

Choosing the right medical scheme

By [Graham Anderson](#)

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There's no question that South Africans need medical cover. In the unexpected and calamitous event of contracting a dread disease or requiring a hospital stay, nobody needs financial stress to add to the burden - and even staying healthy from year to year can be expensive. Bearing this in mind, it's important to choose the medical scheme that's right for you, your lifestyle and your budget.



Here are eight points to consider when deciding which medical scheme to choose.

Get quotes from more than one medical scheme

This simple but effective course of action is often overlooked. People tend to make snap decisions based on a referral, an advertisement or a special offer. Rather, take an informed approach and compare all the costs and benefits of a number of different schemes.

Think about your own circumstances

It's an unfortunate fact of life that as you age, the more your body fails. If you are young and healthy with no family history of hereditary illnesses, then look at options that provide you with cover for hospitalisation and emergencies, and as you get older, you can add on the benefits as you become more likely to need them. Every scheme has a variety of different options and you shouldn't just buy the highest amount of cover when you're unlikely to need it. In the same way, you shouldn't skimp on cover that you do need just to save money every month.

Understand what you're getting

Unfortunately, many schemes have extremely convoluted rules and benefits. Do the best you can to compare apples with apples by setting aside time to go through all the information and cross-reference the pros and cons. If facts and figures aren't clear, ask for more information. If the scheme or broker is reluctant to furnish these, it's a good indication of the kind of service they'll offer you down the line.

Here are some of the commonly used terms:

- **Benefits:** The specified cover you receive from your medical scheme for health-care treatment and services.
- **Day-to-day limit:** This could either be a savings account, which is made up of 25% of your contributions to pay for out-of-hospital expenses as well as certain in-hospital costs, or a list of specified benefits with defined limits to cover only out-of-hospital expenses.
- **Scheme exclusions:** Medical conditions, treatments or services not covered by your scheme. These exclusions do not apply to conditions, treatment or services for prescribed minimum benefits.
- **Prescribed Minimum Benefits:** A set of defined conditions, treatment and services regulated by legislation to ensure that all medical scheme members have access to certain minimum health services, regardless of the benefit option they have selected. The list is available at www.medicalschemes.com.

- **Annual limits:** The maximum limit per year that you can spend on certain treatment or medication from your benefits or medical savings account.
- **Pre-authorisation:** It is the process required of the member that alerts the scheme to possible major medical expenses both in and out of hospital. This also provides an opportunity for the medical scheme to inform you and your doctor of any codes of practice applicable to the procedure or treatment you intend having.
- **Main member:** The principal member of the scheme.
- **Beneficiary:** Any person, who is the member and any dependants entitled to benefits from the scheme.
- **Family:** The total constitution of a member and his dependants registered on the scheme.
- **Waiting period:** A period during which a beneficiary is not entitled to benefits but is still paying contributions.
- **Off-label:** Medication utilised for a condition for which it is not specifically registered.
- **Single Exit Price:** The retail price of medication as determined by legislation.
- **Medical Scheme Administrator:** This is a separate company to your medical scheme, which administers all claims and payments on behalf of the medical scheme to members and service providers. This company usually manages other functions, such as the call centre, contributions management.

Think twice about a medical savings account

The only benefit to a medical savings account is that you can have access to your full year's savings before you have actually put the money away. Other than that, you would do better to save the money in your own savings account and not have a medical scheme dictate to you how you may spend it. Of course, you have to be honest with yourself about whether you have the discipline to do this. Some medical schemes also only allow further benefits to be realised if you have a savings account, so take note of those.

Cover for the big three

The most expensive and catastrophic medical events in a person's life are renal failure, cancer or any of the other dread diseases. Assess how the different medical aids address these "Big Three" - what they pay for in and out of hospital.

Peace of mind when you need it most

Look at hospital benefits and cover, and find out exactly how much of a co-payment you might be required to pay before being admitted and any future co-payment you may end up making if you were to stay in hospital. The point of a medical aid is that it does what you need it to, when you need it to. If the other benefits look good, but your hospital stays are not effectively covered at a good rate, then you need a better medical scheme.

Motivation to stay healthy

Of course, your health is your responsibility, but it's sometimes good to have a bit of external motivation. Assess what kinds of benefits you get for joining a gym or undergoing the preventative procedures and assessments that you should be carrying out every year.

All the add-ons

There's no harm in choosing a medical scheme that offers fantastic additional benefits like discounts on movies or airline tickets. However, these fringe attractions shouldn't outweigh the real benefits of the scheme. You don't join a medical aid to pay less money to see the latest romantic comedy or fly to Cape Town once a year; you join it to make sure that you're covered when you are ill or hospitalised.

Choosing the right medical aid is one of the most important decisions you can make to safeguard your family's health and wellbeing. Set aside the time to consider your decision properly to ensure that you have peace of mind when you need it most.

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