

# MEDICAL AID INDUSTRY UPDATE



The majority of Medical Aids have announced their increases for 2025. The Medical Aid increases ranged from 8% to 14%.

In a circular issued by the Council for Medical Schemes (CMS) in August 2024, guidance was provided on contribution increases and benefit changes for medical schemes. The CMS recommended that medical aid schemes limit their tariff hikes to 4.4%, in addition to “reasonable utilisation estimates” aligned with the Consumer Price Index (CPI).

However, market observations revealed deviations from this guidance, influenced by the lingering effects of the Covid-19 pandemic.

Bonitas reported that despite their positive performance, measures were necessary to maintain stability, resulting in a weighted increase of 10.2% effective from 1 January 2025.

Momentum noted that medical inflation has once again surpassed CPI, a reversal from the Covid-19 years when it was below CPI. This, combined with increased utilisation of healthcare services, has led to higher claims costs. The industry faces challenges such as stagnant growth and an ageing market profile, yet it has demonstrated significant resilience and adaptability.

Medihelp has identified several factors contributing to the increase in contributions. They cited tariffs ranging from 4.5% to 4.9%, supply-side inflation, and both supply and demand-side pressures, which are between 1.21% to 2% and 1.9% to 4%, respectively. Additionally, reserve building was mentioned as a contributing factor.

Hereunder are some of the Medical Aids weighted average increases as well as plan range increases:

| Medical Aid  | Weighted Average | Comprehensive Option | Savings Option | Capitation Option |
|--------------|------------------|----------------------|----------------|-------------------|
| Bonitas      | 10.2%            | 14.9%                | 9.7%           | 8.8%              |
| Discovery    | 9.3%             | 10.9%                | 8.4%           | 9.9%              |
| Fedhealth    | 12.4%            | 13.8%                | 13.8%          | - 18%             |
| Medihelp     | 10.28%           | 10.8%                | 10.8%          | 10.8%             |
| Momentum     | 9.4%             | 9.8%                 | 9.8%           | 9.5%              |
| Sizwe-Hosmed | 13.82%           | 16.3%                | 25%            | 32.8%             |



## EXPECTED CHANGES AND PRODUCT ENHANCEMENTS FOR THE UPCOMING YEAR

### Bonitas

- Their Traditional Option, Primary Care, has been changed effective 2025 to a Network Plan. Meaning that members would have to now use a prescribed list of network providers.
- They have introduced Weight Management, Female Health and Geriatric Programmes.

### Discovery

- A new plan in the Smart Series will be introduced from 1 January 2025, it is called the Active Smart at a premium of R1,350 per member per month.
- The KeyCare Start has added two new hospitals to their network, namely Medforum and Donald Gordon.
- With the WealthFund coming to an end, Discovery has introduced the Personal HealthFund to assist members with cover for day-to-day needs.

### FEDHEALTH

- Fedhealth capitation option myFED has been restructured to 4 income bands which will result with an average reduction of 18.9% in contribution for members.
- Chronic members on myFED and Savvy must use Pharmacy Direct/Clicks Courier/Dischem Courier to obtain their chronic medicine or else a 25% co-payment will apply. In 2025 there will be an introduction of a 20% co-payment when in Threshold for consultation with network GP on all the flexiFED options.

### medihelp Medical Aid in Action

- They have enhanced their MedMove Range which is the addition of the MedMove Student Plan. As the name suggests, this is an option catering for students. The premium is R750 per member per month.
- They have increased the child eligibility range on the MedElect Plan from 21 to 26 years of age. Income bands have also been removed on this plan.

### momentum

- No significant changes to plans. They however have launched a new connect network on the Ingwe option.
- The focus on 2025 appears to be on the Multiply Benefit (wellness programme).

### SIZWE HOSMED MEDICAL SCHEME Your choice for quality care

- Sizwe-Hosmed is currently under Statutory Management, effective 1 August 2024 CMS and the Sizwe-Hosmed Board of Trustees appointed Mr Joe Seoloane as the schemes Statutory Manager.
- CMS has urged members to remain with the scheme as this regulatory intervention is to ensure that the scheme complies with the minimum statutory solvency requirements.



## TRENDS IN THE INDUSTRY:

Due to the ever-increasing medical aid environment, we are noticing a significant number of members downgrading their memberships for more cost-effective plans and adding Gap Cover to assist with possible shortfalls that they may encounter in hospital. While other members are joining Medical Insurance Plans (these are not governed by CMS).