



Dear Member

In this edition of our newsletter, we will focus on the Annual General Meeting of the Scheme which took place on the 23rd of June 2011. The "Chairman's Address" and details the Board of Trustees and the Principal Officer of the scheme are highlighted below for your information. Included in this edition is important information regarding the implementation of Patient Advocacy.

We welcome any suggestions that you may have on types of articles and / or topics you would like to see published in future newsletters. Please e-mail or fax any suggestions you may have to Lallie Govender – lallie.govender@momentum.co.za or fax number **031-580 0455**.

Yours in good health....

Chairman's Address

Nampak SA Medical Scheme enjoyed another year of sound financial performance as at the end of December 2010, ending the year with a solvency ratio of 53.8%, thus enabling the Board of Trustees to approve a single digit increase in contributions for 2011.

The Scheme ended the year with a gross healthcare deficit of R3.1 million. The relevant healthcare expenditure ratio for the Scheme ended on 94% and with non-healthcare costs being 9% of gross contribution income. The net healthcare result was a deficit of R18.6 million. Investment returns remained stable at 12% from 2009 to 2010, thus leaving the Scheme with a net surplus of R1.1 million, R7,1 million less than 2009. Although a lower gain was made in the current year than in the prior year, the Scheme's reserves are sound. The trustees will focus on ways to reduce healthcare costs in 2011.

The Scheme manages its medical insurance risk through benefit limits and sub-limits, approval procedures for transactions that involve pricing guidelines, pre-authorisation and case management, service provider profiling, centralised management of risk transfer arrangements as well as the monitoring of emerging issues.

The Scheme's membership remained stable at 5 199 in 2010 against 5 250 in 2009. There were 12 259 beneficiaries on the Scheme at the end of 2010 (2009: 12 504). The average age per beneficiary was 35.31 and the pensioner ratio was 10.2%. In preparing the annual financial statements the trustees used the most appropriate accounting policies, which were consistently applied and supported by reasonable and prudent judgements and estimates.

Nampak SA Medical Scheme operates in a well-established controlled environment, which is well documented and regularly reviewed. The Scheme incorporates risk management and internal control procedures designed to provide reasonable assurance that assets are safeguarded and the risks facing the business are being controlled.

The going concern basis has been adopted in preparing the annual financial statements. The Trustees have no reason to believe that the Scheme will not be a going concern in the foreseeable future, based on forecasts and available cash resources.

The Trustees meet regularly and monitor the performance of the Scheme and the administrators. They address a range of key issues and ensure that discussion of items such as policy, strategy and performance plays a critical role.

No event or item has come to the attention of the Board of Trustees that indicates any material breakdown in the functioning of key internal controls and systems during the year under review.

The Scheme is compliant with international financial reporting standards and again received an unqualified audit report in 2010.

The external auditors of the scheme believe the financial statements fairly represent, in all material respects, the financial position of the Scheme as at 31 December 2010 and that the financial performance and cash flows of the Scheme for the year ended are in accordance with International Financial Reporting Standards, and in the manner required by the South African Medical Schemes Act 131 of 1998.

MEET YOUR TRUSTEES



Employer Trustee	Employee Trustee
Fezekile Tshiqi - (Chairman)	Zameka Dingezweni - (KZN Region)
Gerda Janse van Vuuren	John Morrow - (Gauteng Region)
Lavine Haripersad	Charmaine Lemao - (Gauteng Region)
Nicki Goulding	Antoinette Potgieter - (Eastern Cape Region)
Jacques Mol	Alan Hanson - (Western Cape Region)

Principal Officer
Sue Steyn

Implementation: Patient Advocacy

In an effort to assist and empower members to make informed decisions prior to hospital admission, Nampak SA Medical Scheme will be introducing “**Patient Advocacy**” effective 01 July 2011. This is an enhancement to the current pre-authorisation service and will enable members to obtain information on procedures and processes that were not previously available.

Patient advocacy is done at the point of pre-authorisation whereby the agent will provide the member or the provider with all the relevant information pertaining to an admission/procedure. The pre-authorisation telephone number will remain the same, i.e. **0860 10 10 47** and when the phone is answered the member should state that they require pre-authorisation for the call to be directed to the correct department.

To ensure that the member is appropriately informed, it is important for the member to request for a quotation from the Doctor/Specialist with the relevant tariff codes for the hospital admission/procedure.

At the point of call, the member will be made aware of the following:

- The reimbursement rate on the members plan option.
- The Doctors/Specialists billing behaviour i.e does the provider charge scheme rates or in excess of the scheme rate.
- All event/benefit limits eg, Surgical Prosthesis, implants etc.
- Managed care guidelines and clinical policies/ protocols.

The above details will allow the member to negotiate with the provider where necessary. Once the preauthorisation process is complete, the member will receive confirmation via SMS or email.

The above preauthorisation process is also followed when the provider calls on behalf of the member. Once the authorisation is approved, the scheme will send electronic communication to both the member and the provider. Providers get their communications via email. The member is contacted and advised of benefits/ limits and potential shortfalls

The aim is again to empower the member to make an informed choice/decision to either plan for the shortfall amount or to negotiate a lower fee/discount from the provider to avoid co-payments/out of pocket expenses. Patient Advocacy is a medium to create awareness at all levels to ensure that the member gets the best level of medical care at an appropriate cost.

Should you have any queries on the above, please do not hesitate to contact the call centre on **0860 10 10 47**.

Please note that at present the scheme will not be able to provide you with details of Doctors/Specialists that charge scheme rate due to no Designated Service Provider /Specialist Network agreements in place.