

Be Smart. Keep it Simple.



WELCOME TO THE NEW KEYHEALTH E-NEWSLETTER

"The only thing that is constant is change."

These were the words of Greek philosopher Heraclitus who lived in about 500BC. And these words are so appropriate for us who live in the 21st century! The world and the things around us are changing daily. Not least, is the way in which we communicate with each other. Skype, Facebook, Instagram, Twitter, blogs, WhatsApp and online chatrooms are just a few examples of modern communication tools. Whatever happened to the good old carrier pigeon and even the postman on his bicycle? They're gone!

Most members will be familiar with the KeyTalk magazine that was sent to members at least three times a year. Unfortunately, due to various reasons, the distribution of a printed magazine has become impractical. The ineffectiveness of our postal services, a concern for our earthy resources and printing costs are just some of the considerations that led to this decision. So, staying true to the words of Heraclitus, KeyHealth has embraced the modern trend and will now bring you this e-Newsletter on a regular basis. This new version of the KeyTalk will be shorter, more environmentally friendly and will appear more frequently than its predecessor.

However, what will not change is the fact that the e-Newsletter will still contain useful information for all our members.

For your convenience, the e-Newsletter will also be available on our website and the KeyHealth smartphone app.

We trust that you will enjoy this new chapter in our Scheme's journey into the 21st century!

So What's New For 2017?

This is the time of the year when all medical schemes announce their benefit and contribution changes for the following year.

This is preceded by a great deal of work behind the scenes to analyse a scheme's financial performance and the claims patterns of members, to evaluate what's happening in the medical industry as a whole and also to consider possible benefit changes to make the scheme more attractive to current and potential new members. All of this occurs within the country's broader economic environment.

This being said, what does 2017 have in store for KeyHealth members? Staying true to our philosophy of being smart and keeping it simple, we have kept the changes to our benefit options to a minimum this year. However, this does not mean that the changes we have made are not meaningful and valuable to members. Unlike a few of our competitors, we have intentionally not added "smoke and mirror benefits" that do not add real value to the health and wellbeing of our members. Let's look at some of these changes:

- The biggest change to our benefit structure for 2017 is the implementation of a Designated Service Provider (DSP) hospital network for members on the Silver, Equilibrium and Essence options (refer to article elsewhere in this newsletter for more information in this regard).

- A 6.2% increase of the benefit limits on all options.
- Adding three additional chronic conditions (Acne, ADHD/ADD and Rhinitis) for children up to the age of 21 to the Silver option.
- The provision of three additional GP consultations or two GP consultations and one paediatrician consultation per family for child dependants up to the age of 21 after the depletion of a member's day-to-day benefits.

So what about the important aspect of contribution increases? Well, the reality is that KeyHealth is not isolated from the bigger SA macro-economic environment. The volatility in the markets and the devaluation of our currency have negatively affected interest rates and consumer inflation. Notwithstanding, the Scheme is able to implement extremely competitive contribution increases

for 2017 – especially if one considers the increases that were announced by other schemes recently.

The average contribution increase for KeyHealth for 2017 across all our options will be 9.3%. The increase on the individual options are:

Platinum	–	12%
Gold	–	12%
Silver	–	8%
Equilibrium	–	9.1%
Essence	–	9.1%

Please consult your specific option's benefit brochure for a detailed explanation of the benefits available on that option or contact the Client Service Centre on **0860 671 050** for more information.

EASY-ER – KEYHEALTH'S WAY OF MAKING SURE YOU DON'T GET HURT TWICE

In September 2013, KeyHealth introduced a unique medical scheme benefit to the market with Easy-ER – a first-of-its-kind benefit for medical scheme members.

The thinking behind this benefit was to ensure that the children of KeyHealth members are properly looked after in emergency situations, giving their parents peace of mind even in instances when they were not there to fulfil their parental duties. By providing free, direct access to a hospital's emergency room (ER) facility, **Easy-ER** also gave parents the assurance that their children would get the necessary medical care in emergency situations without placing an extra financial burden on them.

