



national treasury

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National Treasury
REPUBLIC OF SOUTH AFRICA

**MEDIA STATEMENT
9 March 2012**

**TRANSFER OF PENSIONERS FROM MEDIHELP TO GOVERNMENT EMPLOYEES
MEDICAL SCHEME (GEMS)**

The transfer of 16 000 pensioners currently enrolled with Medihelp (“Medihelp pensioners”) to the Government Employees Medical Scheme (GEMS) this year is part of the move towards improved and cost-effective medical scheme arrangements for public service employees and pensioners, some.

This is a continuation of a process that began in 2002 when Cabinet approved research into the consolidation of fragmented medical arrangements for the public service. The consolidation has enabled government to address the shortcomings in the public service medical assistance arrangements, including inequity in access to medical cover and cost inefficiencies. The transfer of the Medihelp pensioners follows the successful amalgamation of MEDCOR with GEMS in 2010.

Work on the transfer of the Medihelp pensioners to GEMS began in 2009 and has included an actuarial comparison of their current benefits under Medihelp with those available under GEMS. The Medihelp pensioners will be enrolled in a GEMS benefit package that offers equivalent benefits to their present Medihelp benefit package. GEMS is able to offer these benefits at a lower cost to the state, in part because of its larger size and shared risk pool.

The timing of the transfer, effective from 1 April 2012, is meant to coincide with the beginning of government’s new financial year. Arrangements have been made to ensure a seamless transfer of membership from Medihelp to GEMS, which means that there will be no break in the payment for medical services and medication bought by the Medihelp pensioners.

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