

# Bonitas balancing increases with value and sustainability

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Bonitas Medical Fund, one of the leading medical schemes in South Africa, recently presented its 2024 product line-up. The Scheme announced the lowest contribution increases across the large open medical schemes, at a weighted average of 6.9%, without reducing benefits.



Lee Callakoppen, principal officer at Bonitas Medical Fund

Lee Callakoppen, principal officer says, "We appreciate that many of our members and South Africans in general, are faced with increasing financial pressures. We have taken great care to balance our benefit\* enhancements for our members, while still ensuring that contributions remain affordable.

"The percentage increase required is methodically worked out by our team of actuaries who determine the minimum increase against ensuring the financial sustainability of the scheme while meeting the regulatory guidelines and requirements. It's a delicate balancing act," says Callakoppen. "For 2024, the weighted increase is 6.9% with the average increase across nine of our plans at 6%. This means that over 227,000 members, around 65% of our membership, will experience an increase below CPI."

## How we did this

We conducted in-depth research over the last year, which included stakeholder engagement, actuarial analysis and projections to look at how to enhance our benefits. In addition, we analysed feedback from over 10,000 member surveys, researched international healthcare protocols, trends and disease burden rates in South Africa. The result: We have stayed true to our ultimate commitment of giving more value to our members, by reducing out-of-pocket expenses, enhancing benefits\* and providing additional preventative and managed care.

## Our fiscal health

The Scheme is financially sound, including financial indicators to claim's paying ability and strong solvency levels. And, despite investing over R1.4bn back to members in 2021 and 2022, we saw our reserves increase to R8.8bn last year. A feat matched by no other open scheme.

We have noted an erratic claims' catch-up emerge over the past 12 months and it is for this reason that it's essential to take a well-rounded approach and apply a modicum of conservativeness to our approach. This, to remain sustainable for our members, regardless of increased claim patterns.

We also applied prudent investment management strategies that enabled solid returns for the members.

## Membership growth

Membership grew by 62,000 principal members, 80% through organic growth, in a declining industry. New members are 13 years younger than the average, which means we have succeeded in attracting a younger, healthier profile which is coveted across our industry. We attribute this to offering a diversified product range from hospital plans to network options and Edge plans, driven by innovation and technology.

## **So, what's new?**

Our research identified various healthcare trends and needs and we have ensured these are met in our plan benefits and enhancements.

### **Our solution to unregulated healthcare costs**

In South Africa, providers are free to charge patients any tariff they see fit. However, with the economic pressures faced by consumers, funding is usually in short supply. Through engagement and collaboration with healthcare providers, we have found solutions to these challenges. We implemented networks at the most favourable tariffs for our members so that they can avoid out-of-pocket expenses and get more value from their medical aid. This applies to GPs, medication, dentistry, optical, specialists, and hospitals. Not only do we direct members to the most efficient hospitals, with the best healthcare options but the discounted tariffs reduce co-payments or eliminate them.

### **Specialist's costs**

For 2024, we considered the input from specialists, regarding the cost of services and enhanced our specialist reimbursement rates. This allows 85% of our members to have full cover, wallet-free specialist visits. Our specialist network ensures members are covered with the top 15 speciality types contracted into the network. We have introduced three tiers of network specialist rates, based on experience and proximity. The key focus is on specialty types with high claim volumes and major medical costs such as gynaecologists, physicians and cardiologists.

### **Managed Care enhancements**

Over the years, the prevalence of non-communicable diseases, such as diabetes and hypertension, has increased year-on-year. This is further compounded by the increased burden of mental health, which is an added risk factor.

### **Mental health**

One of the key insights noted was that mental health prevalence is at an all-time high. This is exacerbated by factors such as an increased economic burden and increased psycho-social challenges, such as load shedding.

We have seen a 25% increase in the number of mental health hospital admissions, indicating a need for additional support. This need is particularly high in the 18 to 44 age groups. We further noted that mental health was a key driver for absenteeism in corporate groups.

For this reason, we have included the Bonitas Mental Healthcare Programme across all plans for 2024 and included depression as a chronic condition. We also offer access to Panda, a digital platform available through the Bonitas app, giving members easy access to expert help, mental health information and community support.

### **Back and neck programme**

We recognised that not all members have access to the DBC back and neck facilities so, in addition to adding a digital version of the programme, we have established a network of physiotherapists so members can access the benefits of the programme in more remote areas.

### **Preventative screening**

A key trend across the healthcare industry has been the decline of preventative screening, including wellness checks and health risks assessments. We have taken up the challenge and have intensified our drive to increase screening uptake.

### **Introducing the Bonitas Be Better Benefit!**

Funded completely from risk, this unique benefit provides a range of screening tests and benefits to ensure members have

access to the necessary screenings, to allow for early detection and to be put onto a path to wellness. The Be Better Benefit is available on all options, except BonCap.

This benefit is paid for from risk, helping families to get the best possible healthcare.

As an added bonus for 2024, childhood immunisations following the State Vaccine Schedule will be added to six of our plans.

### **HPV vaccine**

We've also taken great care to expand our preventative care benefits by including the Human Papilloma (HPV) vaccine on all plans to help prevent cervical cancers. As recommended by WHO, we have lowered the age of administration, we cover HPV as follows: two doses for females aged 9 to 14 years and three doses for females aged 15 to 26 years per lifetime.

### **Child dependants**

In keeping with our theme of caring for you and your family, we have increased the child dependant age to 24 years, regardless of whether they are studying or not.

### **Benefit Booster**

The Benefit Booster is the only benefit in the healthcare industry that provides members access to additional funds to use for out-of-hospital expenses. It has been boosted significantly for 2024 and is available after completing an online wellness questionnaire or a wellness screening.

### **Emergencies**

In an emergency, support is critical. In 2024, we have added two emergency room consultations and treatment per family on all options. Members can also book and track an ambulance online.

### **Member information hub**

The information hub has shown a 65% increase on the website and is the number one page accessed. It is part of our drive for member education and understanding the steps they need to take to access benefits. This is continuously updated with easy-to-follow articles, infographics, videos and tools.

Callakoppen says: "We believe that our focus for 2024 stays true to our ethos of providing quality healthcare to South Africans. We have enhanced benefits, improved preventative care and screening, expanded our Managed Care programmes while ensuring the financial sustainability of the Scheme, balanced against a competitiveness and attractive price point."

*\* Ts and Cs apply. Benefits subject to approval by the Council for Medical Schemes.*

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