The success of **Easy-ER** was phenomenal. Over 1 000 KeyHealth children were treated in ER facilities around the country in 2014 and 2015. The best part of this was that it did not cost their parents an extra cent! In a few isolated cases, a few hospitals did insist that some parents should pay for the treatment of their children at the ER facility – something that should not happen as **Easy-ER** guarantees payment for all such services. However, when parents provided KeyHealth with these accounts, they were refunded within 24 hours.

As a result of the **Easy-ER** success, the Board of Trustees decided to extend the benefit to all beneficiaries on the Scheme from 2016. **Easy-ER** became a first-of-its-kind initiative that offers all KeyHealth beneficiaries, regardless of their age, free emergency medical cover without any hidden costs. It ensures that the entire bill will not be hurt twice – by unexpected admin or facility fees and other ER costs, when they require emergency medical treatment. Other medical schemes say they "cover" these costs, but they ultimately come from the pockets, savings or day-to-day benefits of their members. Only KeyHealth guarantees full payment of such costs without affecting the members' benefits.

But there has been one problem that has become apparent since the extension of **Easy-ER** to all beneficiaries. The intention of **Easy-**

ER is to assist members who require medical treatment in emergency situations – this means treatment that cannot be provided by a GP at his/her practice or treatment that is required after normal office hours. During 2016, many of the visits to ER facilities were not emergencies. In these cases, the **Easy-ER** benefit is not applicable.

Several ER facilities use a specific system to manage the treatment and flow of patients. This system is called Triage, and uses colour codes to categorise the priority of the treatment of patients based on the severity of their condition. KeyHealth uses this colour classification system as a guideline to determine if the visit to the ER facility was an emergency and qualified for **Easy-ER** benefits. In instances where the visit to the ER facility was not deemed to be an emergency, and the Triage classification and the treatment received confirmed this, payment for such visits will be made from a member's normal savings/day-to-day benefits (where applicable).

Easy-ER is an extra benefit the Scheme has made available to all members. So the long-term sustainability of this benefit depends entirely on its proper use. Members are encouraged to ensure that a situation is a real emergency that requires treatment at a hospital's ER facility. The following emergency checklist can be used as a guideline for this:



Emergency Checklist

- It is daytime (during working hours) and you are able to, and your condition allows you to, visit your GP instead of going to an ER facility. **YES/NO**
- Your condition allows you to wait to see your GP, and you don't need emergency medical care immediately. **YES/NO**
- You are familiar with the Triage system, and are aware that your condition is classified as "Green". **YES/NO**
- Your condition is a recurring one that has previously been successfully treated by a GP. **YES/NO**
- The condition you are suffering from is toothache, a tooth abscess or damage to your tooth by biting or chewing something. **YES/NO**

If you answer **YES** to any of these questions, your condition is not classified as an emergency. If, after working hours, you are not sure if your condition meets the **Easy-ER** criteria, choose the safer option and get ER treatment as soon as possible.

HOSPITAL NETWORK

FOR SILVER, EQUILIBRIUM AND ESSENCE OPTIONS

Most people will acknowledge that the workings of a medical scheme are very complicated. This is especially true if one looks at understanding the benefits of medical schemes.

But one thing that is reasonably easy to understand is the funding model of a medical scheme:



When one looks at the medical expenses (claims paid on behalf of members) of a medical scheme, one of the most expensive items on the list is probably the hospital costs. Private hospital care in South Africa is very good, but is also very expensive. With the decline in the quality of care in the public hospital sector, the need for private hospital care has increased. Unfortunately, this comes at a price for members of medical schemes.

KeyHealth members are also affected by this. Between 2015 and 2016, the hospital costs incurred by the Scheme has seen a drastic increase and this clearly shows the negative effect of the country's current economic climate.

