BENEFIT BEAT

August 2012 | Issue no 32

This issue, in a nutshell:

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

New call centre system | Pre-authorise via email/fax | Medicine - avoid overpaying | Stretch your benefits by using generics
Rules / Rulings update

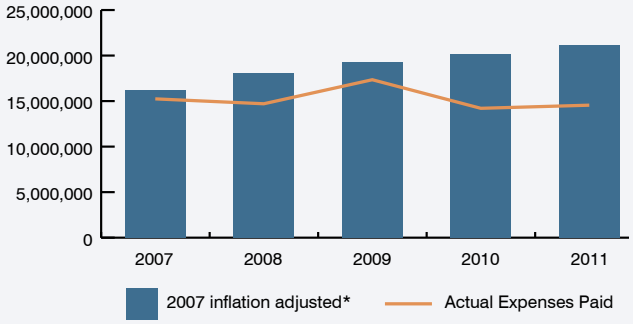
Society outperforms most in industry

There has been much media attention in recent weeks regarding the increase in medical scheme costs and particularly the high cost of administration costs and non-healthcare related costs that scheme members have to pay. How does the Society compare in terms of these expenses? To place these costs in context, and to be consistent, the Society has referred to the latest available Council for Medical Schemes' (CMS) 2010/11 Annual Report to benchmark the Society against the industry.

This table shows the Society's non-healthcare expenditure (such as administration costs) as a percentage of contributions received, against that of the industry for the year 2010/11:

	DBBS (restricted/ closed scheme)	Industry (restricted/ closed schemes)	Industry (open schemes)
2010/11 non-healthcare expenditure	6.8%	8.6%	16.3%

SOCIETY'S ADMINISTRATIVE COSTS (year-on-year)



* *If the 2007 figure increased by inflation every year, the blue bars show how much the actual expenses would have been. Thanks to cost-cutting measures, however, the Society managed to keep actual expenses (orange line) lower over this period.*

These figures, which show that in real terms the Society's non-healthcare expenditure is not only very competitive but has been reducing over time, bear testimony to the ongoing efficiency improvements implemented by the Society's Trustees, management and staff. This has been achieved by amongst others:

- A policy on managing salary costs in accordance with what is affordable to the Society;
- A conservative policy in terms of the remuneration offered to member-elected Trustees who qualify to receive this and the associated increase in these fees from year to year in line with pensioner increases;
- Prudent management of staff rationalization through natural attrition which has seen staff reducing from 32 in 2007 to 21 at the end of 2011 without any deterioration in service levels;
- Evaluating and adjusting the replacement cycle for capital assets;
- Critically evaluating the value-add of services provided by the Society and taking appropriate action, noticeably the disposal of the De Beers pharmacies;
- Continuously reviewing business processes and operating costs leading to initiatives such as running the Society's payroll function in house.

Some of the major advantages between open and closed schemes are that the Society has no shareholders and is not profit orientated. The contributions collected from members are used primarily to fund the benefits enjoyed by the membership and also to cover the administration costs. Open schemes attract broker incentivisation costs while this is not a cost for closed schemes. Open scheme administration is generally provided by a third party administrator on a for profit basis.

If it does happen that the Society collects excess contributions in any given year, these are used to improve the financial solvency of the Society and to ensure that we are able to meet not only the legislative minimum requirements, but that we have sufficient funds to invest to supplement the Society's income from year to year.

Aligned to this, the Society monitors its benefit package so as to offer members value for money, while continuing to remain viable and sustainable. To this end, the following have been introduced:

- The appointment of Clicks directmedicines for the supply of chronic medication at very competitive rates;
- Generic Reference Pricing on medication benefits;
- The introduction of a chronic medication formulary for the chronic illnesses on the Chronic Disease List;
- The appointment of the Medical Services Organisation (MSO) for improved hospital authorisation and case management;
- The appointment of the Independent Clinical Oncology Network for oncology treatment; and
- The appointment of the Medi-Clinic group of hospitals as a preferred provider.

The Trustees are confident that the Society continues to be one of the most cost-effective yet comprehensive medical schemes in the industry; to the benefit of all members and the sustainability of the Society itself.

New automated call centre system to streamline service

The DBBS will be introducing a new automated call centre system in the next two months, promising a number of enhancements to the service our members receive when calling the Society. The staff members dealing with members will remain unchanged.

