

Not all medical scheme payment relief options are created equal

There may be financial relief available for medical aid members, but it will depend on whether the scheme has been granted contribution relief approval by the Council for Medical Schemes (CMS), as well as what plan the individual is on.



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The CMS will consider payment relief options on a case-by-case basis, and each scheme approval may be different. Additionally, the plan that a member is on will impact the options available to them. Members on the same scheme may not necessarily have the same contribution relief to them as the next member. For example, a member on a traditional or hospital plan will not be able to use vested medical savings as a relief option but could possibly look at downgrading their plan, says Susan Weedman, Alexander Forbes Health senior consulting manager.

The majority of the schemes within the industry have applied for contribution relief for their membership in similar ways, one of them being by using vested medical savings which have accrued from previous years to fund medical aid contributions for a period of time. The amount and period over which this can be done will vary per member, and per scheme.



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"Members may also lower their monthly contributions by downgrading their current plan. Further, schemes that offer plans that are based on income, for example premiums based on salary, may also allow members to downgrade to a lower income band should there have been a reduction in their monthly earnings," she says.

Some schemes may also offer other alternatives, such as freezing of contributions, payment holidays for a period of time, or using other funding mechanisms to assist in contribution relief. This however, is subject to the scheme and the plan that the member is currently on, and most schemes will advise the member directly if they are eligible for such relief.

There are various solutions to help meet the member's needs, however, it can be confusing as not all members will have the same solution available to them. Members who are seeking any type of contribution relief should therefore get in touch with their financial advisor or broker to ascertain the relief options available to them and the impact on benefits, since the implications could have far reaching consequences, especially for those with chronic illnesses, or requiring hospitalisation or oncology benefits.

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