and other administration costs;
- Conservatively managed costs in relation to Trustees, including trustee remuneration costs for those who qualify; and
- Continuously reviewing business processes and operating costs with a view to identifying efficiency improvements.

AGE STILL A CHALLENGE

As much as the Society strives to keep contributions low, the reality is that the average age of its membership is increasing every year. This unfortunately leads to an increase in the claims cost – and eventually contribution rates – as older members tend to need to claim more, and more often.

Income bands collapsed

In the past, the Society's contribution table was based on the levels of members' basic income. Effective from January 2008, the Trustees agreed to collapse the income-level based contribution table over a period of time. The reason for the stepped approach was to spread the impact of higher contribution increases applicable to the lower income bands over several years. As a result, the final income band was collapsed for 2013 in line with the Society's strategy to ultimately have a single contribution rate for all members. The direct result of this band collapse is that the effective increase in the lower income bands is 11.0%, but with a low Rand impact on those affected. These are mainly pensioners earning a pension below R9 000, the vast majority of whom enjoy a contribution subsidy of 86% from De Beers. The subsidy will reduce the financial impact on these pensioners significantly, and the effective Rand increase from 2012 to 2013 translates to only R29.68 per month for this category after the company subsidy has been taken into account..

For the remainder of members who currently fall in other income bands, the effective contribution increase will be 5.9%.

The revised contributions for all members, effective from 1 January 2013 and payable in advance via the December 2012 payroll, are as follows:

Principal member	R 2 134
Adult dependant	R 2 134
Child dependant	R 575

Changes for the new benefit year

The table below highlights the more significant changes in benefits per beneficiary for 2013.

Please refer to the enclosed Member Guide for information on benefits, the respective limits and the applicable co-payments.

The Trustees approved a general 5.6% increase in benefit limits, where applicable, for 2013. Acute and Chronic medicine limits will not be increased as the current limits were found to be aligned with the published medicine price increases since 2008 and an assumed increase of 3% in 2013. The medicine benefit limits have been increased in line with the increase applicable to other benefits since 2008 whilst the actual cost increase has been lower or, in some instances, nil.

The Scheme Rate will be adjusted to 165% in order to align it to actual member claiming patterns and to the level that the medical aid industry currently pays in excess of the normal medical aid tariff, known as the SRPL (Society Recommended Price List). Please refer to the Member Guide for additional information regarding the Scheme Rate.

BENEFITS/SERVICES	2012	2013	% CHANGE
Specialised Dentistry	R6 290 per beneficiary	R6 642 per beneficiary	5.6%
Orthodontic Treatment	R15 480 per beneficiary	R16 347 per beneficiary	5.6%
External appliances per 5 year cycle	R5 020 per beneficiary	R5 300 per beneficiary	5.6%
Colostomy bags and catheters	R13 420 per beneficiary	R14 172 per beneficiary	5.6%
Continuous oxygen	R12 265 per beneficiary	R12 952 per beneficiary	5.6%
External Prosthesis	R33 000 per beneficiary	R34 848 per beneficiary	5.6%
Hearing Aids	R12 265 per beneficiary	R12 952 per beneficiary	5.6%
Wheelchair	R13 230 per beneficiary	R20 000 for Quadriplegics and Paraplegics only or R7 500 for standard wheelchairs	Benefit Design Change
Intra-ocular lenses	R1 500 per lens	R1 584 per lens	5.6%
Audiology, Chiropody, Podiatry, Acupuncture, Dietician services, Occupational and Speech Therapy	R2 100 per beneficiary	R2 218 per beneficiary	5.6%
Physiotherapy, biokinetics and Chiropractic services	R6 290 per beneficiary	R6 642 per beneficiary	5.6%
Psychological and Psychiatric treatment not in hospital	R8 870 per beneficiary	R9 366 per beneficiary	5.6%
Oncology	R176 400 per beneficiary	R186 278 per beneficiary	5.6%

Chronic medicine formulary to be introduced for all chronic conditions

As members may be aware, the Society introduced a chronic medicine formulary for the Prescribed Minimum Benefit (PMB) chronic disease list (CDL) (such as that prescribed for high blood pressure) in April 2012. At the time we indicated to all members that a formulary would be developed in due course for the other non-CDL conditions (such as acne) for which the Society provides benefit. (Refer to your annual Member Guide for a full list of PMB CDL and non-CDL chronic conditions covered.)

In its drive to continue providing members with a cost-effective medical aid and to contain contribution increases, the Society constantly reviews the benefits provided as well as any new developments in the industry. Many medical aids now have a chronic medicine formulary in place to ensure that members receive appropriate treatment at a fair and reasonable cost to all members in the scheme. In view of this, the Society will be introducing a medicine formulary for all the chronic conditions covered by the Society with effect from 1 December 2012.

