



NAMDEB

Medical Aid Scheme

Administered by Prosperity Health

NEWSLETTER

AFFORDABLE AND QUALITY HEALTH COVER FOR EMPLOYER GROUPS

TOPICS FOR DISCUSSION:

1. CHALLENGING PERIOD FOR MEDICAL AIDS AND MEMBERS
2. WHAT IS THE PURPOSE OF THE NAMDEB MEDICAL AID SCHEME?
3. HOW DOES THE NAMDEB MEDICAL AID SCHEME WORK?
4. SCHEME COSTS
5. WHAT FACTORS IMPACT THE SCHEME ANNUAL INCREASE?
6. BENEFIT ACCUMULATOR
7. AGM POSTPONEMENT

2020
May

1. REMAINDER OF 2020 IS A CHALLENGING PERIOD FOR MEDICAL AIDS AND MEMBERS

Dear members, 2020 so far has been a challenging year around the world with the spread of the Corona virus pandemic. As we enter Stage 2 of the Covid 19 pandemic and State of Emergency, we are partly progressing out of the lock-down stage and most of services that were restricted during Stage 1 have now been re-opened to Scheme members. Members will again have access to most services and a large bounce back in claims in the post lock-down stage is expected. Thus it critical to understand the purpose off the Scheme, the role of members as the owners of the Scheme and how individual members claims behaviors impact on claims and ultimately on the monthly medical aid premiums.

2. WHAT IS THE PURPOSE OF THE NAMDEB MEDICAL AID SCHEME?

The Namdeb Medical Scheme is one of the private health care funders in Namibia, a closed medical aid scheme with a responsibility for assisting in defraying the health care claims of the employees of Namdeb, NDTC and Debmarine. The primary objective of a healthcare funder or medical aid like the Namdeb Medical Aid Scheme is to allow members' access to healthcare service providers when it is needed. Medical aids also pay claims of members in terms of the rules of the fund/scheme and the benchmark tariffs.

3. HOW DOES THE NAMDEB MEDICAL AID SCHEME WORK?

The Namdeb Medical Scheme is a mutual solidarity fund which operates on a cross subsidation principle and belonging to the members alone with no outside interest in the business of the Scheme. The monthly premiums contributed by the members are pooled together and members cross subsidize each other's risk and amongst the younger and older members or members (young and old) that may experience high claims during a specific period and those that claimed less during the same period. Members who claims less then subsidize members with high claims. Higher income members also pay a higher premium, but enjoying the same benefits than low claiming members and thus high income members subsidize the low income members. Members all enjoy an individual N\$1,2 million risk and hospital cover, excluding day-to-day benefits. This is against the average Scheme premiums that amounts to N\$5,005 per month. The difference between benefits claimed and members' contributions is all funded from amongst all members. Members need to understand that they do not lose benefits not used and these benefits revert back to the Scheme reserves. This in turn allow the Trustees to either limit the increase in contributions for the next year or allow them to increase benefits for the next year.

INCENTIVE OFFERED TO LOW CLAIMING MEMBERS

The Scheme has also introduced a Benefit Accumulator that offers low claiming members a reward for their low claims. This allows members to accumulate benefits that can be used to cover treatment costs that are normally excluded in terms of the Scheme rules e.g. tested sunglasses, exclusions or to pay for co-payments for treatment and procedures.

SAVE YOUR BENEFITS AND REDUCE NEXT YEAR MONTHLY PREMIUM.

Members are advised to use their benefits sparingly and to save the Scheme costs if possible. The Scheme have to make provision, like any other business organization for unplanned high claims could cause a spike in the scheme costs like the unexpected Cornona pandemic. If claim costs exceed the contribution income it need to be rectified and the Trustees have to implement a higher premium increase in the following financial year to cover for the increase in costs. Alternatively the benefit limits have to be cut or benefit enhancements have to be limited for the next year.

Higher premiums affects all Scheme members, and as co-owners of the Scheme we know that each member through their behavior can assist in managing claims.



MEMBERS OR PROVIDERS GUILTY OF BENEFIT MISS-USE IS A THREAT TO ALL MEMBERS

We hereby appeal to all members to join hands and to manage their benefits efficiently. Needless to say members who are aware of any miss-use, fraud, waste and or abuse need to report it to the Scheme "Your Voice" whistle blow line. This will allow the Scheme to take action and to ensure that the interest of all members are best served and protected.

4. SCHEME COSTS

All claims and costs paid by the Scheme are funded from contributions received from members in other words members carry each other costs.

For example: A 30 year old member, new born premature baby may cost the Scheme up to N\$700 000. The cost for the baby will be funded from the contributions of all members. The following year, when another member has a high cost claim, the same principle will also be applied.

Each Scheme member is issued with new benefits at the beginning of the financial year and it remain the members responsibility to ensure that they use the medical benefits prudently as medical claims paid have a huge impact on premiums increases and benefits enhancements.

5. WHAT FACTORS IMPACT THE SCHEME ANNUAL INCREASE?

- Healthcare claims costs rise every year and the Scheme has to make provision to cover the increases.
- New healthcare facilities are set up and more healthcare providers set up private practices.
- Practices like hospitals invest in new healthcare technology that becomes available and that drive utilization.
- The average age of the Scheme members rises every year, so the claims are expected to also increase year on year.
- Members get better informed on the benefits and how the Scheme operates and that empower members to use their benefits more effectively, lead to better utilization of the benefits which in turn result in controlling costs more effectively.

COVID-19 PANDEMIC AND NEXT FEW MONTHS FACING US

The risk remain high to all and we appeal to members to take good care, remain safe, follow the rules and promote hygiene. Practice social distancing, wash your hands regularly, sanitize and wear facial masks.

In conclusion, the Board wish to reiterate that it remains their intention to offer the best possible benefits, keep premiums affordable and healthcare accessible. This can however only be achieved if each and every Scheme member assist to control costs. They urge all members to make use of the Scheme electronic programs available to members.

6. BENEFIT ACCUMULATOR

Members are aware that the Namdeb Scheme implemented a Benefit Reward program effective 1 April 2019. This was primarily to recognise and reward members that manage their benefits effectively and who are generally low claimers.

It is our pleasure to report, that over 700 members have qualified for the benefit reward. A total amount of N\$ 2 ,079 million will be transferred into the Benefit Accumulator Accounts of the qualifying members in reward for their low claiming behavior in respect of the 2019 benefit year. This members now have the additional benefits which they can use during the remainder of the 2020 benefit year and or roll it over for the 2021 benefit year or beyond. This benefit amount is now available as an additional benefit , over and above the members normal annual benefits and can be used by members and their registered beneficiaries to pay for any cost relating to out-of-pocket expenses, exclusions, optical or any services or equipment that qualified for claiming in terms of the provisions of the Medical Aid Funds Act.

We trust that this will encourage more members to join in managing their benefits more effectively, cut out on possible fraud, waste and abuse and directly share in the benefit thereof through your personal Benefit Accumulator reward.

7. AGM POSTPONEMENT

In view of the restrictions placed on mass gatherings due to Covid-19, the Namdeb Scheme AGM and Trustee elections scheduled for 25 June is postponed to 30th September 2020.

The AGM notices will be distributed 21 days before the meeting.