

# YOUR HEALTH COMPASS



## Health Product Changes 2021

### DISCOVERY HEALTH MEDICAL SCHEME CONTRIBUTION INCREASE EFFECTIVE 1 JULY 2021

At the launch of their 2021 product offering in September last year, Discovery Health Medical Scheme announced a 0% contribution increase for the first 6 months of 2021.

With effect from 1 July 2021 the scheme has announced a 5.9% increase in contributions across all plans, which translates to a 2.95% annual average weighted increase. Details of the contributions are enclosed. Benefits will remain unchanged for the balance of the year i.e. the contribution increase is not accompanied by increases or changes to benefits. However, as your Medical Savings Account (MSA) is calculated as a percentage of your contribution, there will be an increase in your MSA on Saver, Priority and Comprehensive plans, and a decrease in your Self Payment Gap on the Priority and Comprehensive plans.

You can watch a webinar in which these changes are discussed via the Microsoft Teams platform at this link: [Click here to watch the Webinar](#)

*Please remember that data charges will apply when watching the Webinar.*

### Plan changes

As a result of the delayed increase, you will be given another opportunity to change your medical scheme plan for the remainder of the benefit year with effect 1 July 2021.

There are several ways we can assist you in better understanding your choices. You are welcome to use any of the following tools that we have made available to you:

- Comparison of DHMS plans and contributions

You can access a **Benefit Calculator section** on the intranet site we have made available to you:

Alexander Forbes Health SU site: <https://www.afhealth.co.za/stellenboschuniversity/Pages/default.aspx>

- SU intranet page

All the information regarding medical scheme plans for 2021 is available on the SU website:

[http://www.sun.ac.za/english/human-resources/Pages/Policies---Procedures.aspx#Medical\\_Benefits2021](http://www.sun.ac.za/english/human-resources/Pages/Policies---Procedures.aspx#Medical_Benefits2021)

You access the DHMS contribution table for the period July to December 2021 - [click here:](#)

- Assistance from an Alexander Forbes Health Consultant

Your Alexander Forbes Health consultants, Marie-Louise du Toit and Riaan Oosthuizen, will be available to help you make the right choice.

Between Monday 17 May 2021 and Friday 11 June 2021 members can click on the link below to book a virtual or telephonic 30-minute consultation session with either of the consultants. Please choose a consultant name, i.e. Marie-Louise or Riaan. Please do not choose 'Anyone'.

<https://outlook.office365.com/owa/calendar/HealthConsultingHelpdeskServiceCalls@aforges.onmicrosoft.com/bookings/s/MroOcD7v6kOv75mh681jlw2>

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Should you wish to change your plan please send an e-mail with your instruction to Marie-Louise or Riaan before 11 June 2021. **The cut off for plan changes is thus 11 June 2021.**

**The Implications of the July increase on your Medical Savings Account (MSA)**

Your MSA is calculated as a percentage of your total contributions. Classic plans allocate 25% of your total contribution to your MSA, Coastal plans 20% and Essential plans 15%. An increase in contributions will therefore result in an increase to your MSA for the remainder of the year. If you exhaust your MSA by 30 June 2021 then you will have some additional funds available for the balance of the year.

If you are on a Threshold plan such as a Priority or Comprehensive plan, the increase in your MSA may assist in reducing your Self Payment Gap (SPG) as Threshold values will remain unchanged. If you have already breached your Threshold, then claims will continue to be funded from your Above Threshold Benefit, despite the addition of funds into your MSA. These additional funds can be carried forward to 2022 or accessed for exceptions pay-outs such as claims for benefits where you have exceeded a benefit limit.

**Example:** A principal Member + Spouse + 2 Children on a Classic Comprehensive plan.

	1 January 2021	1 July 2021	Change
Annual Medical Savings Account (MSA)	R41 880	R43 116	R1 236
Annual Threshold	R51 700	R51 700	R0
Annual Self Payment Gap (SPG)	R9 820	R8 584	-R1 236

If the family had already breached the Threshold of R51 700 by 30 June 2021, then the addition MSA of R1 236 could roll forward as an opening balance for 2022 or could be accessed on request as an exception should the family exceed a benefit limit.

**Downgrading your Plan**

If you choose to downgrade your medical scheme plan, please be aware that you may create a claw back on your MSA if you have utilised more than half of your MSA on your existing plan. The medical scheme provides you with access to your full annual MSA in January of each year. Essentially you refund this advanced MSA on a monthly basis when paying your monthly contribution (as either 25% or 15% of your contribution has been allocated to your MSA). If you have utilised more of your MSA than you have refunded, via your monthly contribution, the scheme is at risk of not receiving the full refund for the advancement of your MSA and may ask you to pay back the difference (known as a clawback).

**Example:** A Principal Member + Spouse + 2 Children on a Classic Saver plan, chooses to downgrade to Essential Saver from 1 July but has already utilised the full MSA for the Classic Saver plan

	Projected Annual Values on Classic Saver as at 1 January 2021	Classic Saver MSA for the period 1 January 2021 to 30 June 2021	Essential Saver Values from 1 July 2021 to 31 December 2021	Actual MSA Facility Available from 1 January 2021 to 31 December 2021	Clawback on MSA
	(a)	(a)x50% =(b)	(c)	(b)+(c) = (d)	(a)-(d)
Medical savings account (MSA)	R25 548	R12 774	R6 348	R19 122	-R6 426

In January, the family would have been allocated an annual MSA of R25 548 (R2 129 per month). Each month the member refunds the R2 129 MSA allocation to the scheme as part of their monthly contribution. Effectively they would have only refunded half of the annual MSA i.e. R12 774 by 30 June 2021. If they downgrade to the Essential Saver plan on the 1<sup>st</sup> July 2021, their MSA for the period July to December 2021 would total R6 348 (an allocation of R1 058 per month). This would effectively give them an annual MSA of R12 774 on the Classic Saver for 6 months + R6 348 on the Essential Saver for 6 months = R19 122 for the year.

Assuming they fully utilised the annual MSA of R25 548 by 30 June 2021 and then downgrade to the Essential Saver plan the family would be required to refund Discovery Health Medical Scheme R6 426, which represents the difference between the annual MSA allocated and utilised on the Classic Saver plan of R25 548 and the effective annual MSA of R19 122 following the downgrade to the Essential Saver plan.

### Upgrading your Plan

If you choose to upgrade your medical scheme plan, please be aware that any benefit limits will be pro-rated for the remainder of the year.

### The DHMS Covid-19 vaccine registration portal

Should you wish to learn more about the DHMS vaccine registration process and portal, please [click here:](#)

If you have any further enquiries, please contact your Alexander Forbes Health consultant.

Wishing you good health.

Riaan Oosthuizen

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**Alexander Forbes Health**