This increase in expenditure inevitably has an impact on the annual consideration of contribution increases for the next year. Every year the Scheme negotiates with the country's various hospital groups to determine the tariff factor for the next year. An important increase in these negotiations is the utilisation of the hospitals

within each group by the Scheme's members. The more members who go to a specific group's hospitals, the lower the tariff this group will charge the Scheme.

There are four large private hospital groups in South Africa – Netcare, Life Healthcare, Mediclinic and the National Hospital Network (NHN). The quality of care provided by each group is very similar. The only differences may be the type of services available at a specific hospital (e.g. some hospitals might only accept day cases, etc.) and the geographical distribution of hospitals.

To limit contribution increases on the Silver, Equilibrium and Essence options, the Scheme has entered into an agreement with the Netcare and Life Healthcare private hospital groups to form a Designated Service Provider (DSP) hospital network for members on these options. This means that the Scheme will encourage as many members as possible to use the hospitals of these two groups. In return, the hospital groups will provide the

Scheme with a reduced rate on the hospital accounts of these members.

Many people view the implementation of any sort of DSP network as a reduction in benefits. This is not the case. For members on these three options, it is not that big a change. Currently, about 60% of members on these options use these two hospital groups anyway. In areas where there is no DSP hospital, members will still be able to go to any of the other hospitals. It is only in areas where DSP hospitals are in close proximity to other hospitals that members will be required to go to a DSP hospital.

Obviously, there are various practical aspects to a change like this. The following Q & A will hopefully address all the issues and clarify the details of the new DSP specialist network on the Silver, Equilibrium and Essence options.

Question: When must a member or any of his/her beneficiaries use a DSP hospital?

Answer: A member or any of his/her beneficiaries must use a Netcare or Life Healthcare hospital in a reasonable proximity of their homes for any voluntary admission/procedure.

Question: Will there be a penalty if a DSP hospital is not used for any voluntary admission/procedure?

Answer: Yes, a 30% co-payment for the hospital account will be payable in such instances. This co-payment will be payable directly to the hospital concerned. In certain cases, the hospital may even require the payment of an upfront cash deposit.

Question: Do beneficiaries still need to obtain pre-authorization before being admitted to a DSP hospital?

Answer: Yes, hospital pre-authorization is still required regardless of whether a beneficiary is to be admitted to a DSP hospital or to a non-DSP hospital. This is important as the Scheme's normal in-hospital rules and benefits will apply at any hospital. This might mean that other co-payments may be applicable, certain procedures might be excluded, certain protocols will be applicable, case management will be applied etc. The Pre-Authorisation Department will provide the relevant information at the time the beneficiary phones in.

Question: What is viewed as a reasonable proximity to a DSP hospital?

Answer: Between 35km–50km.

Question: Is a member or any of his/her beneficiaries allowed to use a non-DSP hospital for a voluntary admission/procedure if there is no DSP hospital located within a reasonable proximity?

Answer: No, a member or any of his/her beneficiaries can visit any hospital's ER facilities in an emergency. If, subsequent to the visit to the ER facility, the member or any of his/her beneficiaries is admitted to a non-DSP hospital, the Scheme will view this as an involuntary admission and there will be no co-payment of the hospital account. However, if the visit to the hospital's ER facility was not deemed to be an emergency, the normal **Easy-ER** rules will apply (refer to **Easy-ER** article in this newsletter).

Answer: Yes, but the 30% co-payment will not be applicable.

Question: What happens when a member or any of his/her beneficiaries involuntarily obtain services from a non-DSP hospital (e.g. in emergency situations or when transported to such facilities by emergency transport services)?

Answer: The Scheme will cover the costs of such services in accordance with the applicable benefit allocation and no co-payment will apply to the hospital account.

Question: Does the new DSP hospital network affect the Scheme's Easy-ER benefit?

