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Ref: Report on 2009 REF submissions
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Circular 43 of 2010: Progress on the implementation of the REF

Preparation for 2011: REF cost weight study and comments on the REF entry and verification criteria

The CMS is actively proceeding with preparation for the implementation of a system of risk equalisation and has been in discussions with the Minister of Health on this matter. Schemes are currently participating in a REF cost weight study to review the current REF risk factors and weighting tables, which are based on the 2005 REF pricing study.

Schemes must please comment Dr Nkuli Mlaba (n.mlaba@medicalschemes.com) on the existing entry and verification criteria before 14 September 2010.

Publication of report on 2009 REF submissions

The analysis of the 2009 REF submissions have been completed, and a report is on the CMS website ([Click here](#) http://www.medicalschemes.com/publications/ZipPublications/Risk%20Equalisation%20Fund/REFSubmissions2009_20100831.pdf

Scheme specific comments are available on the statutory returns portal on the CMS website (Username and password required – click here <https://www.medicalschemes.com>Returns/login.aspx>)

The report shows that there has been no improvement in the quality of data submitted by medical schemes since 2007 and draws attention to a concerning trend whereby there was a reduction in the quality of data submitted during 2008, which continued in 2009. The data submitted during December 2009 includes many submissions poorly correlating with the corresponding statutory returns submissions.

The proportion of schemes submitting fair data ranged from 47% - 75% during the year, with 21% - 47% of schemes submitting poor data and 4% - 6% of schemes having applied CDL definitions inadequately. The proportion of fair data dropped to 47% in December 2009 from 71%

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in December 2008. Of concern is that there may be a trend developing whereby more schemes are submitting poor quality data, particularly when considering September and December 2009 submissions.

Request to improve the quality of REF submissions

Schemes must please consider the report referred to above, and consider the scheme specific feedback. Effort must please be made by schemes that have submitted inadequate data in the past to ensure that the submissions are of good quality.

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