

# Your medical savings account in 2021

In addition to the Unify and Prime 2 savings options, members of Prime 3 (network and non-network) and Elite will also have a savings account in 2021, giving them the benefit of less out-of-pocket expenses in terms of day-to-day medical expenses. A savings account provides the comfort of a credit facility and the ability to carry over unused funds to the next year in addition to the certainty provided by insured cover.

Members of Unify and Prime 2 (network and non-network) are familiar with having a savings account to pay for specific services, and their savings accounts will continue to work exactly the same in 2021. What's new is that Elite and Prime 3's savings accounts will work a bit differently. Here are questions and answers on facts regarding your medical savings account.

## I have been on Prime 3 for years, how will the savings account benefit me?

First of all, 10% of your contribution will make up your savings account, and the full amount for 12 months will be available to you in advance at the beginning of the year as a **credit facility**. Your day-to-day services such as doctors' visits, acute medicine and supplementary health services such as physiotherapy will be paid from this credit facility first, and when your savings have run out, from your insured day-to-day benefits. So, if you're a couple on Prime 3, your credit facility on 1 January will be R6 912. If you use all of the money for day-to-day expenses, additional expenses will be paid from your insured benefits for day-to-day services.

## I'm on Elite for the peace of mind my insured benefits offer, even though I'm generally healthy – what if I don't use the entire savings credit facility for day-to-day expenses during the year?

Any funds left in your savings account which you haven't used for any day-to-day services during the year will be carried over to the next year into a **cumulative savings account**. This will happen in June of 2022, to allow for the period during which claims can still be submitted and paid for services received in 2021. The funds you accumulate in your cumulative savings account can then be used for both day-to-day expenses and in-hospital expenses such as co-payments, should you choose to do so.

## I want to upgrade to Prime 3 from Unify – what is the difference between Unify's savings and Prime 3's savings? And will I still have my savings available that I've built up?

Your savings will be transferred into a **cumulative savings account** for Prime 3 and will be available for you to pay day-to-day or in-hospital expenses not covered by Prime 3's insured benefits. The difference is that you will receive your **credit facility** of 12 months' savings contributions at the beginning of the year, and these funds will be used **FIRST** to pay for day-to-day expenses before your day-to-day insured benefits kick in.

On Unify, **all** your savings (the credit facility as well as accumulated savings) will be used to fund day-to-day services before the insured benefit for child consultations becomes available.

## How will the savings accounts work in 2021?

### Credit facility

This facility equals 12 months' savings account contributions (or prorated in case of members joining during the course of a year) and is available at the start of the financial year, in advance.

Applicable to Prime 2, Unify, Prime 3 and Elite

### Total savings account

This includes the credit facility as well as all carried-over savings funds from previous years.

Applicable to Prime 2 and Unify

### Cumulative savings account

This is the unused credit facility funds, carried over from previous years, once the claims submission period has lapsed.

Applicable to Prime 3 and Elite

### When are savings used and when are day-to-day benefits used?

In 2021, qualifying out-of-hospital day-to-day services **will first be paid from the savings account**. Once members of Prime 2 and Unify have used up the **total savings account**, they will have a defined benefit amount available for day-to-day services such as consultations and medicine which they receive out of hospital. Members of Prime 3 and Elite will receive this defined benefit amount once they have depleted the **credit facility**.

### What are the differences between the savings accounts for Prime 2 and Unify and Prime 3 and Elite?

The format of the savings account for Prime 2 and Unify and the manner in which payments are made differ from that of the savings account for Prime 3 and Elite.

The main differences are as follows:



Your out-of-hospital day-to-day benefits kick in once the **total savings account** is depleted

Your out-of-hospital day-to-day benefits kick in once the **credit facility** of the savings account is depleted

Funds not used during the course of a year are transferred to the next year once the submission period for claims has lapsed

Funds in the credit facility not used during the course of a year are transferred to a **cumulative savings account** once the submission period for claims has lapsed

You may claim **out-of-hospital and in-hospital expenses** from the **total savings account**, depending on your instruction on the application or interchange form

You may claim these qualifying **out-of-hospital expenses** from the **credit facility** and when it has been depleted, your qualifying out-of-hospital day-to-day insured benefits kick in:

These can include:

- Expenses that exceed the applicable tariff, e.g. the scheme tariff, medicine price or Medihelp Dental Tariff;
- Amounts that exceed the available benefit limits, e.g. the benefit for consultations;
- Co-payments, e.g. on scopes (not PMB services);
- Services that are not covered by your benefit option; and
- Services that are rendered during a 3-month general waiting period or a 12-month condition-specific waiting period, if such a waiting period is applicable to your membership.

