



December 2008

## Before you sign up

Planning to join a medical scheme? Thinking of moving to a new one? Before you make this big decision, consider this piece of advice.

“Trying to join a medical scheme can become discouraging with all the different benefit options on offer nowadays, all the paperwork, and all the forms to complete, not to mention the waiting periods that you may face,” says Marli Weldhagen, a Clinical Analyst at the Council for Medical Schemes. She advises you keep the following principles in mind when applying for membership to a medical scheme.

- Be honest when completing the application form, and especially the section about your clinical history. Disclose all information requested from you. If you are unsure about the terminology used on the application form, contact the prospective scheme or your GP to clarify it for you.
- If a scheme finds that you were dishonest or that you withheld information on the application form, the scheme may terminate or cancel your membership, including retrospectively (to the date on which you became a member of the scheme). You might then face significant medical costs that could have been avoided.
- If a broker helps you apply for membership, and especially if s/he completes the application form on your behalf, double-check the facts before you sign it. It is *your* signature that appears on the form; by law, this means that *you* agree with the contents on the form. Also remember that a scheme cannot force you to use a broker; you can join a scheme without using a broker.
- No person may belong to more than one medical scheme at a time. For example, a child cannot be registered on both **parents’ schemes**, and a person cannot claim against more than one scheme. This is fraud.

“If in doubt about whether or not something is worth mentioning [on the application form], rather be safe than sorry.” –  
Stephen Harrison  
(Senior Specialist:  
Strategy, CMS  
News September  
2008 Special)

- If you belong to a scheme already but are applying for membership with a new scheme, you need to give notice to your current scheme. Most schemes require this notice to be in writing. Bear in mind that the notice period could be anything between one and three months, and that membership with a new scheme may start only once this notice period has elapsed.
- Membership certificates provide information about the period of time that you and any dependants were registered members of a scheme. Your new scheme will ask for your membership certificate as proof of previous medical scheme cover. This enables the scheme to correctly apply waiting periods (see table) and/or late-joiner penalties. Keep copies of membership certificates of all the schemes to which you belonged previously; you never know when you might need them. You can produce an affidavit in circumstances where reasonable efforts to obtain evidence of previous membership were unsuccessful.

### Don't mind the wait

The Medical Schemes Act allows schemes to impose waiting periods on new members. A waiting period is a specified time during which you must pay your monthly contributions to the scheme while not being entitled to certain benefits.

There are two kinds of waiting periods:

- a general waiting period of up to three months; and
- a condition-specific waiting period of up to 12 months.

A general waiting period is a period during which a beneficiary is not entitled to claim any benefits.

A condition-specific waiting period is a period during which a beneficiary is not entitled to claim benefits in respect of a particular condition for which medical advice, diagnosis, care and/or treatment was received or recommended within the 12 months leading up to the date on which s/he applied for membership.

But there is always an exception to the rules. Schemes may refuse to cover a PMB condition during a waiting period, but only of those new members who have never belonged to a scheme or who did not belong to a scheme for at least 90 days prior to the date on which they applied for membership.

Other than that, schemes must cover PMBs during all other waiting periods. This includes benefits for emergency medical conditions, in- and out-of-hospital cover, and chronic medication.

### Example:

Sarah suffers from asthma (a PMB condition) and osteoporosis (a non-PMB condition). She belonged to her previous scheme for less than 24 months, and had a break in cover of less than 90 days seeing as her previous membership ended on 30 June and her new membership commenced on 1 July. Her new scheme can apply only a condition-specific waiting period on osteoporosis but it must cover her asthma because it is a PMB condition (except for the unexpired duration of a waiting period in respect of asthma imposed by the first scheme).

### How schemes apply waiting periods

#### (See table)

Schemes check for two things when they decide whether or not to apply waiting periods to new members.

First, they determine how long you've been without medical cover (i.e. how long you did not belong to a medical scheme) up to the day on which you applied for membership with them. If you've been without cover for 90 days or longer, the scheme may impose both general and condition-specific waiting periods and exclude cover for prescribed minimum benefits (PMBs) as well.

If you had no cover for less than 90 days up to the day of applying for membership, the scheme will look at how long you belonged to the previous scheme and apply either general or condition-specific waiting periods. Either way, it may not exclude cover for PMBs in this instance. If your employer decided to leave a scheme or join a new scheme, or if you had to change schemes because you changed jobs, the new scheme may not impose any waiting periods on you.

Uncovered period (from your last day with the previous scheme to the date of application for membership with the new scheme)			
Break in cover of at least 90 days	Break in cover of less than 90 days (0-89 days)		
Membership period with previous scheme			
Regardless of previous membership	24 months and longer	Shorter than 24 months (previous waiting periods may still be in place)	Regardless of previous membership  Change of employment, or employer leaving or changing a scheme
<ul style="list-style-type: none"><li>General waiting period of up to 3 months</li><li>Condition-specific waiting period of up to 12 months</li><li>Waiting period applies to PMBs (i.e. the scheme may exclude cover for PMBs during this waiting period)</li></ul>	<ul style="list-style-type: none"><li>General waiting period of up to 3 months</li><li>Waiting period does not apply to PMBs (i.e. the scheme may exclude cover for all benefits except PMBs)</li></ul>	<ul style="list-style-type: none"><li>Condition-specific waiting period of up to 12 months</li><li>Waiting period does not apply to PMBs (i.e. the scheme may exclude cover for all benefits except PMBs)</li></ul>	<ul style="list-style-type: none"><li>No general or condition-specific waiting periods may be imposed</li></ul>

Kindly contact our Call Centre if you are unsure whether you might have a condition that classifies as a PMB condition or if you would like to establish whether your scheme applied waiting periods correctly.

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