



medical aid

SAMWUMED's guide to
choosing the best healthcare
plan for your family



SAMWU NATIONAL MEDICAL SCHEME

SAMWUMED

The importance of medical aid

Medical aid can be described as an investment in your health: Its purpose is to make sure that you have access to medical cover when you need it.

In South Africa, healthcare varies from basic primary services offered free by the state to highly specialised care that is available in public and private hospitals.

The public sector provides services for all South Africans through the public health system, made up of state hospitals, clinics and other health facilities. This sector is funded by government and overseen by the National Department of Health.

The private sector consists of independent service providers, medical practitioners and hospitals that can be utilised by any person who can afford to pay for private care.

The key is to obtain medical aid cover as soon as you can afford it and not to wait until you are injured or ill before seeking advice.



The structure of a medical scheme

A medical scheme is a not-for-profit organisation, managed by a member elected Board of Trustees who has been tasked with the responsibility to run the scheme in a sustainable manner so that it can fund benefits for its members indefinitely.

Medical schemes derive their income from the contributions its members make on a monthly basis. All the funds collected are pooled to fund the scheme's activities.

This communal pool of funds is used to pay for the medical expenses of its members; in line with their respective benefit plans and according to the scheme's rules.

A portion of each member's contributions is also allocated to help pay for certain non-healthcare costs that are necessary to administer the scheme effectively. Some medical schemes use a high percentage while SAMWUMED has managed to keep these costs under 7 percent.

It is important to remember that medical aid funds are not unlimited but are designed to assist members with medical expenses when a relevant health need arises.

There are two types of medical schemes:

1 Open medical schemes

This kind of medical scheme is open to anyone who wishes to join and can afford the contributions.

2 Restricted schemes

These schemes are only open to certain groups of people.

Medical schemes and the Law

The Medical Schemes Act (Act 131 of 1998) is the law that governs all medical schemes in South Africa.

It has been designed to give citizens access to medical cover, ensure that medical schemes are in a position to pay claims and that they provide their members with reasonable healthcare benefits.



Three important features of the Medical Scheme's Act are:

1. Access to membership of a medical aid scheme

Open medical schemes may not refuse anyone membership, regardless of their age or state of health.

Restricted schemes may limit their membership to people who work for a particular employer or in a particular industry, but within that group they may not refuse anyone membership.

To protect medical schemes from people who wait until they are ill before deciding to join, they are entitled to impose certain waiting periods.

There are however, instances where schemes cannot impose a waiting period including the following:

- ▶ If a member changes benefit options within the scheme.
- ▶ If a child-dependant is born and registered within 30 days of birth.
- ▶ If a spouse or partner is registered within 30 days of marriage.
- ▶ If a member transfers between schemes involuntarily as a result of a change of employment or an employer changing the scheme.

Schemes are also allowed to penalise members who join later in life – usually after the age of 35 years. The penalty for late joiners is usually in the form of higher contributions.

SAMWUMED has chosen not to impose any later joiner penalties.

2. Prescribed Minimum Benefits

Medical schemes are compelled by regulations of the Medical Schemes Act to provide their members with certain minimum healthcare benefits.

There are currently 26 common chronic conditions; also referred to as “PMB conditions”; that schemes must cover. It is important to note that it is at the scheme's discretion to decide whether care for these conditions can be obtained in the public or private health sector.

3. Reserve requirements

The Act stipulates that schemes must maintain certain financial reserve levels to ensure its sustainability.

SAMWUMED has consistently maintained reserves that are well above the required 25% indicating that the Scheme is well managed and financially stable.

Choose the right medical cover for your needs



The purpose of medical aid is to ensure that you are able to pay for treatment received at the hands of a doctor, specialist or while in hospital.

Medical cover can be divided into two categories:

1 Major Medical Expenses:

Major medical expenses refer to treatment received in a hospital and can include surgery or hospitalisation in the event of injury or illness. Pre-authorisation is required.

2 Day-to-Day benefits:

This is cover for treatment received outside a hospital. It is what you would typically pay for GP consultations, the ordinary dental check-up, a visit to the optometrist or medicine at the pharmacy.



Most medical scheme plans offer a combination of major medical expenses, day-to-day and extras such as chronic medication programmes, access to medical rescue and other value added benefits.

Selecting the right plan begins with a careful study of your individual healthcare requirements.

If your family visits the doctor regularly you will need average; to above average day-to-day cover and you should consider provision for major medical expenses.

If you are a healthy, fit individual who seldom goes to the doctor but wants peace of mind that major medical expenses will be covered you should consider a plan that provides minimum day-to-day benefits with a fair amount of major medical expense cover.

If you suffer from a chronic illness (a condition that requires ongoing medical treatment) or know that you might be likely to suffer from such a condition in future, it is important to find out what type of chronic care cover is provided by your plan of choice.

Check for things that will not be covered and be certain you are prepared to pay for these exclusions out of your own pocket, should it become necessary.

Membership and payment of contributions

Your employer is responsible for the payment of your membership contributions to the medical scheme.

A medical scheme can cancel or suspend membership in the following instances:

- ▶ When no contribution is received from the member or employer within the time allowed by the scheme's rules.
- ▶ When contributions are not paid in full each month.
- ▶ When debt owed to the scheme is not paid.
- ▶ When possible fraudulent activity has been detected.
- ▶ When a member has failed to disclose true and correct information.

If your membership has been suspended, speak to your employer to find out what the reason is for this and how it can be rectified.

Planning for a healthy future

Choosing medical aid cover is a very important decision that requires careful consideration. Opting for the cheapest plan is not always the best choice.

It is important to make sure that the things you will need are covered and that the benefits provided, are in line with the contributions you are paying.

Make an appointment with a SAMWUMED representative, not only to talk about the benefits offered by the care plan you want, but also about its limits and exclusions.

What are members' responsibilities to their medical scheme?

While it may seem that medical schemes carry the burden of regulations set by the Medical Schemes Act, members must be mindful of their obligations.

- ▶ Honesty is the best policy when applying for membership with a medical scheme. If a member provides false information, they can lose their membership.
- ▶ The member must make sure that their contributions are paid to the medical scheme on time each month.
- ▶ Members must manage their benefits responsibly, so that they are covered throughout the year.
- ▶ All claims must be settled and the member makes co-payments in instances where their accounts are not covered in full by their benefit plan or the scheme tariff.
- ▶ Members must ensure that they keep records of accounts and follow up with their medical scheme regarding payment. Where service providers submit accounts directly to the member, it is the member's responsibility to ensure that the accounts are submitted to the scheme within four months from the date of service.



Should you require more information about SAMWUMED's benefit options or want to speak to a representative, please contact us on 021 697 9500 or visit our website on www.samwumed.org