



NEWSletter

July 2007

Dear Member

In this issue:

- Do you understand how a medical scheme works?
- Resolving your queries: The correct channels to follow
- How claims will be paid in 2007
- The Scheme's Trustees for 2007 and 2008 are ...
- Generic medication: Stretch your benefits further
- Is it a cold or sinusitis?
- Protect the Scheme by reporting fraud



- Update your personal details with the Scheme



Do you understand how a medical scheme works?

One often hears the angry remark: "Why does the Scheme not pay my claims? Isn't that the reason why I belong to a medical scheme – they must pay my medical expenses?"

You are absolutely right. A medical scheme is there to help its members pay for the high cost of medical treatment. However, if people understand that a medical scheme can only pay out as much as it gets in, it becomes a little clearer why the Scheme cannot pay for everything that everybody is expecting.

Let's look at how it works.

What is a medical scheme?

A medical scheme is a non-profit organisation, which belongs to its members only. Money paid into a scheme can only be used to pay providers of medical services, or to refund members /pg 2



Do you understand how a medical scheme works? (cont.)

where they have already paid for services. Any money left at the end of the year is added to the reserves of a scheme. No one else has any stake in a scheme, including the government or employer.

The use of funds by a medical scheme can be compared to water running into a tank. Almost all the water flows out again to members through claims for medical expenses. A portion is allocated for administration expenses, and if anything remains at the end of a financial year, it is pumped into a reserve tank, to be used when required. The law demands that a scheme should have a specific amount in its reserves to ensure that there is always sufficient money to meet members' claims.

Why should you belong to a medical scheme even if you are young and healthy?

Being a member of a medical scheme is like taking out insurance on your health. It is designed to provide some degree of cover for the regular "maintenance" of one's health whilst providing greater cover for largely unknown problems, which can result in hospitalisation and potentially very high costs. This may happen at any time in one's life.

Resolving your queries: The correct channels to follow

The Metropolitan Medical Scheme Client Service Team consists of dedicated agents that are trained to answer all your medical scheme queries.

If you have a query, follow these channels:

1. Phone in

When calling the Client Service Team on 0861 888 104 or (021) 480 4414, you will be greeted by an electronic message informing you that you have reached the Metropolitan Medical Scheme. Your call is placed in the queuing system and we generally aim to answer it within 30 to 60 seconds. Always have your membership number ready and ensure that you have copies or details of the claims you are querying.

Always keep copies of everything you send in. It is important to keep detailed records. Please alert us to any problems you may be having with the processing of your claims or with service in general.

2. E-mail us

You can also send an e-mail to metromed@mhg.co.za. Remember to always:

- include your membership number in your e-mail; and
- to set out your query in a simple, straightforward manner.

We aim to respond to e-mail queries within seven days, so please bear this in mind before re-sending your message.

3. Visit our website

By applying for a personal identity number (PIN), you can gain access to your claims and personal information on the Scheme's website at www.mhg.co.za, or on the Metropolitan Intranet (MetWeb).

Internet access allows you to check on the processing of claims, as well as your benefits and personal information. Apply for a PIN on our website or contact the Client Service Team for more information.

How claims will be paid in 2007

It is important to understand the difference between the recommended rates at which the Scheme pays claims and the private rates charged by doctors and other service providers.

The Council for Medical Schemes publishes a list of recommended rates of payment for medical services and procedures every year. This price list is called the National Health Reference Price List (NHRPL).

Since the NHRPL for 2007 is not available yet, the Scheme will pay claims in 2007 at the NHRPL rate for 2006, plus a 5% increase.

Ask your service provider if he or she charges NHRPL rates. If not, you may have to pay the portion of his or her account that is higher than the rate paid by the Scheme.

The Scheme's Trustees for 2007 and 2008 are...

At the Scheme's Annual General Meeting (AGM) on 7 June 2007, the members present elected the following Trustees to serve terms of office of two years each, to end at the AGM in 2009:

- Tjaart Esterhuysen;
- Nicolette Hendricks; and
- Tim Jobson.

The following member-elected Trustees' terms of office will end at the Annual General Meeting in 2008:

- Bonita Petersen;
- Tommy Hickman;
- Rian du Toit; and
- Jim van der Merwe.

At the first meeting of the Board of Trustees following the AGM, the four co-opted Trustees were appointed. These co-opted Trustees will each serve a term of office of two years. They are:

- Hermie Hendrikse;
- Gabriele Cillie;
- Lourens du Plessis; and
- Jaco Meyer.

At the same meeting, Tjaart Esterhuysen was re-elected as Chairperson and Bonita Petersen elected as Vice-chairperson.

Ronel du Toit is the Scheme's Principal Officer.

Generic medication: Stretch your benefits further

When a doctor writes a prescription, or a consumer buys over-the-counter medication, he or she may have a choice between brand-name medication and the generic version of that medication.

Generic medication is less expensive than brand-name medication. Making use of generic medication will therefore bring about significant savings on the price of medication, which in turn will stretch your benefits further.

More about generic medication

What is generic medication?

Generic medication is the equivalent of brand-name medication. It contains the same active ingredients, strength and dosage as the original product.

Why is brand-name medication more expensive than generic medication?

Once brand-name medication has been researched and developed - a process that is extremely costly and time consuming - the pharmaceutical manufacturer receives a licence or patent.

The patent gives the pharmaceutical manufacturer exclusive rights to market the product to the public for a certain length of time. When the patent expires, other pharmaceutical manufacturers may produce the same medication under a generic name.

Generic medication is less costly because it does not have to undergo the same expensive research and development.

Is generic medication as safe as the original product?

The Medicines Control Council (MCC) of South Africa requires that all medication, whether brand-name or generic, meet the stipulated standard of safety, strength, purity and effectiveness.

