

HR facets

Good reading. **Great info.**



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Message from the **Chairperson**

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After more than five years in the Chairperson's seat, it is indeed a great privilege for me to write to you, the Human Resources (HR) professionals who keep the wheels of Government well oiled and turning.

By 31 December 2010, GEMS had operated for five years - five years characterised by rapid changes which have impacted positively on the broader society and constructively on the public sector. In spite of the changes and challenges, the Scheme has and continues to succeed in providing equitable access to comprehensive healthcare benefits to Public Service employees - in fact, more than 560 000 principal members already.

It is in this light that a momentary reflection on 2010 is called for. GEMS achieved a number of important highlights during 2010. Membership grew by 27% and GEMS remained the fastest growing scheme in the country. We received over 120 000 new member applications and, to date, 192 088 salary level 1 to 5 employees have joined the Scheme. In fact, GEMS remains the largest contributor to the overall growth of the medical scheme sector. The Scheme collected R13.1 billion in contributions and paid R12.5 billion in claims. So, despite being confronted with significant membership growth, increases in benefit utilisation as well as tariff and regulated price increases, GEMS posted a gross healthcare surplus of R711 million and largely broke even in 2010. These and many more highlights that GEMS achieved are covered in the 2010 Annual Report which has been mailed to members. For the full report, visit www.gems.gov.za.

Looking at more recent developments to date, 2011 has seen the conclusion of the Scheme's third trustee election. A transparent, fair and objective election for three trustee seats has been conducted and subjected to rigorous oversight by the Board. A record number of 113 candidates stood in this year's election and the new Trustees will be introduced to you in the Q3 newsletter.

The fifth Annual General Meeting (AGM) of the members of the Scheme took place at the Jack Botes Hall, in Polokwane, on 30 June 2011. Items for discussion included the appointment of the Scheme's external auditor, as well as the attainment of members' approval for the Scheme's 2010 Annual Financial Statements.

The AGM and elections are two examples of the great deal of work which the Board of Trustees is attending to in giving effect to its statutory obligation to govern the affairs of the Scheme whilst always, at all times, looking out for members' best interests.

As Chairperson of GEMS, a Public Service employee and a member of the Scheme, I appreciate the hard work and dedication that HR management puts into protecting and improving the health and wellbeing of our workforce. Through GEMS, we can and do enhance the health status of Public Service employees - employees who are central to implementing the programmes of Government.

With its ever-growing membership base, the capability of the Scheme to add value to the overall management of HR in the Public Service continuously expands. I strongly encourage the forging of a productive and reciprocal relationship between the Scheme and HR managers in the Public Service. Let us go forward together, ensuring that our mutual efforts make Government an employer of choice.



Thank you again for all your considerable efforts and valued support!

Sincerely,

Prof. Richard Levin
Chairperson

It is that time of year when the employer (in this case Government) and labour are locked in negotiations at the Public Service Coordinating Bargaining Council (PSCBC). Under discussion is the matter of salary increases and adjustments to the conditions of service for the 2011/12 period.

With the monthly contributions of GEMS being salary-based, mid-year salary increases may impact on the contributions currently paid by members.

While this salary adjustment is often mistakenly viewed as a GEMS increase, it is in fact not so. GEMS only increases its contributions once a year and this has always been in January of each year at the commencement of the Scheme's financial year.

Because monthly GEMS contributions are calculated on the salary of employees, an increase in the salary of an employee may necessitate an adjustment to the actual Scheme contribution. A salary-based method to determine contributions is equitable and fair as employees that are paid less contribute less; conversely those who earn more contribute more.

We have previously seen that annual salary and benefit adjustments may be backdated for a period of more than three months. For example, negotiations are concluded in October, with salary increases backdated to 1 July 2011. This backdating has a direct impact on the contributions due by some members who move to a higher income band as arrears are backdated to the effective date of the increase.

In order to ensure that members would not be adversely affected, the Board of Trustees registered a new GEMS Rule 13.3 with the Registrar of Medical Schemes, which enables arrears to be collected for the three month period allowed by Persal. This means that backdated salary changes longer than three months would only apply for three months. In addition to this, a 10% adjustment to the income bands, which determine contribution amounts, was also introduced in January 2011 with the aim of ensuring that a majority of members would still fall within the same band application to them in 2010 after salary increases and therefore limiting the impact on their contributions.

