



Old Mutual Staff Medical Aid Fund

NEWSLETTER

AUTUMN 2018





MESSAGE FROM THE PRINCIPAL OFFICER

With quarter one behind us, 2018 so far certainly feels like a whirlwind of increased pace and change on all fronts, which can be rather overwhelming. Amidst all our rushing around, we need to remember that our personal wellbeing is important and that especially in our world of constant connectivity, we all need to stop and take stock from time to time.

So too, the Trustees regularly review the Fund's overall positioning, to ensure that we continue to offer value to members, provide adequate access to quality healthcare and at the same time ensure that contributions remain as low as possible. To this end an independent review of our contributions and benefits was recently conducted and we are pleased to announce that, relative to other medical aid funds in the industry, the Fund remains competitive and continues to offer good value.

Escalating healthcare costs however remain a concern to the Trustees, with increases far outstripping consumer inflation. As you will remember, we focused on the high claims trend in several of our newsletters last year. This



MESSAGE FROM THE PRINCIPAL OFFICER (CONTINUED)

high claims trend continued during 2017 and is largely attributed to increased hospital claims costs. Thank you to all the members who have been heedful in helping to curb rising claims costs. In this issue we reaffirm how members can do their bit to contain costs, and highlight some of the cost and risk management interventions being driven by the Trustees.

As the water-scarcity remains a serious concern in many parts of the country, this issue also touches on some of the potential health hazards that we should be concerned about and guard against.

Fiona

Principal Officer: OMSMAF

NEW ADMINISTRATOR FOR NETWORK PLANS FROM 1 JULY

The administration of the Network and Network SELECT Plans will move from CareCross to Universal HealthCare from 1 July 2018.

The Fund has prioritised having a smooth transition with minimal disruption to members.

More details of this will be communicated closer to the time.

HIGH COST CLAIMS TREND

Medical schemes, including OMSMAF, continue to be challenged by above-inflation claims increases. The Fund experienced periods of very high claims during 2016 and 2017, and this resulted in expenditure exceeding the amount of contributions received.

Managing healthcare costs remains a tricky balancing act and a high focus area for the trustees. They are continually challenged by the ongoing pressures of balancing the need to build reserves in an environment where the cost of treatment and utilisation is ever increasing, whilst at the same time optimising benefits and keeping contributions as low as possible. It is also important for Trustees to ensure equity in the treatment of all members, as far as possible.

Hospital costs remains the largest cost driver within the Fund and, together with the Administrator, the Fund continues to explore ways in which better to manage this, whilst



HIGH COST CLAIMS TREND

ensuring more co-ordinated and high-quality care for members. The main drivers of hospital costs are increases in tariffs and member utilisation, driven by an increased need for more and higher-cost health services. This includes technological advances and other improved developments in healthcare.

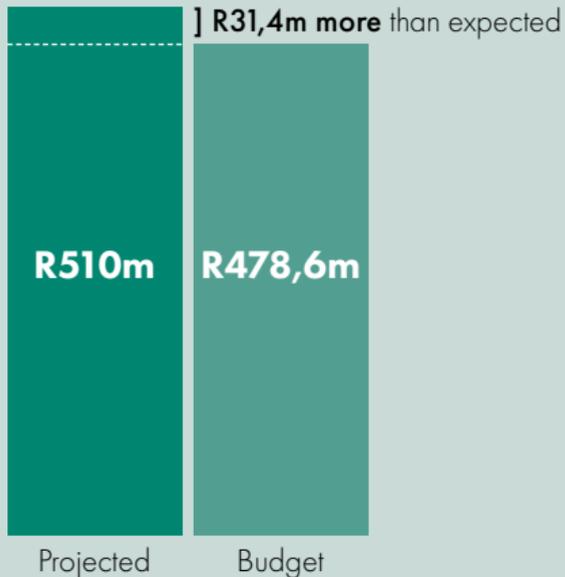
In addition, as from 1 April, an increase in Value Added Tax (VAT) will also come into effect as announced by the Minister of Finance during the 2018 budget speech, and the Fund will need to accommodate this unforeseen cost increase in all claims costs going forward.

Over the last two years, a number of new utilisation and risk management interventions and programmes have been put in place in an effort to manage costs and the impact it has on contributions. The impact of these interventions is being closely monitored.



WHAT DO OUR STATS SHOW ON THE HIGH COST TREND?

