COUNCIL FOR MEDICAL SCHEMES
ANNUAL REPORT 2015/16

OUR MEMBERS, OUR FOCUS

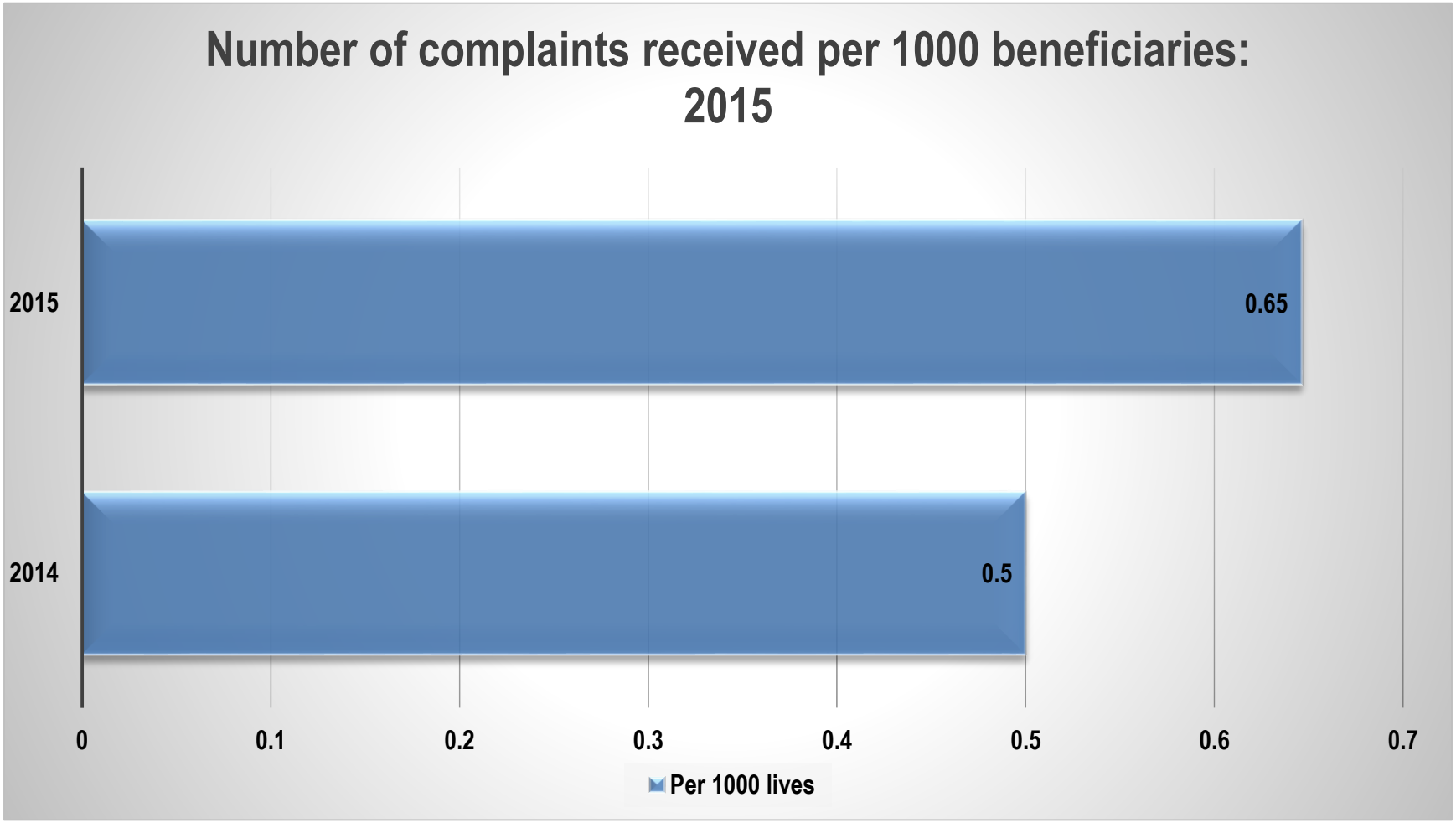
CMS
Council
for Medical Schemes

BRIEFING
October 2016

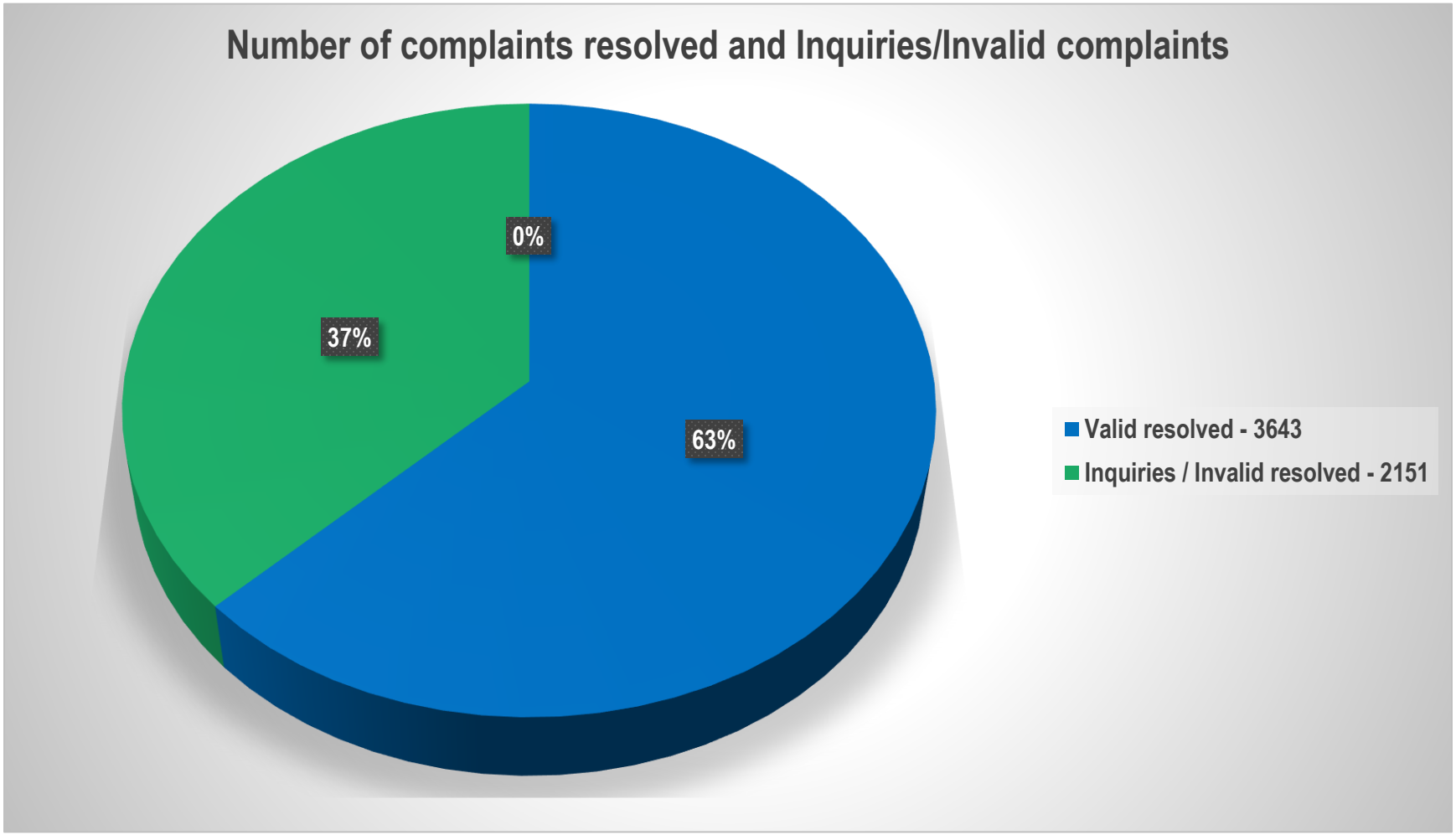
Complaints Trends

1. Complaints summary
2. Complaints trends - Open medical schemes
3. Complaints trends – Restricted medical schemes

NUMBER OF COMPLAINTS RECEIVED PER 1000 BENEFICIARIES

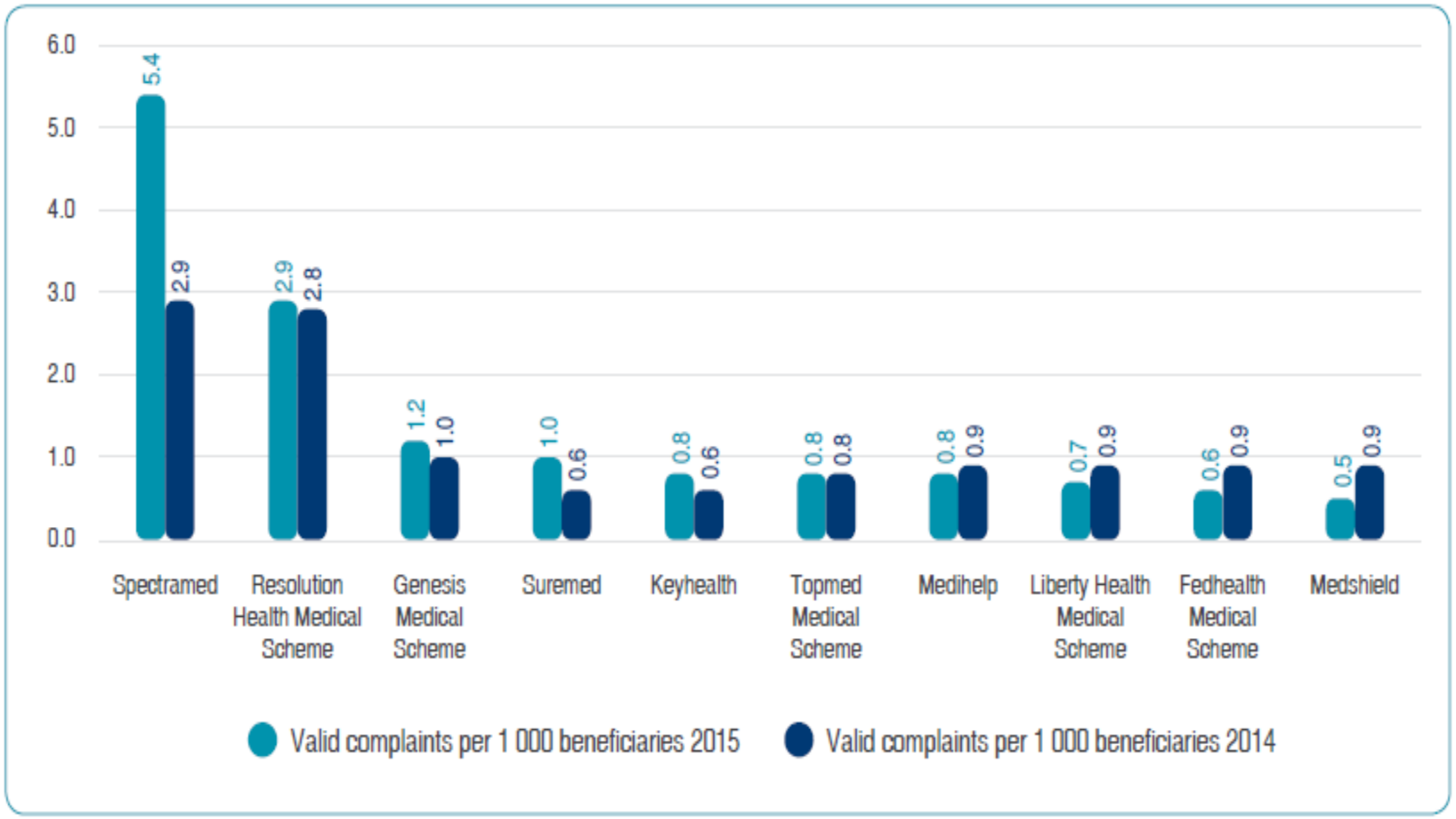


NUMBER OF COMPLAINTS RECEIVED: 2015



OPEN MEDICAL SCHEMES WITH MOST COMPLAINTS

Open medical schemes with most complaints / 1000 beneficiaries (2015)



TRENDS - OPEN MEDICAL SCHEMES

- SPECTRAMED:
  - Administrative inefficiencies due to change in administrator (from V-Med to Agility)
  - Delayed payment of members' accounts due to insufficient data.
  - Incorrect assessment of accounts – valid claims incorrectly rejected.
  - PMB accounts paid at scheme rate and reprocessed after receipt of CMS complaints.

- RESOLUTION HEALTH:
  - Administrative inefficiencies such as loading authorisation under incorrect dependants.
  - Processing accounts from incorrect benefit category.
  - Service providers and members informed that PMB procedures will be funded up to monetary limit contrary to Regulation 8(1) of the Medical Schemes Act.
  - PMB accounts paid at scheme rate and reprocessed after receipt of CMS complaints.

