

BENEFIT BEAT



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This issue, in a nutshell:

- Contributions increase by 8%
- Benefit changes for 2012
- Introduction of new GRP groups
- Area of operation
- Credit Limits
- Tips to keep medical costs low

Benefit Society query line: **053 807 3400**

Contribution increases kept lower than industry average

Against the background of a worldwide trend of steeply increasing healthcare costs and decreasing investment returns, as well as some unique challenges specific to the Society's situation, the Trustees have done their best to keep the Society's contribution increases for 2012 as low as possible. The Trustees have therefore approved a general contribution increase of 8% for 2012, which is very competitive compared to those of other medical schemes.

The Trustees believe that members receive and will continue to receive good value for their contributions. The following examples of increases approved by other medical schemes place the increase of 8% in perspective: Medihelp and Discovery increased contributions for 2012 by 8.90%, BESTmed by 9.81%, Bonitas by 8.40%, Resolution Health by 13.90%, Momentum Health by 8.80% and Liberty Health by 9.90%.

BALANCING INFLOWS AND OUTFLOWS

The Society is a not-for-profit organisation and aims to balance its claims and administration costs against its combined contribution and investment income. Investment income is therefore an important source of revenue to the Society to ensure that there is no deficit on an annual basis. However, in the face of the current uncertain and difficult investment environment and the lower investment returns, the above general increase of 8% has allowed the Trustees to approve a "breakeven" budget for 2012.

AGEING MEMBERSHIP

The Society faces an additional challenge of compensating for significant changes in the make-up of its membership as a result of pensioner and older beneficiaries starting to dominate the Society's membership profile. This unfortunately leads to an increase in the claims cost as the membership ages and thus to an unavoidable increase in contribution rates.



INCOME BANDS COLLAPSED

At the same time, a further contribution band was collapsed in line with the Society's strategy to ultimately have a single contribution rate for all members. The direct result of this band collapse is that the effective increase in the lower income bands is 13.5%, but with a low Rand impact on those affected (mostly pensioners earning a pension below R7 000, the vast majority of whom enjoy a contribution subsidy of 86% from De Beers). The subsidy will reduce the financial impact on such pensioners significantly, and the effective increase from 2011 to 2012 translates to only R31.92 per month for this category.

The revised contributions for all members, effective from 1 January 2012 and payable in advance via the December 2011 payroll, are as follows:

Income	Category	Adult	Child Dependant
< R9000	A-F	R 1 922	R 521
R9001 +	G	R 2 014	R 543

For insightful reports on the healthcare industry, increases and other issues that may affect members, you may wish to read Personal Finance. To find these reports online, visit www.persfin.co.za and click on Healthcare Finance.



Changes for the new benefit year

This page highlights the major changes in benefits per beneficiary for next year.

Please refer to the enclosed Member Guide or visit www.dbbs.co.za for specific information on benefits, the respective limits and applicable co-payments.

SERVICE	2011 BENEFIT	2012 BENEFIT
HOSPITALISATION		
Colonoscopies, arthroscopies, laparoscopies, circumcisions and male sterilisation.	Scheme Rate only in hospital	Scheme Rate in doctors rooms and R1 500 co-payment in hospital
Internal prosthesis	R31 500 Per Beneficiary (PB)	R33 000 Per Beneficiary (PB)
DENTISTRY		
Specialised dentistry	R5 990 PB	R6 290 PB
Orthodontic treatment	R14 750 PB per lifetime	R15 480 PB per lifetime
MEDICINES		
Acute medication	R2 920 PB	R3 070 PB
Chronic medication	R25 880 PB	R27 170 PB
CARE NOT IN-HOSPITAL		
Hospice in and out patient including private nursing and wound care	Private nursing R7 000 Hospice R10 500	Combined limit of R10 500 PB
PHYSIOTHERAPY (including Biokinetics and Chiropractic Services)		
Out of hospital	R5 990 PB	R6 290 PB
AUXILIARY HEALTH SERVICES		
Audiology, chiropody, podiatry, acupuncture, dietician services, Occupational and speech therapy	R1 300 PB	R2 100 PB
MEDICAL EQUIPMENT		
External appliances	R4 780 PB	R5 020 PB
Colostomy bags and catheters	R12 780 PB	R13 420 PB
Continuous Oxygen Supply Machine and/or Oxygen	R11 680 PB	R12 265 PB
External prosthesis	R31 500 PB	R33 000 PB
Hearing aids	R11 680 PB / 5 years	R12 265 PB / 5 years
Wheelchair	R12 600 PB / 5 years	R13 320 PB / 5 years
CARE NOT IN HOSPITAL		
Mental health	R8 450 PB	R8 870 PB
ONCOLOGY		
In and out of Hospital	R168 000 PB	R176 400 PB
OPTOMETRY		
Eye examination	1 test per year PB	R3 500 overall limit PB over two year cycle
Single vision and contact lenses (or) Bifocal lenses	R2 530 or R3 160 PB over two year cycle	

