

## Medical scheme industry's response to Covid-19

The Covid-19 pandemic prompted a rapid response from medical schemes to find ways to assist their members, while still maintaining compliance with the very tight regulatory framework that governs the funding industry.



Lerato Mbsiah, CEO, Health Funders Association

"From as early as March, members with a confirmed diagnosis of Covid-19 were assured that their tests and treatment for the disease would be funded in full," says Lerato Mbsiah, CEO of the Health Funders Association.

For medical schemes, this meant allocating unbudgeted funds for extensive testing and treatment, including the often-prolonged funding of high cost, lifesaving treatment in hospital.

Assisting members to stay safe and adhere to infection control measures meant the rapid implementation of coverage for additional benefits like virtual consultations with health service providers and funding for extra personal protective equipment (PPE) in hospital as well as isolation facilities.

Together with hospital groups, schemes closely monitored the utilisation of high care and ICU hospital beds with a view to redirecting their members to facilities with available space when necessary.

South Africa's extended lockdown has resulted in severe financial hardship and a complete or partial loss of income for many medical scheme members.

## Innovation

Mosiah says that many medical schemes have structured innovative ways, within regulatory parameters and within scheme rules, of accommodating members who are struggling to pay contributions due to an interruption in their earnings.

"While some schemes have permitted members to utilise their accumulated savings to pay contributions, others have offered payment concessions to SMMEs," she says.

She adds that schemes focus on providing a range of plans to meet medical and affordability needs across their membership, and members are always encouraged to consult their financial advisers to find an option best suited to them and to enable them to retain cover.

For medical schemes, budgeting for 2021 will be challenging. The uncertainties around the trajectory of the Covid-19 pandemic and the treatment and prevention requirements mean that schemes will need to make provision for managing the disease and any arising clinical complications.

"Scheme reserves have also been negatively impacted by the struggling economy and difficult investment markets, and schemes must take this uncertainty into account when pricing contributions into the future," says Mosiah.

"Protecting members, both through providing adequate benefits and through ensuring that contributions remain affordable is going to require that medical schemes navigate carefully through this complex time," she says.

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