For medication to be marketed under a generic label, the manufacturer must comply with MCC standards. The MCC sets up guidelines and requires strict testing in order to ensure that generic medication is the same as the original product.

Is it a cold or sinusitis?

Sinusitis is one of the most common medical complaints. Approximately 30% of the population will be affected by it at some point.

The sinuses are air-conditioning spaces at the front of the skull. If they are blocked, it can lead to the onset of sinusitis.

You have sinusitis if your cold and allergy-like symptoms persist for more than seven days and you have a greenish postnasal drip, toothache or facial pain. Acute sinusitis can last up to three weeks. After three weeks, chronic sinusitis is diagnosed, which is more difficult to treat.

Apart from taking antibiotics or a nasal spray, there are a few things you can do to banish the misery of having sinusitis:

- Take a good, high potency multivitamin and a garlic supplement.
- Drink plenty of water during the day. This will help moisten and thin the mucus in your sinuses.
- Put some Vicks or Friars Balsam into a basin of hot water, place a towel over your head and breathe gently through your nose - the vapours will help you open the nasal passage. Steam rooms may also be helpful.
- Ensure that you avoid smoggy, dusty and smoky areas.



Protect the Scheme by reporting

FRAUD

By now you would have noticed the Scheme's serious commitment to stamping out fraud. Let's look at some fraudulent activities and their consequences.

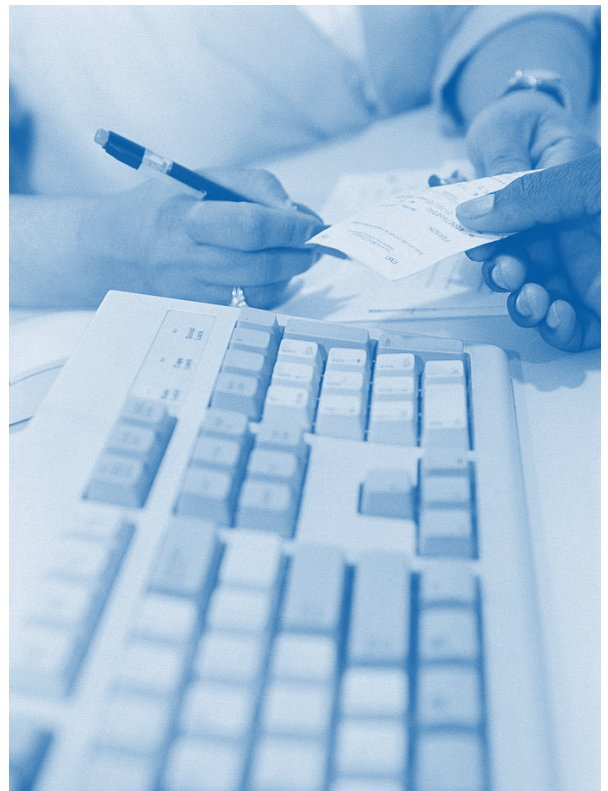
Fraudulent activities include the following:

- service providers claiming for services they have not rendered;
- service providers submitting claims to the Scheme in cases where the member has already settled the account;
- members and service providers submitting fictitious claims and splitting the cash;
- service providers changing the dates of services to obtain benefits during a new benefit year;
- non-registered persons using a registered member's membership card to obtain services;
- misrepresentation of medical information, e.g. changing the details of a medical motivation to obtain approval for a procedure that would otherwise not be approved; and
- submission of fraudulent claims on behalf of a non-registered person, and the subsequent manipulation of information on the claim.

The following actions are taken against offenders:

- utilisation reviews are compiled and provider profiles closely monitored;
- indirect payment is made, i.e. claims are not paid directly to the fraudulent service provider;
- service providers are reported to the Health Professions Council of South Africa (HPCSA);
- members face disciplinary action and are dismissed if found guilty;
- members are resigned from the Scheme for failing to comply with the Scheme's requests to obtain additional information; and
- criminal action is taken against perpetrators.

Please look after the best interests of the Scheme by continuing to report fraud.



Update your personal details with the Scheme

To ensure that you receive all your correspondence from the Scheme, such as claims statements, newsletters and important notifications, please provide us with the following details:



Update your personal details



**METROPOLITAN
MEDICAL SCHEME**

Details of beneficiaries

	Initials	First name	Surname	ID number
Main member	_____	_____	_____	_____
Spouse	_____	_____	_____	_____
Dependant	_____	_____	_____	_____
Dependant	_____	_____	_____	_____
Dependant	_____	_____	_____	_____
Dependant	_____	_____	_____	_____

Membership number: _____

Current branch code: _____

Private address: _____

_____ Code _____

Contact details

Telephone number: _____ (w) _____ (h) _____ (cell)

E-mail address: _____

The completed slip can be handed in at the Parc du Cap Helpdesk or sent via internal mail using the "Claims Box". Alternatively, it can be faxed, posted or e-mailed to the relevant numbers or addresses in the "Important contact details" section.



Important contact details

Address

Metropolitan Medical Scheme
PO Box 15716
Vlaeberg
8018

Client Service Department

Tel 0861 888 104 or (021) 480 4414
Fax (021) 480 4420
E-mail metromed@mhg.co.za
Internet www.mhg.co.za

Metropolitan Health Group/ KPMG Fraud Hotline

0800 200 564

Hospital pre-authorisation

0861 888 309 or (021) 480 4923

Chronic medicine enquiries

0861 888 104 or (021) 480 4414

Disease Risk Management

0861 888 109

Members residing in the Cape Town area are encouraged to make use of the telephone numbers starting with “480” instead of “0861” as the former is more cost-effective for local callers.