New Generic Reference Pricing (GRP) groups may affect members using certain medication

In line with the Society's overall commitment to managing costs, and an on-going review of all cost areas where we can manage the costs more efficiently and ensure a sustainable scheme going into the future, the Trustees introduced Generic Reference Pricing (GRP) to both acute and chronic medicine benefits in January 2010.

However, certain medicine groups were not included in the GRP classification at that stage as there were not adequate generic products available. These groups are continuously reviewed and the GRP principal applied when suitable generic equivalent products are introduced into the market. Certain medicines that you and/or your dependants receive may therefore now be subject to GRP. An example of this would be insulin.

If you are affected by this change, you will receive an individualised letter explaining the change and the impact this may have on you. You will then be required to change to an equivalent generic medicine. You may also choose to continue using your original brand name medicine, but in such a case you will have to pay an additional co-payment in terms of the rules governing GRP.



GRP Information

Working in or travelling to Namibia or Botswana?



Working in Namibia or Botswana

The Society's rules have recently been changed to state that members and their dependants who have to be in Botswana or Namibia **for work purposes** will enjoy the same health service benefits in those countries that they would have in South Africa.

Retired in Namibia or Botswana

If members who worked in Namibia or Botswana also retire there, they (and their dependants) will continue to enjoy benefits in these countries for as long as they remain **permanent residents** there.

What if you are a RSA resident visiting Namibia or Botswana on holiday?

If you go to Botswana or Namibia on holiday and you are a South African resident, you are advised to purchase additional travel insurance (as is the case should you travel overseas, or to Zimbabwe or Mozambique), as you will not be covered by the Society for any medical services (including ER24 emergency services) in these countries.

ATTENTION: CHRONIC MEDICINE USERS

With many members – and service providers – going on holiday over the festive season, we suggest that you check your medicine levels and order timeously to avoid possible shortages or unnecessary delays in the delivery of your chronic medication.



Credit limits

A number of benefits are covered by the Society with some of these requiring the member to make a co-payment. To make such co-payments as easy as possible for members, the Society will generally pay the provider in full and arrange for the deduction of any co-payments from the member's salary/pension - in effect granting members credit. To manage this, each member has a set credit limit, based on his/her income, which is applicable to all credit that is provided by the Society. This includes credit for co-payments, for example, relating to acute medicines, consultations, as well as additional dependant contributions). If the credit limit is exceeded by the member, the Society will only pay its liability to the service provider and the member will then have to pay the co-payment directly to the provider.

Example

A member has a credit limit of R1 000 and already owes the Society R900 for that month, which will be deducted from his salary/pension at the end of the month. If the member obtains further acute medicine of R200 and R300 on one script, it will result in co-payments of R60 and R90, respectively. The Society will accept in full the claim submitted for the first medicine (say, the R200 with the R60 co-payment), but will only accept its liability for the second medicine submitted and nothing more, as the co-payment will result in the balance (R960+R90=R1 070)

exceeding the member's credit limit of R1 000. In this example the Society will pay the provider R410 and recover R60 from the member's salary/pension. The member will have to pay the pharmacist R90 at the time of purchase.



Society's contact details

Should you wish to contact the Society, please use one of the following:

E-mail:

benefitpost@dbbs.co.za

Website:

www.dbbs.co.za

(where you can also check your personal details and benefits)

Phone: 053 - 807 3400

Fax: 053 - 807 3499

Post:

PO Box 1922, Kimberley, 8300

TIPS to keep your medical costs low

- Negotiate with your doctor to charge the Society's tariff or to give you a discount, if he or she has opted not to charge within the Society's rates.
- Talk to your doctor about prescribed medicines. An alternative generic medicine may be as effective, and cost you much less. If you are too shy to approach the doctor, the dispensing pharmacist can do this for you.
- Try to avoid all unnecessary treatments. This is wasteful and costly to you and the Society.
- If your doctor recommends a particular line of treatment and you feel uncertain about whether it is necessary, ask for a second opinion.
- If an operation is scheduled for the afternoon or evening, please arrange for the hospital admission to take place after 12pm. That way the Society will only pay for the afternoon (i.e. a half-day).



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