

OBJECTION : DEMARCATION OF HEALTH INSURANCE POLICIES

I address my objection to you, in the hope that it will somehow change the direction of Government, in terms of the above Draft Regulations.

I am an independent Financial Advisor, specializing in the provision of comprehensive medical aid solutions for my clients. Over the last 3 years, the cover provided for hospitalization and related costs, ie surgeons and anaesthetists has been significantly reduced by all medical schemes, eg:

- Discovery Health: Reduced cover from 300% of medical aid tariff to 200% of tariff in 2007
- Fedhealth: Reduced cover from 300% of medical aid tariff to 200% of tariff in 2009
- Fedhealth: Reduced cover from 200% of medical aid tariff to 100% of tariff in 2012
- Liberty: Reduced cover from 300% of medical aid tariff to 200% of tariff in 2010
- Momentum: Reduced cover from 300% of medical aid tariff to 200% of tariff in 2009

In order to continue to provide comprehensive medical aid cover for our clients to ensure they were not faced with the significant financial hardship which could be created by these reductions in cover by medical schemes, we were forced to find an alternative, cost-effective option. This alternative was Hospital Gap Cover. Over the last 3 years, we have strongly recommended that all our clients apply for Hospital Gap Cover as without this cover, the cover offered by their medical aid is not sufficient. Below, please find direct examples of hospital procedures undergone by my specific clients, what their medical aid has covered, and what their shortfalls would have been, had they not had Hospital Gap Cover in place. Essentially CompliMed has covered all shortfalls in full except where Providers have charged in excess of 500% of tariff.

COMPLIMED CLAIMS FROM 1 JAN 2012 TO 1 APRIL 2012

Type of Procedure	Total Cost of Procedure	Covered by Medical Aid	Shortfall paid by CompliMed	Reason for Medical Aid Short Payment
MRi Scan	R 5 392	R3352	R2044	Co-payment
Hospital	R 6 967	R2817	R4150	Co-payment
Hospital	R 4 415	R3000	R1408	Co-payment
Cataract	R 2 828	R2464	R363	Anesthetist shortfall
Arthroplasty	R25 045	R9411	R8080	Anesthetist shortfall
Caesarian	R12 572	R6774	R5796	Service provider shortfall
Caesarian	R16 295	R9106	R7187	Service provider shortfall
Laparoscopy	R15 331	R12197	R3134	Service provider shortfall
Irritable Bowel Syndrome	R 6 056	R4310	R1746	Service provider shortfall
Cyst removal	R11 716	R8701	R1052	Service provider shortfall
Gastroscopy	R 3 112	R1512	R1600	Co-payment

Gastroscopy	R 2 785	R2108	R677	Service provider shortfall
Laparoscopy	R11 804	R10204	R1600	Co-payment
Laparoscopy	R13 154	R8809	R2803	Service provider shortfall
Caesarian	R 8 100	R6661	R1493	Service provider shortfall
Vasectomy	R 3 085	R2236	R793	Service provider shortfall
Cystourethroscopy	R 3 523	R2380	R1142	Service provider shortfall
Cystourethroscopy	R13 159	R8700	R4489	Service provider shortfall
Tonsillectomy	R 6 421	R4492	R1929	Service provider shortfall
Carpal Tunnel Release	R13 469	R4889	R8583	Service provider shortfall
Gastroscopy	R 1 382	R 1 054	R328	Service provider shortfall
Arthrodesis	R43 213	R32843	R9577	Service provider shortfall
Hysterectomy	R13 371	R8734	R4372	Service provider shortfall
Gastroscopy	R 3 010	R 1 410	R1 600	Co-payment
Bronchospasm	R 3 833	R 1 262	R2 576	Service provider shortfall
Dental procedures	R 20 708	R10 528	R5 383	Service provider shortfall
Tonsillectomy	R 4 440	R 2 882	R1 557	Service provider shortfall
Hernia	R 4 547	R2300	R2072	Service provider shortfall
Breathing obstruction corr	R19087	R6388	R10230	Service provider shortfall
Colonoscopy	R 1 960	R1833	R126	Service provider shortfall
Colonoscopy	R 5 105	R3405	R1700	Co-payment
Hip replacement	R 42 181	R22 958	R19 222	Service provider shortfall and R5 600 co-payment refund

Hospital Gap Cover does not replace a medical aid scheme. In fact, you HAVE to be a member of a medical scheme in order to join. It also does not only appeal to young and healthy lives. I currently have 336 clients covered by Hospital Gap Cover. The average age of my client base is 42.8 which is in line with the better medical scheme average age. Hospital Gap Cover provides cover for members up to age 80, and is an absolute life saver for pensioners who can barely afford their medical aid contributions let alone any shortfalls that their medical aids don't cover.

In my view, if Hospital Gap products are to be taken off the market, then I will no longer be able to provide my clients with a comprehensive solution to cover their shortfalls in Hospital. A stated benefit, ie a specific amount for specific procedures is also not an option as members want and need to be indemnified for actual costs incurred. I trust that my objection will be given the attention it deserves and will contribute to this draft regulation NOT being promulgated.

Yours faithfully