

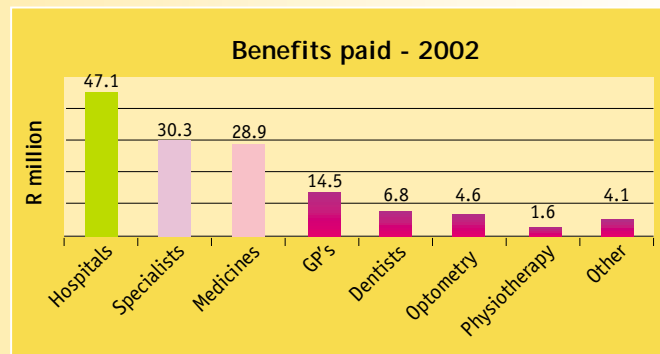
# Looking back on 2002

The enclosed financial statements give a full picture of all that has happened within the Society in the last year. This edition of Benefit Beat gives you a high-level overview of the main issues and how they affect you – please refer to your statements if you require more information.

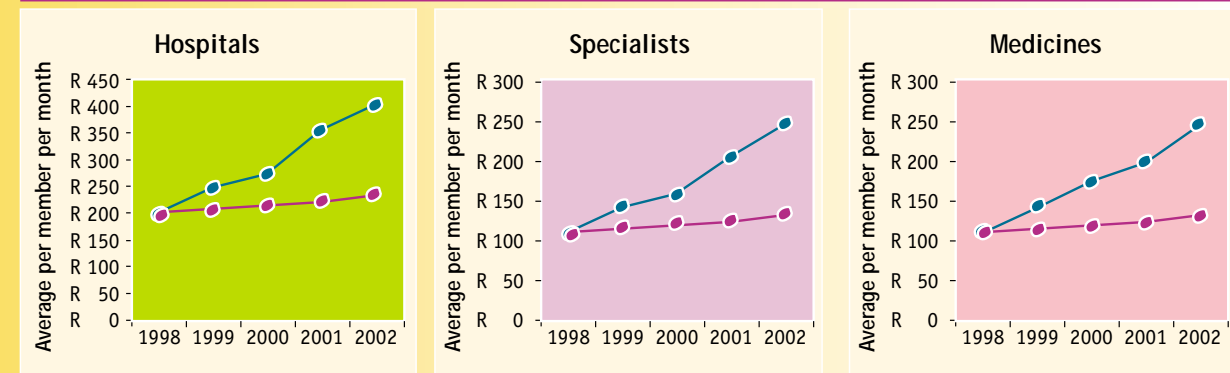
## Benefits paid for 2002

The graph on the right represents benefits paid to the various service providers for 2002 – a total of R 137.9 million. It clearly indicates that the Society's three major cost areas are hospitals, specialists and medicines – these account for 76% of the Society's total benefits paid for 2002.

The graphs below show that the cost increases in hospitals, specialists and medicines far exceeded the inflation rate (CPI) over the past five years.



## Actual increase in costs vs. inflation (CPI)

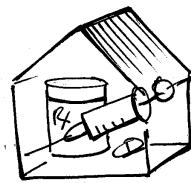


—●— This represents what the costs would have been, had they increased at the rate of inflation (CPI).

## Chronic medicine moves in-house

In September, the Society cancelled its outsourcing contract for its chronic medication programme and brought these responsibilities in-house. This change resulted in the following benefits:

- A cost-saving on administration expenses of approximately R45 000 per month.
- Authorisation can now be obtained telephonically instead of having to complete forms.



## Acute medicine authorised at MediKredit pharmacies

Also in September, the Society contracted with MediKredit pharmacies to provide acute medicine to Society members\*. This means that-

- Members now have access to more than 90% of all pharmacies countrywide.
- The pharmacies can verify your member info online.
- These pharmacies submit members' accounts directly to the Society.

\*In areas where the Society operates a Dispensary (Kimberley, Lime Acres, Kleinzee and Cullinan), members are required to make use of these Dispensaries.