Answer: No. A member or any of his/her beneficiaries can visit any hospital's ER facilities in an emergency. If, subsequent to the visit to the ER facility, the member or any of his/her beneficiaries is admitted to a non-DSP hospital, the Scheme will view this as an involuntary admission and there will be no co-payment of the hospital account. However, if the visit to the hospital's ER facility was not deemed to be an emergency, the normal **Easy-ER** rules will apply (refer to **Easy-ER** article in this newsletter).

Question: How does the new DSP hospital network affect the Scheme's DSP specialist network (OneCare)?

Answer: A member or any of his/her beneficiaries are still required to use the Scheme's DSP specialist network (OneCare) irrespective of where the procedure/surgery is performed. The Scheme will pay the full costs of the OneCare specialist.

Question: Will the 30% hospital co-payment be applicable if a procedure/surgery is performed by a non-DSP specialist at a DSP hospital if

a OneCare specialist is not available at this hospital?

Answer: No. The hospital account and the specialist account will be paid in full, provided that there is not a OneCare specialist available at another DSP hospital within close proximity.

Question: Will the full cost of a procedure/surgery be applicable if a procedure/surgery is performed by a non-DSP specialist at a non-DSP hospital if a OneCare specialist is available at this hospital?

Answer: Yes. In this instance, the specialist will only be reimbursed at the Medical Scheme Tariff (MST), which means the member or his/her beneficiary might be liable for a co-payment if the specialist charges above the MST rate.

Question: Will the full cost of a OneCare specialist be covered if a procedure/surgery is performed at a non-DSP hospital?

Answer: Yes, but the 30% co-payment for the hospital account will apply in such instances.

Question: Is the DSP hospital network applicable to hospitalisation for dental procedures?

Answer: Yes.

Question: How will members know if there is a DSP specialist or DSP specialist within reasonable proximity of their homes for any voluntary admission/procedure?

Answer: Information on the proximity of a DSP hospital or specialist can be obtained from the Authorisation Call Centre by phoning 0860 671 060.

A list of all DSP hospitals and specialists will also be available on the Scheme's website (www.keyhealthmedical.co.za) or on the KeyHealth smartphone app.

THE KEYHEALTH APP – A MUST-HAVE FOR ALL MEMBERS

There are more than 5 million smartphone apps available today in various app stores. There are apps for almost everything you can think of – from basic everyday stuff to financial, educational, games, and more.

The list goes on and on... and it is probably true to say that most people don't even have the need for 99% of the apps out there. But as a KeyHealth member, there is one app you SHOULD have on your phone – the KeyHealth app!

The first version of our app was launched in 2014. This version was very basic in terms of functionality – it only provided members with an electronic version of their membership card. Two years later, enhancements have been made to the app that add real value to our members' lives and is available for phones using Android, Apple and Windows-based operating systems.

Here are just some of the things you can do with your KeyHealth app:

- You (and your dependants) still have access to your electronic membership card (and for the children their **Easy-ER**) cards. Not everyone keeps their medical scheme cards on them, but they almost always have their phones with them! The electronic cards on your phone will ensure that as a KeyHealth member, you can gain access to your medical scheme benefits at all times by sending the card to service providers or showing it to them on your phone.

- Documents (e.g. accounts, clinical claims, proof of studies, clinical motivations, etc.) can be submitted to the Scheme via your phone.

- Gain access to your membership transaction history, including contributions status, benefits used and still available, claims processed, etc.

- Search facility – members can search for hospital ER facilities in their area and for DSP specialists. This functionality will list the search results and provide a map and directions to the destinations.

- The app will give members the means to communicate with the Scheme through interactive links in the app. Members have a choice of various communication channels, e.g. phone, e-mail and fax. Members will also be able to use the app to communicate in real time with the Scheme through the very popular Online Chat facility.



As with all technology, the KeyHealth app constantly needs to be improved to keep up with a changing world. So you can look forward to even more useful functionalities on the app.

What are you waiting for?

Go to your phone's app store and download the KeyHealth app today!