We strongly urge you to engage your employees who are members of GEMS so that they remain fully apprised of the impact of salary increases on their monthly GEMS contributions.

For assistance, please call
0860 00 4367
or email
premiums@gems.gov.za

PSCBC engagements: Feedback



As a result of on-going salary negotiations, two engagements between the Scheme and the Public Service Coordinating Bargaining Council (PSCBC) did not take place as scheduled. We are however, meeting with individual unions in order to share progress made with the Scheme during 2011.

Issues that have been raised in our engagements to date include the 2011 GEMS contribution rate increase and it is confirmed that we remain fully committed to ensuring that member contributions remain affordable at all times.

As indicated in previous newsletters, the Scheme was able to adjust the 2011 contribution table's income bands at the commencement of 2011. This has positively impacted the contributions of certain GEMS members with a pleasing reduction being reflected in many instances. At the same time, there were members who remained on the same income band while contribution rates stayed the same. In terms of a report from the Scheme the impact of the 2011 contribution increase can be summarised as follows:

- A total of 499 425 members were affected overall.
- 371 299 remained on the same income band.
- 126 800 moved down an income band i.e. they experienced a decrease in contributions.
- 1326 members moved up an income band i.e. an increase in contributions.

The Scheme will continue to actively engage all unions represented at the PSCBC. As key stakeholders we believe it to be important that parties to the PSCBC remain fully apprised of the activities of the Scheme and the impact that any changes would have on members of the Scheme.



The following rules have recently been submitted to the Council for Medical Schemes (CMS) for consideration:

- **Rule 6.9.5**

Deals with the spouses of deceased members who now, by virtue of the death of the main member, become principal members. In the current rule such members are not allowed to add any other dependants besides the posthumous children of the deceased member. According to the CMS this rule is unfair. The Scheme has submitted a proposed amendment and if registered, spouses of deceased members will be able to register dependants other than only the posthumous children of the deceased member.

- **GEMS emergency medical services (EMS) network**

With effect from 1 May 2011, the Scheme's EMS provider network began operating. The GEMS EMS network is open to all registered EMS providers that meet basic requirements and is coordinated through the Scheme's emergency medical evacuation dispatch (EMED) centre. The network's services include road, air and specialised primary evacuations as well as inter-hospital transfers. When a GEMS member calls the emergency telephone number - **0800 44 4367** - the EMED centre will receive the call and assign an EMS provider to the incident. The EMED centre can be contacted 24 hours a day, seven days a week.

Europ Assistance was appointed as the Scheme's EMED. All rules that referred to Netcare 911 as the designated service provider have accordingly been amended. The EMED centre will man the GEMS emergency number while dispatching emergency service providers to all areas where members of the Scheme have requested healthcare emergency services.

Use of designated service providers and **PMB entitlements**



GEMS members have access to treatment for a predetermined list of conditions. This is referred to as prescribed minimum benefits (PMBs), which GEMS has outlined in Annexure G of the Scheme Rules. PMBs include:

- any emergency medical condition;
- a limited set of 270 diagnostic treatment pairs (DTP); and
- 25 Chronic Disease List (CDL) conditions.

Specific elements pertaining to PMBs are defined in Annexure G of the Scheme Rules to ensure that all members have access to the same treatment and cover.

Designated service providers (DSPs)

The Scheme Rules say that GEMS can request its members to make use of specific providers or networks, i.e. DSPs, for treatment of a PMB condition. This is to ensure that the cost of treatment is controlled and that members' benefits are used prudently. If a DSP is used, the Scheme will pay 100% of the costs in respect of the diagnosis, treatment and PMB level of care for the PMB condition. If a member however does not use a DSP on a voluntary basis, they may be held liable for a non-refundable co-payment for their treatment and medication.

Involuntary services or emergencies

The Scheme will cover the costs for a PMB condition at 100% if a member receives emergency treatment or involuntarily receives healthcare services from a non-DSP.

Unless it is an emergency, all involuntary healthcare services obtained at non-DSPs must be pre-authorised. If pre-authorisation is not obtained, GEMS will pay for the services in line with Scheme rates and additional costs will be for the member's account.