## Medi-Clinic hospitals become preferred provider



After the three major hospital groups rejected the increases recommended by the Board of Healthcare Funders (BHF) for 2003, the Trustees acted swiftly to conclude a preferred provider agreement with the Medi-Clinic group of hospitals. The effect is that -

- Members do not need to pay in considerable amounts from their own pockets, if they choose to go to one of the Medi-Clinic group of hospitals.
- The Society may receive a market volume discount, keeping costs down even further.
- The Society is better able to negotiate preferred provider arrangements with specialists operating at Medi-Clinic hospitals.

The Trustees have committed themselves to continue entering into preferred provider agreements (PPAs) into the future, where it is deemed cost-effective without compromising quality. Even though the Society would like to give all its members free choice, the sustainability of the service it offers to its members must come first.

## New admin system improves service

The Society implemented the Medware administration system early last year. The new system boasts various capabilities, with both indirect and direct benefits to members:

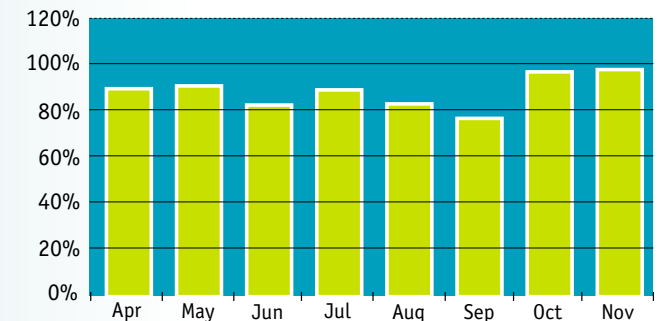
- Data can be extracted to provide meaningful management information.
- Paper claims are scanned and stored electronically.
- Claims are accepted electronically.
- A web facility will allow members online access to their data, in real time (see page 4 for more information).



## Just how quickly DO we pay?

- The Society continues to consistently pay at least 85% of all claims within 30 days of the service date (i.e. the day you saw the doctor or obtained medicines, etc.).
- The Society pays service providers (for example doctors, hospitals, pharmacies etc.) twice per month.
- Payments that take place after 30 days are due to the late submission of claims to the Society.

Percentage of claims paid within 30 days of service date: April to Nov 2002



Access to the Benefit Society's exciting new internet site is currently being rolled out. Once you have registered, you will receive your monthly statement via e-mail. In addition, you will be able to -

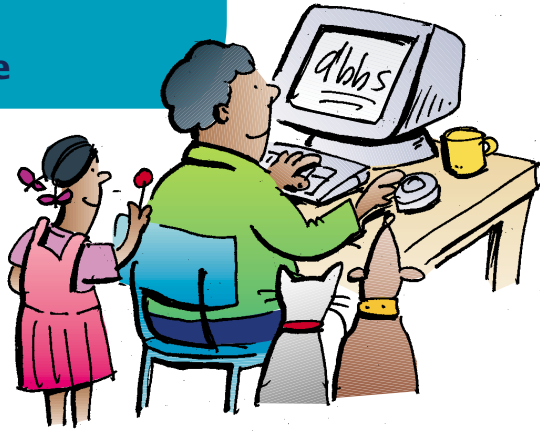
**VIEW**

- the claims received by the Society for you and/or your dependants, as well as the process status of submitted claims;
- a summary of all your and your dependants' available benefits;
- the Society's rules; and
- your monthly statements received from the Society.

**UPDATE**

- your personal details (postal address, telephone numbers, etc.) online, if necessary.

Please keep the Society updated of any changes to your e-mail address as, once you are registered, you will no longer be sent a paper statement.



Visit [www.dbbs.co.za](http://www.dbbs.co.za) today and register for all your medical benefits and claims information online.

This is an INTERNET site, not an INTRANET site. This means that the site will be available to all members via the internet - you can therefore also access it from home.

## REGISTERING - as easy as 1-2-3!

- Go to the Society's website: [www.dbbs.co.za](http://www.dbbs.co.za)  
Follow the link to REGISTER NOW! on the right of your screen.
- Complete the **PASSWORD REGISTRATION FORM**.

