

1 December 2011



Dear Member

ANNUAL BENEFIT REVIEW EFFECTIVE 1 JANUARY 2012

The Board of Trustees is pleased to advise that the Massmart Health Plan has enjoyed a year where claims costs have been managed appropriately by the members.

It is in the interest of all members to ensure the long-term sustainability of the Massmart health Plan and accordingly the Trustees urge members to proactively manage their health and their medical aid benefits. We also ask that Members continue to engage with the Medical Service Providers to negotiate the best medical cost and service.

Taking this into consideration, all benefit categories have been reviewed by the Trustees and certain benefit categories have been significantly enhanced and will come into effect from 1 January 2012. All benefit enhancements have been detailed in the 2012 Summary of Benefits included with this letter. The following summarises the significant changes:

- The Specialised Dentistry benefit will increase by 50% from R10 000 to R15 000 per family, with a 25% co-payment.
- The Out-of-Hospital Radiology Benefit will increase by 11.1% from R4 500 to R5 000 per family.
- The Mental Health Benefits have the following increases:
 - In-Hospital Benefits will increase by 25% from R16 000 to R20 000 per beneficiary.
 - Out-of-Hospital Benefits will increase by 72.7% from R5 500 to R9 500 per beneficiary.
- The Alternatives to Hospitalisation Benefit will increase by 100% from R25 000 to R50 000 per beneficiary.
- The Out-of-Hospital Maternity Benefit will increase by 53.3% from R3 750 to R5 750 per event.
- The Remedial and Other Therapies Benefit will increase by 4% from R2 500 to R2 600 per family.
- The Optical Benefit will increase by 6.6% from R1 500 to R1 600 per beneficiary per annum, limited to your available Current Savings.
- The External Appliances Benefit will increase by 33.3% from R15 000 to R20 000 per beneficiary.

Further to the above, the Trustees have revised the Chronic Medicine Benefit Limit, and a decision was taken to split this benefit into two categories as follows:

- Chronic Medicine for the treatment of conditions that are non-PMB (fall outside of the Prescribed Minimum Benefits):
 - The annual limit will remain at R12 000 per beneficiary, included in the Overall Annual Limit.
 - Funding from this benefit is subject to patient registration on the Chronic Medicine Management Programme.
 - Chronic non-PMB claims will be funded up to the MPL reference price.
 - Non-MPL products will attract a co-payment on the price difference, at the point of service.
- Chronic Medicine for the treatment of conditions that are PMB (fall within the Prescribed Minimum Benefits) and are not part of the benefit described in the previous paragraph:
 - This benefit category will be funded without limit, per the current Prescribed Minimum Benefits guidelines.
 - Funding from this benefit is subject to patient registration on the Chronic Medicine Management Programme.
 - Chronic PMB claims will be funded up to the MPL reference price and co-payments may apply if you choose to obtain non-MPL products.
 - Should you choose not to make use of the Designated Service Provider (DSP), a co-payment of 25% will apply.
 - Please refer to the 2012 Summary of Benefits for further detail.

One of the key issues that the industry is faced with relates to the tariff schedules that medical schemes use to reimburse claims. The Trustees have taken the decision to continue using the existing Scheme Tariff schedule that was used in 2011, amended by an inflationary increase taking into account the current inflation in medical costs. The Plan will continue to reimburse all eligible medical claims at this tariff, whether claimed by your Healthcare Professional or yourself.


It is always advisable to confirm with your Healthcare Professional if the charges for all services rendered to you or your Beneficiaries are in accordance with the Massmart Health Plan's tariff. By doing so, you will be aware, in advance, if any co-payment is required by the Member. Details on the Massmart Health Plan's tariffs are available by calling the Plan's contact centre on 0860 002 117 or via e-mail at massmart@medscheme.co.za.

The Trustees have previously also advised that certain Healthcare Professional groups may unfortunately require a co-payment upfront before providing the treatment. In such instances you will be required to settle this upfront and the Healthcare Professional will then claim the scheme portion directly from the Plan.

Members are reminded that any current year savings not spent, accumulate annually and earn interest. These Accumulated Savings are available on request by the Member to cover any shortfall in respect of future medical costs for the Member and their registered Dependents.

On behalf of the Board of Trustees of the Massmart Health Plan, I wish you and your family a happy and healthy 2012.

Sincerely



Norman Gray
Chairman
Board of Trustees
Massmart Health Plan