



A registered medical scheme
Registration no. 29/4/2/1068

December 2007

Dear member

Society enhances its service offering to members

Purpose of this letter This letter explains the way in which the Society will process claims received from service providers who charge in excess of the National Health Reference Price List (NHRPL) tariff as from January 2008.

In essence, the Society will in future pay service providers in full in most cases and recover the member's liability and co-payment from their salary/pension. This revised arrangement does not affect benefit values in any way but is aimed at simplifying the claiming process for members. This is explained in detail below.

Direct payment of service providers who charge more than NHRPL rates

How it worked in the past Only service providers who charged National Health Reference Price List (NHRPL) tariffs were paid directly and in full by the Society. Service providers who charged for their services at a rate in excess of NHRPL tariffs were not paid directly by the Society. Instead, members were refunded the Society's liability via their salary/pension and members then had to settle the account directly and in full with the service provider. The aim of this arrangement was to encourage service providers to charge the NHRPL rates and thereby avoid having to wait for payment by the member months later.

How it will work from 1 January 2008 Following member queries and requests in this regard, as well as the fact that the current strategy did not lead to a reduction in the number of providers charging in excess of the NHRPL tariff, the Trustees have approved a ruling to allow the **Society to make full payments to service providers who charge more than NHRPL rates** (provided that the tariff is regarded as being reasonable, taking into account what most service providers generally charge for that specific service). The Society will pay these service providers in full and recover the excess, as well as any levies or co-payments, from the member's salary or pension. As in the past, details of this will be reflected on your monthly DBBS statement.

Please note: There is no difference in member benefit values, but members will no longer be inconvenienced in terms of having to settle accounts with service providers in instances where the service provider charges in excess of the NHRPL tariff.

Example

NHRPL rate for a GP consultation = R 181.10

Member is liable for a 10% co payment

GP charges R 250.00

The Society will pay the practice R 250.00 and deduct R 87.00 (member's 10% co-payment of R 18.11 plus the R 68.90 charged in excess of the NHRPL rate) from the member's salary or pension.

Should you not want the Society to apply this practice to your claims, you must contact the Society on tel 053 – 807 3400. You can then arrange for the Society to refund the service provider the Society's liability (based on the NHRPL tariff) and you will then be liable to settle any co-payments and additional costs directly with the service provider.

Action required from you

1. Know before you go!

Ask the service provider what you will be charged, before making use of the service. If the charge is in excess on the NHRPL tariff, try to negotiate a better tariff or consider using an alternative service provider.

2. Make sure that you regularly check your benefit statements to see whether the Society has paid service providers in full, or whether you are required to make any payments.

We trust the above revised arrangements will meet with your approval and enable us to further improve our service to you, the member. If you need any additional information in this regard, please call the Society on 053 807 3400.

Yours sincerely

Leon Coetzee

Principal Officer