CHANGE IN ADMINISTRATORS

- Complaints related to delayed payment of accounts and incorrect processing of accounts.
- Insufficient data transferred from one administrator to another.
- Delayed verification and delayed release of payment of accounts.
- Recordings not transferred over to new administrator prior to the take-over.
- Section 57 (4)(c): BoT to ensure proper control systems are employed by or on behalf of the medical scheme.
- Section 57 (4)(h): BoT to ensure operation and administration of a medical scheme comply with the provisions of the Medical Schemes Act.

PRESCRIBED MINIMUM BENEFITS

- GENESIS - Incorrect interpretation of the Act which led to absurdity

Reasons furnished why certain accounts would not be funded in full were the following:

- "*Member was diagnosed with a PMB condition prior to the PMB legislation was implemented, therefore the condition does not qualify for benefits…*"
- "*Genesis is obliged to fund in-hospital treatment of PMB conditions*". This means PMBs do not qualify for funding if treatment was rendered on an outpatient basis.
- *In terms of section 29(1) (o) and (p), Genesis only funds PMB accounts if treatment was rendered at a public hospital*. Therefore, the decision to short-pay accounts was justified.

PRESCRIBED MINIMUM BENEFITS

- GENESIS:
  - Serious non-compliance with the Medical Schemes Act, particularly on funding conditions that are listed as Prescribed Minimum Benefits (PMBs) application.
  - Members of Genesis exposed financially.
  - The Supreme Court of Appeal held in the matter between *The Council for Medical Schemes v Genesis Medical Scheme* that Genesis was liable to fund in full PMB treatment rendered in a private hospital, including the costs of a prosthesis. This means the member was protected from financial burden of funding the balance of the account relating to the treatment of a PMB condition.
  - The Scheme's petition to appeal the decision to the Constitutional Court was dismissed.

PAYMENT OF PMBs FROM THE MEDICAL SAVINGS ACCOUNTS

- Paying PMB accounts from medical savings account in contravention of Regulation 10 (6) of the Act.
- Accounts reviewed after receipt of CMS complaints and payment later made in full from the risk benefit.
- No clear reasons furnished why payment was processed from the incorrect benefit.
- Reasonable conclusion that no mechanisms in place to “flag” PMB accounts from non-PMB benefits or deliberate policies by Schemes.
- Concerned about staff training / incorrect assessment of claims and / or blatant disregard of the provision of the Act.