- GP and specialist services;
  - Supplementary health services, including physiotherapy;
  - Basic radiology and pathology; and
  - Acute and over-the-counter medicine.
- In the case of Prime 3, non-PMB chronic medicine will also be funded from the **credit facility** and the insured day-to-day benefits, while Elite makes provision for a stand-alone non-PMB chronic medicine benefit.

You may claim **out-of-hospital, day-to-day expenses** from the **cumulative savings account**, once the **credit facility** as well as the insured day-to-day benefits have been depleted.

You may also claim shortfalls for **in-hospital expenses** from the **cumulative savings account** once you have accumulated funds in this account and will need to **instruct Medihelp** whether or not to do so, or qualifying co-payments will automatically be paid from your savings account.

Here are some practical examples:

1

Mark upgraded his option from Unify to Prime 3 in January 2021. His family did not use all their savings, and they had accumulated R1 000 in unused funds and interest on the Unify plan in 2020, which are now carried over to their Prime 3 **cumulative savings account**. For 2021, Mark's family thus have R1 000 in their **cumulative savings account** *plus* the existing R10 000 **credit facility** which they get upfront at the beginning of the year on Prime 3:

Accumulated savings (savings carried over from previous year) - Unify	Credit facility - Prime 3
R1 000	R10 000

Qualifying **out-of-hospital, day-to-day expenses** are now *first* deducted from his Prime 3 **credit facility**. Once these funds have run out, the day-to-day insured benefits become available, and once these benefits have been depleted, they still have R1 000 left in their **cumulative savings account** to pay for out-of-hospital, day-to-day expenses. Mark may also instruct Medihelp to pay qualifying in-hospital shortfalls from their **cumulative savings account**.



2

John is a new member of Medihelp enrolled on Prime 3. At the beginning of the year, John and his wife have R10 000 available in their **credit facility**, but no extra accumulated savings from a previous option (as is the case with Mark). Once the funds in the Prime 3 **credit facility** have run out, the insured day-to-day benefits become available, but once these benefits have been depleted, John will have to pay any further out-of-hospital or day-to-day expenses from his own pocket:



3

Jane and her family are enrolled on Prime 2 and have accumulated R2 000 in unused funds and interest in 2020, which are now carried over to their 2021 Prime 2 plan. For 2021, Jane thus has R2 000 plus the R20 000 credit facility in her **total savings account**, to use for her family:

Accumulated savings (savings carried over from previous year) - Prime 2	Credit facility - Prime 2
R2 000	R20 000

Qualifying out-of-hospital, day-to-day expenses are now deducted from her Prime 2 **total savings account**. She may also instruct Medihelp to pay **qualifying in-hospital shortfalls** from her **total savings account**. Once ALL the funds in her **total savings account** have run out, the day-to-day benefits become available, and once these benefits are depleted, Jane has to pay any out-of-hospital expenses herself:



## What do all these terms mean?

### Medical savings account

A **medical savings account** allows for a percentage of the monthly contribution (up to 25%) to be paid into a savings account held by Medihelp and used to pay for qualifying medical expenses.

### Funds upfront

A **credit facility** equalling 12 months' savings account contributions will be available at the start of the financial year. This credit facility uses Medihelp funds and is available to you in advance, but you do not pay interest on the advance amount.

### Calculation

The available medical savings account amount will be calculated according to the member's family structure. If you enrol during the course of the year (i.e. not on 1 January), the credit facility will be prorated according to the remaining number of months in the year.

### What it can't be used for

You may not use your savings account funds to pay your monthly subscription fees, or for prescribed minimum benefits (PMB) services as well as co-payments in respect of PMB services.

### Earn interest

You will earn interest on a credit balance in your savings account for the next year and we will add the interest to your account monthly.

## What happens when you change your plan or scheme?

- Should you interchange to another Medihelp savings plan, any available savings account funds will be transferred to the new savings plan, and if the plan does not have a savings account, any new savings account credit amount will be paid out to you after the claims submission period has lapsed.
- The same will happen when you join Medihelp from another scheme – your accumulated savings account funds will be transferred to your Medihelp savings account, or should you not enrol on a savings plan, the savings account credit will be paid out to you by your previous scheme.
- You must choose which services you want Medihelp to pay from your savings account by marking the option of your choice on your membership application form or benefit option interchange form.
- If you resign your membership before the end of the financial year and you have already used the credit facility of the savings account, you will need to pay back the amount outstanding on the credit facility to Medihelp. Should your savings account have a credit balance, the following process will be followed:
  - If you do not join a different scheme, we will refund the credit balance in your savings account to you after five months, once the claims submission period has expired.
  - If you join a different scheme and enrol on an option with a savings account, we will transfer the credit to your new scheme's option after five months to allow for the claims submission period. If your new scheme's benefit option does not have a savings account, we will refund the credit to you.
- In the unfortunate event of a member's death, we will either pay the credit amount to the estate or transfer it to the savings account of the late member's dependants who continue their membership of Medihelp, if applicable.