The Society has published the approved formulary list on its website, www.dbbs.co.za, under the tab "Chronic Medicine Formulary". Alternatively members/service providers can contact the Society on tel 053 807 3400 for more information.

Please note that the Generic Reference Pricing (GRP) practice remains in place. Should a doctor prescribe a medicine from the formulary for which a generic product and price exits, members will be required to switch to the generic product within the formulary to avoid any further co-payments, as per the current practice.

Members who are directly affected by this change should have received a personalised letter informing them of the change and what they are required to do to avoid any co-payments.

Avoid co-payments for after-hours/unscheduled doctors' consultations

If you or one of your beneficiaries consult a doctor after hours or without an appointment and it is not an emergency, you will only qualify for a benefit at the normal doctor's consultation SRPL rates. Any additional charges will be recovered from you as member. For example, if you voluntarily choose to visit the doctor after hours, you will pay the difference between the normal SRPL consultation rate and the after-hour consultation fee. Remember to check with your doctor's receptionist when an "after-hours" or "unscheduled visit" fee will be charged.

Most doctors (including facilities such as Medi-Cross) charge an after-hours consultation fee for consultations after 17:00 and on week-ends. Members should confirm their own doctors' arrangements in this regard. If you phone your doctor during normal working hours and he/she fits you in on that specific day without an official pre-booked appointment, you may also be charged for an unscheduled consultation.

The normal SRPL consultation rate for 2013 is R277.00, while the SRPL rate for an after-hours or unscheduled consultation is an additional R148.00 or R258.00 (depending on the tariff code charged by the treating provider) over and above the normal consultation fee. You will therefore be liable for the standard 10% co-payment of the normal consultation fee plus the after-hours amount charged by the doctor.

Should you make use of an after-hour consultation as a result of a medical emergency, you must advise the Society via e-mail (benefitpost@dbbs.co.za), fax (053 – 807 3499) or letter (PO Box 1922, Kimberley, 8300) about the details of the incident that required an emergency consultation. The Society bases the processing of a claim on the ICD 10 codes provided by the doctor to determine the nature of the consultation. If these codes are not in line with the emergency coding, you will not be given the emergency consultation benefit. In addition, the following aspects will also be considered:

- the nature and severity of the condition or injury;
- whether the patient was hospitalised after consultation or not;
- the procedure or treatment received by the patient;
- medication used or the script issued and medication obtained by the member after the consultation;
- pathology or radiology tests required;
- response to previous therapy – if available or applicable.

How your credit limit works

A number of benefits are covered by the Society, but require the member to make a co-payment. To make such co-payments as easy as possible for members, the Society will generally pay the provider in full and arrange for the deduction of any co-payments to be made from the member's salary or pension - in effect granting its members credit. To manage this, all members have set credit limits, based on their income.

It should however be noted that in cases where the credit limit is exceeded by the member, the Society will pay its portion of the claim directly to the service provider and the member will then have to pay the co-payment directly to the provider. Where this occurs, it is noted on the member statement.

Example:

A member has a credit limit of R1 000 and already owes the Society R900 for that month, which will be deducted from his salary or pension at the end of the month. If the member obtains further acute medicine of R200 and R300 on one script, it will result in co-payments of R60 and R90, respectively.The Society will accept in full the claim submitted for the first medicine (say, the R200 with the R60 co-payment), but will only accept its liability for the second medicine submitted and nothing more, as the co-payment will result in the balance (R960 + R90 = R1 070) exceeding the member's credit limit of R1 000. In this example the Society will pay the provider R410 and recover R60 from the member's salary/pension. The member will have to pay the pharmacist R90 at the time of purchase.

Society revamps website

With technology and the use of electronic communication becoming more prevalent every day, the Society has recently undertaken a redesign and redevelopment of its current website.

The new website offers various enhancements, such as:

- A Document Library which will make it easier to find and view relevant documents;
- A News Article area which will showcase the latest Society and Industry news;
- The main areas of the site are now easily accessible directly from the Home page;
- On the Contact Us page you are now able to view maps to locate the Society's and other Designated Service Provider offices.

Visit www.dbbs.co.za today!

Society's contact details

Should you wish to contact the Society, please use one of the following:

E-mail: benefitpost@dbbs.co.za
Website: www.dbbs.co.za (where you can also check your personal details and benefits)
Phone: 053 - 807 3400
Fax: 053 - 807 3499
Post: PO Box 1922, Kimberley, 8300

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