Medication

All medication for PMBs (including medication for HIV/AIDS), will be covered at 100% of the costs if it is obtained from the Scheme's chronic DSP and the medication is included in the applicable GEMS formulary. A co-payment of 30% will be applicable for any medication obtained from a non-DSP or for medicine not on the formulary, unless this medication is motivated and approved by the Scheme.

Members must register on the Chronic Medicine Management Programme for their PMB condition and on the HIV/AIDS Disease Management Programme.

PMB level of care

To ensure access to ambulatory or out-of-hospital PMB benefits, GEMS has defined and implemented 'baskets of care' that are specific to individual PMB conditions. These baskets define standard out-patient healthcare services that are likely to be needed by patients with certain PMB diagnoses and which include, for example, doctor consultations, radiology and pathology tests and allied health services. The outpatient healthcare services included in these baskets are in line with treatment available in the public sector. Chronic medicines are, however, specifically excluded from these baskets of care, as these continue to be managed by the chronic medication programme. In order for claims relating to out-of-hospital services to qualify for payment as a PMB, you must contact the ambulatory PMB unit via the GEMS regional office or the web to activate baskets of care. If you are registered on the Chronic Medicine Management Programme for a PMB condition, a basket will automatically be activated.



Medical scheme fraud hurts everyone

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Medical scheme fraud is a growing problem that is gradually damaging the South African healthcare system. Fraud negatively affects medical schemes, their employees and their members, leading to increased member contributions and financial losses. Rampant dishonesty can place an entire medical scheme and its members at risk if it is allowed to continue unchecked.

Fraud involves a range of dishonest activities committed by members, healthcare service providers, employees and other stakeholders of the Scheme. If the following recent examples are anything to go by, fraud presents itself in a myriad of unexpected ways, and from unexpected quarters.

One example of a serious case of fraud involved two healthcare service providers and a number of Scheme members. Together, they planned and executed what they viewed as the 'perfect crime'. The general practitioner (GP) involved provided the scripts for medication, which in turn were "filled" by the pharmacist in the form of costly groceries and other luxury items. The pharmacist then submitted a series of false claims to the Scheme without any GP consultations ever having taken place nor any medication being dispensed. Needless to say, the criminals were soon exposed and the necessary action was taken against them.

Then there are the "petty" little crimes: A GP who claims for the rendering of services to a member who has not consulted with the doctor; or a member who loans his/her GEMS member card to a relative or a close friend.

Optometry in practice seems to provide ample opportunity for the abuse or misuse of the Scheme. Real examples by optometrists against GEMS include charging for higher cost lenses than those provided to the member and also claiming for services that were never rendered to GEMS members. The list goes on and on and, in the process: innocent members lose out along with the Scheme.

GEMS takes a zero tolerance approach to medical scheme fraud. The GEMS Fraud Forum investigates all allegations of fraud. In cases where a healthcare service provider is found guilty, the Scheme reserves the right to report a provider to the relevant regulatory body, recover losses through civil or criminal process, and/or proceed with a criminal case.

Consequences for guilty members include termination of membership, reporting the member to their employer and a criminal case.

We all have a responsibility to report fraud and protect the Scheme. GEMS encourages all stakeholders to report any cases of fraud and abuse, each of which will be thoroughly and effectively investigated.



The Scheme has a completely confidential toll-free 24 hour Call Centre where you can anonymously report all instances of fraud.

To report fraudulent activities, please call

0800 21 2202

or post the details to

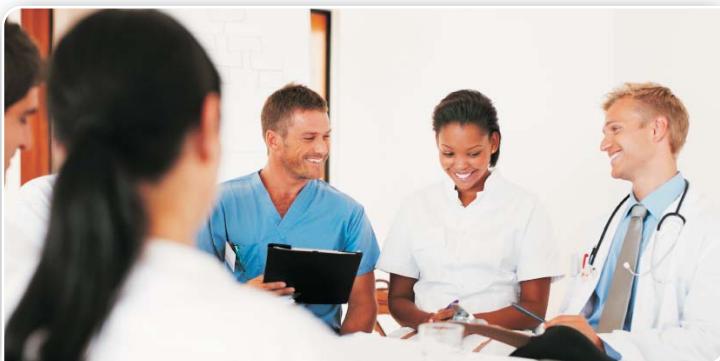


Fraud Service Manager
KPMG Hotpost BNT371
PO Box 14671
Sinoville
0129

Protect your scheme by joining the fight against fraud.

