

No specifics on CPA for medical schemes yet, but customer service guidelines still valuable

While the jury is still out regarding how the Consumer Protection Act (CPA) will affect medical schemes, the Commissioner for the National Consumer Commission (NCC) has been clear on some basic requirements from schemes in terms of their goods and services. Medical schemes should be doing all they can to ensure a fair, accountable approach to their members.



With so much choice in South Africa in terms of medical schemes and the healthcare options each one offers, it's no wonder that consumers are overwhelmed just as soon as they begin the process of getting medical cover. It can be a minefield. There are currently 110 medical schemes on offer.

A healthcare broker can make the navigation easier and can be helpful in matching healthcare needs and budget to an appropriate plan. Key questions also need to be asked in order to determine the financial stability and therefore likely longevity of a scheme. Global Credit Ratings, solvency ratios and also how long a medical scheme has been in existence are all important considerations so consumers should check medical schemes for these vitals.

Critical benchmark

But what good is a healthy scheme if members struggle to understand its marketing materials or basic member communication such as benefits allocations? Or if members can never get through on the phone make a claim or lodge a complaint?

Medshield Medical Scheme's executive principal officer, Duduza Khosana, comments, "From a customer service perspective, The Medical Schemes Act stipulates minimum levels of service that members can expect to receive. These provide a critical benchmark for schemes wanting to offer the kind of service that will win them favour with their members and hopefully prevent them from moving to competitors."

Therefore, while the CPA might not have direct control over service levels right now, medical schemes should nevertheless implement their own processes or Service Level Agreements (SLAs) in order to regulate and constantly improve on the service their members receive.

Rigorous approach

For both member and broker, it's a good idea to know what basic levels of service they should be receiving whether their scheme is self-administered or contracts a separate administrator. The SLAs that Medshield has facilitated with its service providers are the result of a rigorous approach to understanding and agreeing on key services, deciding how these services are to be measured for quality and also what service levels are acceptable. Medshield contracts independent auditors to ensure adequate compliance and measurement of the agreed and implemented SLA. A typical SLA for service delivery includes:

- Call centre answering speed
- Claims processing turnaround times
- New member activations
- Member complaints turnaround times

Regardless of whether the proposed exemptions to the CPA are granted to medical schemes, the principle of engaging members on real pain areas should be regarded as a positive step. It provides opportunities to break down some of the historical barriers that exist between schemes and their members. Times of ill health are stressful, so the last thing members need is a scheme that doesn't answer the phone.

Medshield Medical Scheme

Medshield is one of South Africa's largest open medical schemes. Following the amalgamation with Oxygen, Medshield has approximately 110 000 principal members, with a total of 254 000 lives covered (as February 2011). Medshield has eight healthcare benefits packages which provide members with a choice between traditional and new generation options. Medshield has once again been awarded an AA- rating for its claims paying ability by Global Credit Ratings. This is the second highest rating a scheme can achieve.

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