  - Hold the mouse cursor over each field name for an explanation of the information required.
  - When you are sure that you have completed all your details correctly, click on the **SUBMIT** button.
- After submitting your registration details a **PASSWORD ACTIVATION FORM** will appear on your screen. To activate your password you must-

  - ✓ print and sign the form
  - ✓ Fax or post it to the Society:  
Fax: (053) 807 3499  
P O Box 1922, Kimberley 8300

*On receipt of the above, the Society will verify your details and inform you via e-mail when your password has been activated. This is to ensure confidentiality of your information and should take no more than 72 hours after receipt by the Society.*

KEEP US IN ON YOUR BEAT WITH  
**BENEFIT POST!**

We'd like to hear from you.

Is there something that you'd like to know more about?

fax: 053 807 3300  
e-mail us at: [benefitpost@debeersgroup.com](mailto:benefitpost@debeersgroup.com)  
or write to: Benefit Post  
c/o De Beers Benefit Society  
PO Box 1922, Kimberley 8300

# BENEFIT BEAT

COMMUNICATING WITH MEMBERS OF THE DE BEERS BENEFIT SOCIETY APRIL 2003 ISSUE NO.14

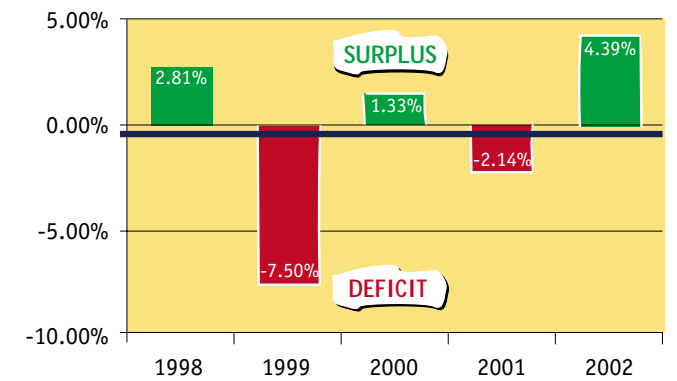
## Society kicks off year on healthy note

The Trustees are happy to report that the Society ended its financial year with an operating surplus, ensuring the ongoing solvency of the Society.

Following the operating deficit of R 2.6 million for 2001, the 2002 operating surplus of R6.9 million is very welcome and represents 4.3% of gross contributions (see graph on the right).

Although the number of months' contribution income that the Society had in its reserves at the end of 2002 weakened from 8.2 months to 7.8 months, it remains significantly higher than the required legislative minimum of three months.

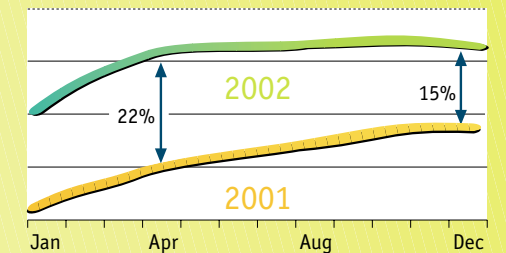
Society's year-end surplus/deficit as a percentage of contributions received: 1998 - 2002



## 2002 interim increase pays off

- As you will remember, in June last year the Society's members approved an interim contribution increase which was implemented on 1 August. The increase was deemed necessary after the weakening of the Rand and the total benefits paid for the first four months of 2002 were up 22% on the previous year (refer to the special communication sent to members dated 20 May 2002).
- However, the Rand strengthened from R 10.03/\$ (20 May 2002) to R 8.61/\$ (31 December 2002) and the trend of increased benefits paid did not continue at the same rate for the remainder of the year. The average cost per member per month for the whole year ended at 15.5% up on the previous year, as opposed to the anticipated 22%. This resulted in the operating surplus of R6.9 million.

Benefits paid: 2002 vs 2001



Had the Society not increased contributions as from August 2002, the Society would have ended the year with an operating deficit of approximately R1 million.



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