GEMS events

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2011 GEMS Symposium

Join us at the 2011 GEMS Symposium on 29 and 30 August 2011 in East London, Eastern Cape. GEMS will be sharing pertinent information with you about our contributions to the healthcare landscape of South Africa and how GEMS continues to bring health within the reach of more Public Service employees.

Alert: Medway is not affiliated to GEMS

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Medway consultants visiting Government departments for marketing purposes are in no way affiliated to GEMS. HR departments should request verification of their credentials as they are not accredited by nor do they have any agreement with GEMS to market the Scheme to Public Service employees. They are therefore not authorised to collect GEMS application forms on the Scheme's behalf. Please note that allowing these consultants entry into your departments is at your own risk.



Finding a healthcare service provider is easy with GEMS

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Friends of GEMS was designed to give members access to affordable healthcare service providers. Those providers participating as GEMS designated service providers (DSPs) and GEMS Network providers are also participants on the *Friends of GEMS* programme. *Friends of GEMS* providers have committed to charging Scheme rates. By using a *Friend of GEMS*, members save money and preserve their benefits.

Finding a *Friend of GEMS* with an SMS

It's very easy for members to find a *Friend of GEMS* nearest to them using the SMS function on their cell phone... they must just follow these three simple steps:



Find a *Friend of GEMS* online

GEMS members can also go to www.gems.gov.za to find a healthcare service provider in a particular area. They simply need to:

- 1 Visit the website and click on the *Friends of GEMS* icon on the home page.
- 2 Click on "Find a Provider on-line" under the navigation panel on the left.
- 3 Enter their member number.
- 4 Select the type of service or provider you require, the province, the range, town and suburb.

NEW: The Google Maps functionality is now available on the GEMS website to help members find the location of your *Friends of GEMS* service provider.

After having searched for the address of the service provider in the *Friends of GEMS* section, members must please click on the highlighted address to view the map of the location of the provider.



Finding a *Friend of GEMS* on GEMS DotMobi

Members can also find a healthcare service provider by going into their browser on their cell phones and entering <http://m.gems.gov.za>. Thereafter, they must follow these six quick steps:

- 1 Click on the "Service Offerings" button to view the *Friends of GEMS* provider search.
- 2 You will see a space where you need to enter your member number, type of provider, province and range (this refers to the first letter of the town you are looking for a healthcare service provider). Press "GO" after entering your information.
- 3 A new screen will appear that will ask you to insert a town. Choose a town from the list and select "GO".
- 4 A screen will then appear asking you to insert a suburb. Select "GO".
- 5 A list of *Friends of GEMS* will be displayed. Alternatively, if no provider is found, you will see the following message: No provider found, check all suburbs. For specialist visits it is important to obtain a referral from the attending GP (Sapphire and Beryl members).
- 6 Select the "CANCEL" button to start a new search. You can also click on the two links underneath the Search function to read more about the services that are offered by *Friends of GEMS*.

Easy ways to find a GEMS Network provider

If members visit a GEMS Network healthcare service provider, they will not have to pay any out-of-pocket consultation expenses as these healthcare service providers charge their services at Scheme rates.

To search for a GEMS Network provider in their town, members can use the "Find a Network provider" tool on the GEMS website under "The GEMS Network" section. Alternatively, members can also call the GEMS Call Centre on **0860 00 4367** and follow the voice prompts.

If a member is on the Sapphire or Beryl option, they must make sure that their provider is a member of the GEMS Network before using their services to avoid any co-payments.

Benefit look-up SMS service

Checking benefits can be done quickly and simply by SMS. Members can send GEMS an SMS with the following details: Benefit, member number, benefit category, dependant code (you can find this at the back of your member card). Within seconds they will receive a reply SMS confirming their available benefits.

Contact us

Tel 0860 00 4367
Fax 0861 00 4367
enquiries@gems.gov.za
premiums@gems.gov.za
www.gems.gov.za