TOTAL PROJECTED HEALTHCARE COSTS FOR THIS BENEFIT YEAR:



TOP 4 HIGH-COST CASES THIS BENEFIT YEAR



Respiratory failure
R3.5million



Cerebrovascular disease
R2.3million



Colectomy (removal of bowel)
R850k



Respiratory-related cases
R700k

MOST FREQUENT ADMISSION REASONS THIS BENEFIT YEAR



Pneumonia



Maternity complications



Colectomy (removal of bowel)

WHAT **MEMBERS** CAN DO

RECONSIDER ELECTIVE PROCEDURES

Always check whether there are less invasive and less expensive, yet effective, alternatives to surgery.

For example, the Fund's Back and Neck Rehabilitation Programme has saved many members from invasive surgery and has allowed them to regain their quality of life.

REPORT FRAUD

Fraud is on the increase, so please be extra vigilant and check your invoices and monthly member statements. If you suspect any fraud, contact the Fraud Hotline on 0800 112 811 or email fraud@medscheme.co.za.

IMPROVE YOUR LIFESTYLE

An investment in your health is the greatest gift you can give yourself and it prevents future health problems.



Eat healthier foods



Drink enough water



Exercise enough



Sleep enough



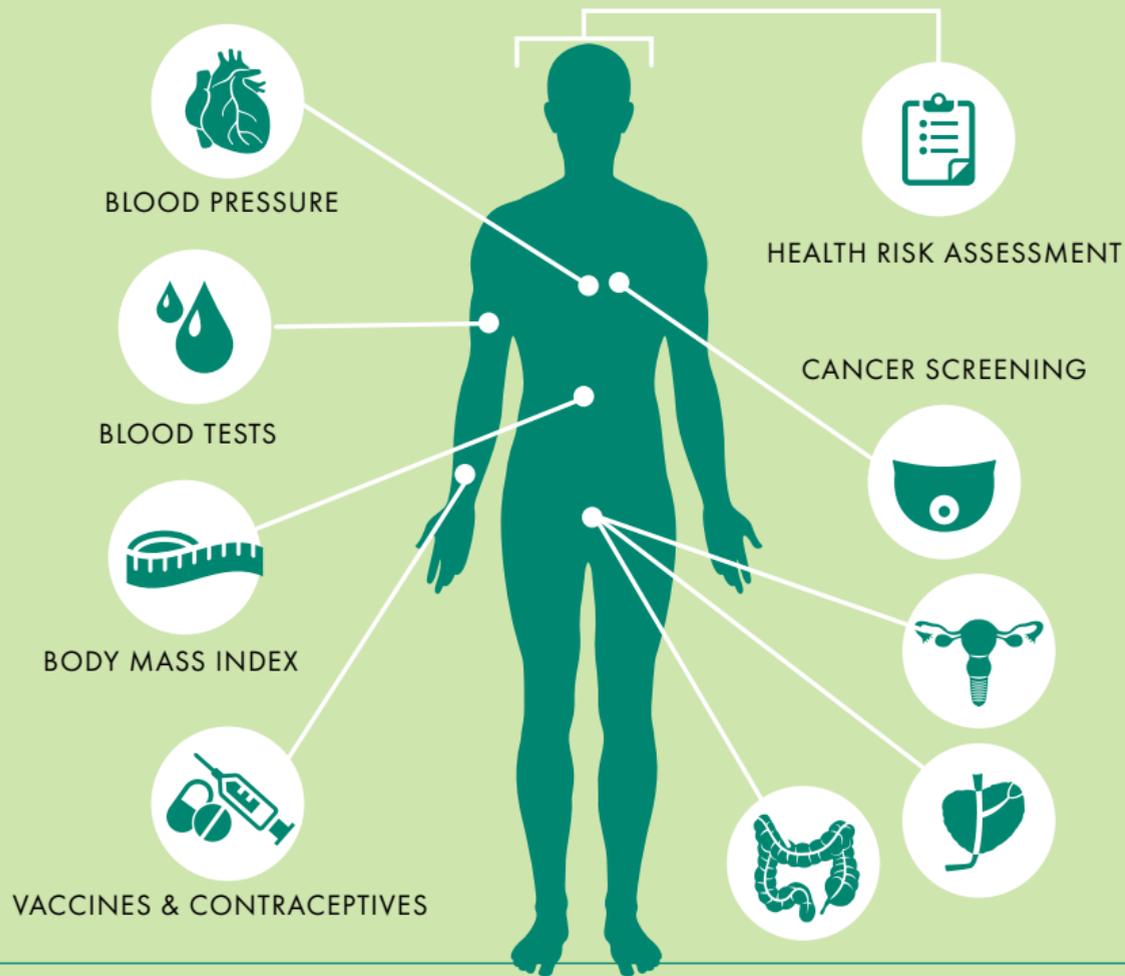
HIGH COST CLAIMS TREND

WHAT **MEMBERS** CAN DO (CONTINUED)

