

**Dear Valued Members**

Monday, 30 June 2008

To make Renaissance Medical Scheme viable again, it has become necessary to implement changes to both contributions and benefits. These were approved in a Special General Meeting of Members on Friday, 28 March 2008. These changes could not be implemented earlier due to provisions of Section 32 of the Medical Schemes Act 131 of 1998 (MSA), which regulates changes in contributions and benefits.

But in line with the terms of my appointment, I have been able to obtain approval from the Registrar of Medical Schemes to implement these changes in order to protect your interests as members of the scheme.

### **Contribution increases**

Due to escalating health costs, the scheme can only become viable if we re-price the benefits as follows:

#### **Whole Life Med option**

	<b>Monthly contribution</b>
Principal member	R1 443
Adult dependant	R1 243
Child dependant	R460

#### **Evolve option**

	<b>Monthly contribution</b>
Principal member	R756
Adult beneficiary	R678
Minor beneficiary	R294

#### **Origin option**

	<b>Income R0-1 500</b>	<b>Income R1 501-5 000</b>	<b>Income R5 000+</b>
Principal member	R336	R564	R756
Adult beneficiary	R336	R564	R756
Minor beneficiary	R114	R210	R294

Although these changes were approved for 1 July 2008 onwards, they will only be implemented from 1 August 2008, giving members a month's concession in view of the late notification. I am sure you will agree with me that even with these changes, the scheme remains competitively priced compared with many other schemes.

### **Benefit changes**

Premiums are maintained at relatively low contributions through the possible savings that the scheme could derive from changes in benefit limits and the introduction of co-payments.

### **Whole Life Med: in-hospital benefits**

We have introduced a R10 000 limit per beneficiary for non-Prescribed Minimum Benefits (non-PMBs) hospital day cases.

The internal prosthesis benefit changes to R38 000 per family and R20 000 per beneficiary or single member per annum.

### **Whole Life Med: out-of-hospital benefits**

100% of the National Health Reference Price List (NHRPL) on the first R3 000 per beneficiary. Thereafter 70% of NHRPL for all further non-PMB claims.

- Acute medication benefits: the introduction of a 10% co-payment;
- General practitioners and specialists: the introduction of a sub-limit of R4 000 per beneficiary per annum, subject to the percentage rule for out-of-hospital benefits;
- Pathology and medical technology: the introduction of a sub-limit of R4 000 per beneficiary per annum, subject to the percentage rule for out-of-hospital benefits;
- Radiology: the introduction of a sub-limit of R4 000 per beneficiary per annum, subject to the percentage rule for out-of-hospital benefits;
- External appliances: the introduction of a sub-limit of R6 000 per beneficiary per annum, subject to the percentage rule for out-of-hospital benefits;
- Optical benefits: change to R3 000 per family and R1 500 per beneficiary or single member per annum, with sub-limit on frames limited to R1 000 per beneficiary per annum, subject to the percentage rule for out-of-hospital benefits; and
- Dental benefits – conservative and specialised dentistry: change to R6 000 per family and R3 000 per beneficiary or single member per annum, subject to the percentage rule for out-of-hospital benefits.

### **Evolve option: in-hospital benefits**

Maxillo facial benefit: change description to non-PMB hospital day cases which included Maxillo facial benefits to R8 000 per family and R5 000 per beneficiary per annum.

### **Evolve option: out-of-hospital benefits**

100% of NHRPL on the first R1 500 per beneficiary. Thereafter 70% of NHRPL for all further non-PMB claims.

- Acute medication benefits: the introduction of a 10% co-payment;
- General practitioners and specialists: the introduction of a sub-limit of R2 000 per beneficiary per annum, subject to the percentage rule for out-of-hospital benefits;

- Pathology and medical technology: the introduction of a sub-limit of R2 000 per beneficiary per annum, subject to the percentage rule for out-of-hospital benefits;
- Radiology: the introduction of a sub-limit of R2 000 per beneficiary per annum, subject to the percentage rule for out-of-hospital benefits; and
- External appliances: the introduction of a sub-limit of R2 500 per beneficiary per annum, subject to the percentage rule for out-of-hospital benefits.

### **Origin option: in-hospital benefits**

Maxillo facial benefit: change description to non-PMB hospital day cases which included Maxillo facial benefits. R6 000 per family and R4 000 per beneficiary per annum.

### **Origin option: out-of-hospital benefits**

100% of NHRPL on the first R1 000 per beneficiary. Thereafter 70% of NHRPL for all further non-PMB claims.

- Acute medication benefits: the introduction of a 10% co-payment; and
- General practitioners and specialists: the introduction of a sub-limit of R1 500 per beneficiary per annum, subject to the percentage rule for out-of-hospital benefits.

It is necessary to implement the above benefit changes immediately to derive the needed savings for the recovery of the scheme.

I am aware of the difficulty that you as members may have in adjusting to these new changes, especially in view of the economic climate of our country, but I am sure you will agree with me that in the long run, these changes will be of benefit to you as members.

Yours sincerely



**Mzi Nkonki**

Curator of Renaissance Medical Scheme

\* From the Council for Medical Schemes: Please note that this is an exceptional case which does not override the provisions of the rules of the scheme or the Medical Schemes Act 131 of 1998 in any way, shape or form.