Members will in future be channeled directly to the department that can best handle their query with the new system, bypassing the Switchboard operator. If you call the Society via our switchboard on 053 807 3111, you will therefore be able to select which department you would like to talk to, based on your type of query. You can choose between:

- a claims related query,
- a registration query,
- a hospital pre-authorisation query, or
- the operator (this may be necessary, but should be avoided where possible)

The aim of introducing the new call-centre system is to allow for more efficient routing of calls and to ensure that calls are appropriately managed and responded to.

Management will be able to track call volumes, monitor issues such as unanswered calls and identify trends or issues that need to be communicated to members or staff.

Not only will members now be able to direct their queries to the correct person and thereby save time, but employees who answer these calls can also be actively measured and trained to improve their service delivery to members.

It is in your own interest to keep your personal details correct and up-to-date

To ensure that your claims are paid and that you have received all relevant information from the Society, you should regularly check that we have your and your beneficiaries' correct ID numbers, dates of birth, email addresses, telephone numbers and residential and postal addresses.

UNPAID BENEFITS: If the Society does not have your or any of your beneficiaries' correct ID numbers or correctly spelt names, for example, and a medical service provider submits a claim showing your correct ID number or the correct spelling of your name (and this therefore does not match what the Society has on record), such a claim may not be paid.

RETURNED MAIL: The Society is receiving increasing volumes of returned mail (posted and electronic), usually as a result of members not updating their addresses when they move home or their email address when changing email service providers. It is extremely time consuming and a waste of member money to process and repost these items, as this may indirectly affect members' pockets in the long-term through higher operational costs resulting in higher contributions. You may also prejudice your rights if you fail to change your address (See rule changes on page 4). Therefore, if you move home, please update your details. Should any of your contact details change (telephone numbers, e-mail address etc.) please inform the Society accordingly on tel 053 807 3358 or e-mail registrations@dbbs.co.za.

Save time: pre-authorise hospital visits via email or fax!

The hospital pre-authorisation department experiences high call volumes at times and members may from time to time experience longer than normal waiting times to speak to one of the pre-authorisation nursing staff.

We apologise for any inconvenience and would like to inform all our members that hospital pre-authorisation requests may now also be e-mailed or faxed to the Society by you or your service provider. There is therefore no need to speak to a staff member, should you have access to fax or e-mail facilities. The aim is to respond to these requests on the same day that they are received, but if the request is received late in the day, it may mean that the response will only be sent on the following day.

Email: managedcare@dbbs.co.za
Toll-free: 0800 111 669 | 0866 329 945

Avoid delays in the delivery of your chronic medication

If you are registered on the chronic medication programme, please make sure that Clicks Directmedicines (CDM) have valid scripts for your chronic medication. We also recommend that you quickly respond to any reminders from them in this regard, well before your chronic medication runs out.

The Society's dedicated email address that members should use when contacting CDM is dm.debeers@dirmed.co.za. Please delete any other email address on your system that you may have used in the past.

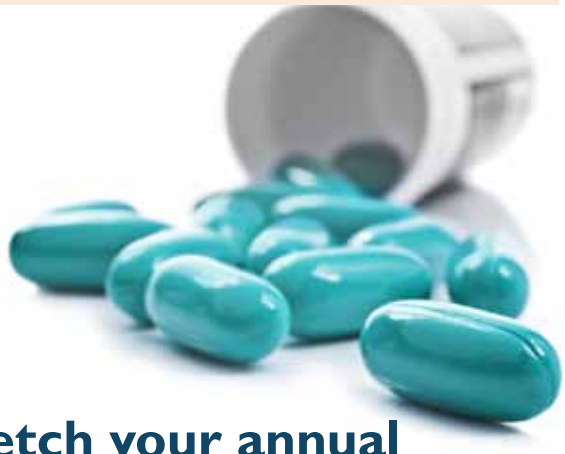
Website: www.clicksdirectmedicines.co.za | **Call Centre:** 0861 444 405 | **Fax:** 0861 444 414

Communication Policy

The Trustees of the Society have an approved Communication Policy in place to ensure that members remain abreast of all developments within the Society. As part of the Policy however, there are certain issues that members are required to take responsibility for.

Whilst the Trustees and management fully accept their accountability for member communication, members remain accountable for:

- ensuring that they fully understand the Society's benefits and any new developments and that they act responsibly in relation to the Society, as each members' claiming pattern has a direct impact on contribution levels and the future sustainability and viability of the Society;
- reading all communications directed to them;
- attending Society information sessions as appropriate;
- referring any queries they may have to the Society for clarification; and
- providing the Society with feedback should their information requirements not be met.