GENERAL CUSTOMER SERVICE

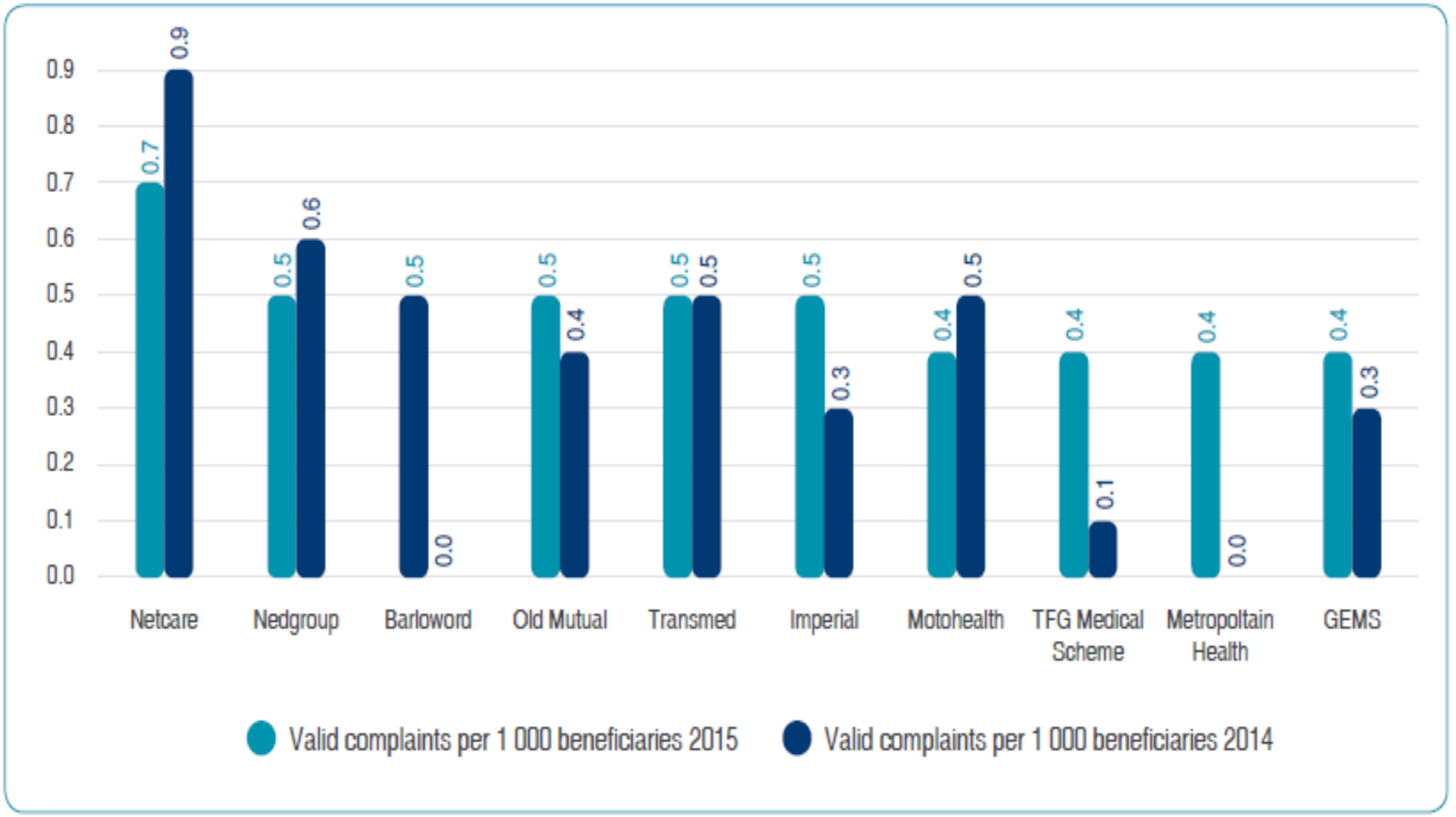
- ❑ Increase in volume of complaints relating to the afore-mentioned.
- ❑ Complaints were in respect of the following:
  - ➢ Call recordings not available;
  - ➢ Telephone calls not answered;
  - ➢ Membership certificates not issued;
  - ➢ Correspondences from members not responded to;
  - ➢ Members' calls not returned resulting in members making multiple follow-ups;
  - ➢ Medical schemes declined request to escalate matters to higher authorities.

CONDUCT OF DOCTORS

- Lack of understanding of the PMB regulations.
- Ill-advising patients about the liability of medical schemes on funding treatment for PMB conditions.
- Failing to disclose their non-DSP status to their patients.
- Demanding payment from members of medical schemes where medical schemes partly funds their accounts.
- Section 53 (1) (a) and (b) of the National Health Act.
- Ethical Rule 27(A)(d) of the Ethical Rules of Conduct for Practitioners registered under the Health Professions Act 1974 – a practitioner has a duty to provide information about the costs associated with treatment / alternatives available to patients to enable proper decision-making by patients.

RESTRICTED MEDICAL SCHEMES WITH MOST COMPLAINTS

Restricted schemes with most complaints / 1000 beneficiaries (2015)



GEMS – COMPLAINTS TRENDS

- GOVERNMENT EMPLOYEES MEDICAL SCHEME (GEMS)
- Appears in the Top 10 for the first time.
- Services-related complaints raised by GEMS members increased.
- Most complaints related to medicines, pathology and radiology accounts.
- My Care / Helios JV – Clearing House contract for Clearing House services with GEMS from Jan 2015.
- Contract management was a concern – GEMS had to hold its contracted party accountable thus protecting the interests of its members.
- Service Level Agreement reviewed and implementation of the penalty / termination clause in Sept 2015.
- The Board of GEMS provided the Registrar's office with continuous update on SLA with My Care.
- Close monitoring of the matter after termination of the contract.

A WAY FORWARD

MEDICAL SCHEMES

- ❑ Root cause analysis of complaints
- ❑ Clear communication of benefits
- ❑ Ongoing training of staff
- ❑ Performance management of administrators (SLA) and implementation of penalty clause.

MEMBERS

- ❑ Lack of understanding of PMB regulations
- ❑ Lack of understanding of nature and extent of discretionary benefits
- ❑ Not reading material from medical schemes
- ❑ Choosing benefit options that do not suite their healthcare needs.

DISCUSSION