HAVE YOUR WELLNESS TESTS DONE AND KNOW YOUR NUMBERS

Preventative screening is important to ensure that medical conditions are detected early. It also builds awareness of the importance of healthy living, and the need to perform regular check-ups, something that is key to understanding your current health status and taking appropriate steps sooner rather than later.

You have access to the following preventative screenings tests and vaccines.



WHAT ARE THE TRUSTEES DOING TO CURB HIGH COSTS?

-  **Efficiency Discounted Options** – Through negotiations with more affordable hospital networks, members are able to choose the **SELECT** series of plans.
-  **Preferred provider arrangements** – These providers offer the Fund reduced tariffs/rates for quality care and outcomes that are monitored.
-  **In-hospital case management** – Case managers placed within certain hospitals assist with the appropriate management of hospital admissions.
-  **Monitoring provider costs** – We engage with certain hospitals about their costs relative to peers, as well as with admitting specialists, about their costs relative to their peers.
-  **Back and Neck Programme** – A conservative rehabilitation programme to prevent major surgery and promote improved quality of life.
-  **Mental Health Programme** – Provides members with support and additional benefits to assist the management of their condition and potentially prevent prolonged periods of hospitalisation.
-  **Tighter protocols for hospital admissions** – Additional protocols are being applied to ensure that required hospital admissions are supported by valid clinical diagnostic tests and doctor referrals. This is an area found to be open to abuse.



WATER CRISIS

-PLANNING THE WAY FORWARD

South Africa is a water-scarce country. Three of our provinces have been declared national disaster areas. Although Day Zero for Cape Town has been pushed out to 2019, residents are encouraged to continue their water-saving efforts.

For some the situation still holds a risk of health implications, not only on a physical level, but also on a mental level, as many have had to make drastic changes in their day-to-day living and it is yet unknown when things will return to 'normal'.

What potential problems can we expect during a time of severe water restrictions?

- An increased incidence of diseases such as gastroenteritis, hepatitis A and respiratory illnesses, mainly due to poorer hygiene and water being contaminated. Be sure to regularly clean hands with antibacterial soap (it is possible with a little water) or with hand sanitiser.
- Food supply may also be affected as there is less water for crops and livestock.
- The general level of stress and anxiety will increase as a result of limited supply and uncertainties. Ensure that you plan ahead as far as possible for any emergency scenario, and feel free to contact the Employee Wellbeing Programme (EWP) for counselling services.



LOOKING AT STRESS AND MENTAL HEALTH (ANXIETY)

According to research, one in three South Africans will probably suffer from a mental health disorder in his or her lifetime. Looking at the Fund's claim patterns we can see a steady increase in the prevalence of stress and anxiety in our members' lives, which is consistent with national and global statistics. Competition, urbanisation, technology and 24/7 365 connectivity to a world that's changing at an unforgiving pace have begun challenging our ability to take care of both our physical and mental wellbeing.

If you are feeling that you need support for any mental health condition you may have, remember that the Fund offers chronic medicine and hospitalisation benefits (benefit level depends on your chosen Plan), as well as a mental health programme that provides you with collaborative support via your family practitioner, psychiatrist and other healthcare professionals for the best possible outcome.

Call **0860 100 076** for more information.

Employees and their immediate family also have free access to the Employee Wellbeing Programme (EWP) via ICAS.
Call **0800 006 068** to speak to a counsellor.

SHARE YOUR **BRIGHT IDEAS!**



Do you have any suggestions on how we all can become healthier and make the best use of the Fund's benefits? Or how we can do more with less water? Or how we can reduce our levels of stress and anxiety in this busy world we live in?

Share your ideas with us!
Email OMSMAF_OFFICE@oldmutual.com

CONTACT DETAILS

 0860 100 076

 omsmaf.enquiries@medscheme.co.za

EMERGENCIES:

 ER24 on **084 124**
(or +27 10 205 3052 outside RSA)

Please give us feedback on this newsletter by emailing omsmaf_office@oldmutual.com.

