

Pre-authorisation and payment: Do you know the difference?

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Medical aid members know that pre-authorisation ahead of a medical procedure is always required but does pre-authorisation mean it's an agreement to pay in full? No, not necessarily.

This is the cause of a great deal of confusion and unhappiness from medical aid members as well as doctors and hospitals. Gerhard Van Emmenis, Principal Officer of Bonitas Medical Funds says, 'Pre-authorisation is required for all hospital admissions, including emergencies. However, it is not an agreement to pay all the costs and expenses in full.' Why not? Let's take you through the Ts and Cs.



Gerhard van Emmenis, Principal Officer of Bonitas Medical-Fund

Why do they differ?

Most medical aid plans have varying hospital benefits according to the level of cover you have chosen. Van Emmenis says, 'All of our plans provide hospital cover for major medical events when you or your dependant is admitted to hospital. But, each plan has different hospital benefits available. We encourage you to use the healthcare providers on our network and to get pre-authorisation for your hospital stay so the providers of your treatment or procedure are paid to the full extent of what your plan offers.'

Understanding your medical aid rate of payment

For example', says Van Emmenis, 'The Bonitas Rate is the rate at which we reimburse healthcare providers. Where we pay 100% of the Bonitas Rate, this is NOT necessarily what the healthcare provider charges. They may charge 200% of your medical aid rate which means you are responsible for half the payment. Each plan has a different rate according to the premium you pay. If you visit a healthcare provider that charges the Bonitas Rate, we will pay the bill in full (provided that you have benefits available). For this reason it is important to use designated service providers with whom Bonitas has

negotiated rates.'

How much will your plan cover?

If it is not an emergency the best way to find out how much your medical aid will cover is by asking the hospital and medical practitioners for a detailed quote. Submit this to your medical aid to check what they will cover and how much the shortfall, if there is one, will be.

Co-payments

The shortfall will be in the form of a co-payment. These co-payments differ from one medical aid scheme to another, and are often higher than anticipated, mostly due to medical practitioners and hospital charging higher than the medical aid rate.

Minding the gap

When there is this shortfall between what the medical scheme pays and what the hospital or specialist charges, it helps if you have taken out gap cover. Even if you have a top of the range medical aid plan, it doesn't mean there will not be 'gaps' between the tariffs your scheme is prepared to pay and the amount your specialist charges.

GAP cover is not a medical aid product but an insurance policy taken out to reduce or eliminate co-payments. Again the amount you receive depends on your GAP policy

It is important to note that Gap Cover is an insurance 'policy' and is regulated under the Long and Short Term Insurance Act (1998). Medical schemes, on the other hand, are overseen by the Council for Medical Schemes Act (1998) and are not for profit.

Ensuring you are covered

1. Make sure you get a quote.

Medical aid members are advised to not only obtain pre-authorisation but a quote from the hospital and medical practitioners prior to being admitted to hospital (if it's not an emergency). Submit this to your medical aid to find out if there are any co-payments and if so, how much they are.

2. Find a hospital on your medical fund's preferred network in order to ensure maximum payment

3. Make sure you fill in provide all information required for pre-authorisation correctly:

- Have your correct membership number and the details of the member who the request is for
- The date you are going into hospital and the date of the treatment or procedure
- The name of the doctor who will be treating the member, their telephone number and practice number
- The name of the hospital where you will receive treatment, their telephone number and practice number
- The relevant procedure and diagnosis (ICD-10) codes for the treatment (ask your doctor for these)

If your request for authorisation does not include all the information listed above, your request will not be approved. If your pre-authorisation is declined the reasons for doing so will be listed on the correspondence.

If it is approved, you will receive a pre-authorisation number and this will also outline the approved length of your hospital stay and the status of all codes.

However remember the pre-authorisation is not a commitment to pay the full amount.

4. Gap cover

If you have Gap Cover, notify them of the co-payment required prior to being admitted to hospital as there are limits to the amount they will pay.

What about emergencies?

Emergencies must be pre-authorised within 48 hours of going into hospital or on the first working day after a weekend or public holiday. If you don't get pre-authorisation, your account won't be paid by the Scheme.

'The most important thing', says Van Emmenis, 'is to find out, prior to being admitted, what your medical aid will pay and what payment you are responsible for. It will save a great deal of stress when you are recovering from surgery.'

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