Stretch your annual medication benefits – use generics

We find that some members are using original brand name medication, rather than requesting their dispensing pharmacist to supply a generic equivalent medication.

Please remember that not using generic medication results in a higher claimed amount and therefore a reduction in your available annual medication benefits – use generic medication as far as possible to make your benefits last longer.

Access full communication from the Society

Register on the Benefit Society website and enable the Society to communicate with you instantaneously – visit www.dbbs.co.za and register today!

Once your e-mail and other electronic contact details are registered on the Benefit Society's system, you will receive:

- Electronic statements (sent as an attachment to an e-mail).
- Claims information (in a weekly e-mail advising you of claims processed in the last seven days). This allows for the early detection of incorrect or fraudulent transactions.
- Details of the annual benefits used and available per beneficiary, your membership details, authorised cases and the last member statement e-mailed to you on request. (Simply send an e-mail to webmail@dbbs.co.za from your registered email address and a response will be sent to you in approximately five minutes with the specified information in attachments)

You will also be able to look-up a variety of information such as claims paid, benefits used, statements and provider details once you log into the member's area on the Society's website.

By registering, you will also assist the Society to keep administration costs in hand.

Register at www.dbbs.co.za

Rules / Ruling Update

By law, members must be informed of all changes to the rules of the Society. There have been some grammatical changes as well as certain amendments to the rules, none of which affect the benefit structure offered by the Society. As members are aware, the benefit structure is seperately reviewed towards the end of each year and members will be advised of any changes in due time. The material changes to the Rules are outlined below:

- Change in area of operation: Only members (and their dependants) who are permanently residing in Namibia and Botswana will receive medical cover in those country. Members who travel outside the borders of South Africa are not entitled to medical benefit in foreign countries.
- Addition of business day definition - Any day which is not a Saturday, Sunday or gazetted public holiday in South Africa.
- Update on termination of membership - A Member who ceases to be an Employee, except when proceeding on retirement, shall, from the Day following the last Day of his employment, cease to be a Member of the Society.
- Updating of wording for member debt to clarify any debt owing to the Society and the actions that the Society may take in this regard.
- Addition of electronic resolutions for Trustee governance – the Trustees may discuss and resolve matters by telephone or electronic conferencing means and may adopt resolutions on that basis.
- Quorum increased for Special General Meeting – this has been increased from 15 to 100 members.
- A new Trustee Code of Conduct has been added as Annexure D to the Rules and provides for a dispute resolution mechanism.
- Updated dependant wording and the addition of proving dependency for dependants wishing to remain as beneficiaries over the age of 21 (see Ruling 10 below for further details in this regard);
- Increased responsibility on members to notify the Society of changes of address - A Member shall notify the Society within 30 Days after the relevant event of any change of address and of any other change in his or any of his Dependants' personal particulars (including, but not limited to, changes of identity number, physical address, postal address, cell phone number, fixed line telephone number and email address). The Society shall not be held liable if a Member's rights are prejudiced or forfeited as a result of the Member neglecting to comply with the requirements of this rule.

Please note that **Ruling 10** has been approved by the Trustees in consequence of the updated rule changes and reads as follows:

The following criteria must be complied with by a member if he wishes to register a dependant other than his spouse, life partner or own or adopted child under the age of 21 in terms of the Rules of the Society:

- *The dependant should not have a regular monthly income of more than twice the latest published minimum monthly wage of a Shop Assistant in the Retail Industry Area A as published by the Department of Labour. (2012/3 – R2,741.49);*
- *provided that if a member is able to demonstrate that even though the dependant has income in excess of this amount, the member is required to provide ongoing financial support to enable the dependant to meet reasonable day-to-day living expenses and accommodation needs, the Society may in its sole discretion admit such person as a dependant.*

The necessary forms provided by the Society to determine the above, are to be completed by the member and the dependant to enable an eligibility decision to be taken by the Benefits Co-ordinator. This information must be submitted annually, except in the case of mentally or physically disabled dependants who have provided the Society with proof of permanency of their condition, permanent impact on their earnings capacity and reliance on financial support by the member. In the event that the application is declined by the Benefits Coordinator, the member may appeal to the Principal Officer who will make a final binding ruling regarding the dependency of the applicant.

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

Should you wish to view the Society's full set of revised and approved rules and rulings, please visit our website on **www.dbbs.co.za** or contact the Society on tel **053 807 3400** or e-mail **benefitpost@dbbs.co.za** for a copy.