

Survey: Attracting young members a problem for small medical aids

Smaller medical schemes offer customers value for money, but lack the ability to attract new members, thereby affecting the 'health' for the scheme over the long term. This is one of the conclusions from GTC's [Medical Aid Survey](#) for 2017.



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The survey analyses and rates medical aid schemes and it also provides a standardised comparison and ranking of the choices available to consumers.

“This survey cuts through the notoriously complicated landscape of the medical aid industry and simplifies it according to the factors that matter most when consumers choose a medical aid scheme and option,” explains Jill Larkan, the firm’s head: healthcare consulting.

This year’s survey reviewed 23 open medical aid providers (Profmed is the only closed scheme reviewed this year), with a total of 144 plans, which were categorised into 11 areas according to benefits offered. The categories range from entry-level to traditional plans, and include hospital-only, saver and comprehensive options. All top-up plans as well as all primary care plans were excluded from this year’s survey, with a view to producing an entirely separate survey for those categories going forward.

Micro and macro ratings

The survey assigns every plan with a micro – indicating a plan’s competitiveness in relation to others in the same category – and macro rating – broadly a measure of a scheme’s ‘health’, and considers factors such as membership size and growth, average age and financial stability.

“We have simplified this year’s assessment which has allowed us to compare plans more objectively, by confining this year’s review only to open medical aid schemes and excluding all short-term top-up/gap and healthcare policies,” says Larkan.

Smaller medical schemes have again scored well in the micro ratings.

“Fedhealth is one of the schemes that has performed consistently well in the micro ratings, indicating that it is very competitively priced and can offer consumers good value for money,” she says.

With this year’s inclusion of multiple additional macro demographic areas, along with the applied weightings on these, the more stable growing schemes have now scored considerably better in the macro rating. Discovery Health has topped these macro rankings.

“This year we have included a broader range of areas in determining the macro rating, and have weighted each according to the importance thereof in the decision-making process for consumers,” says Larkan. “In previous years, we assigned equal weights to each factor, whereas this year’s survey shows a variation in the weightings of areas such as membership, average age or solvency, according to the relative degree of impact that these elements have on the overall decisions by consumers.”

Larkan believes that if smaller schemes are unable to attract more (and younger) new members, they will not be able to continue as good-value options for consumers, and ultimately become less sustainable as their demographics begin to deteriorate over time.

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