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Financial experience in a nutshell

Pick n Pay Medical Scheme, like all other medical schemes, has again had a really tough year financially, with claims expenditure exceeding contribution income. This has been the experience of most medical schemes and can be attributed to many different factors, but mainly to:

- post-Covid surgery 'catch-up'
- an ageing membership base as a result of the loss of close to 1 000 young, healthy members who took voluntary severance packages in 2023
- medical inflation.

The Scheme has had to disinvest close to R40 million in order to cover claims expenditure during 2024. As a result, Pick n Pay Medical Scheme is projected to experience a deficit of 14.1% of risk contribution income before investment income and a deficit of 0.4% after investment income (after adjustments) at the end of 2024.

What does this mean for you as a member?

The simple explanation is that the Scheme is paying out more in claims than is being received in contributions and income from our investments is not enough to cover this deficit for the foreseeable future.

In the years following Covid-19, the Scheme has maintained fairly low contribution increases, hoping that things would turn around and stabilise. However, we are losing, on average, 14% of the Scheme's reserves annually and this is not sustainable if we do not increase contributions.

The table below sets out contribution increases over six years from 2020:

	2020	2021	2022	2023	2024	2025
PLUS	6.5%	3.3%	4%	7.5%	9.8%	10.9%
PRIMARY	5%	3.3%	4%	6.5%	6.5%	7.2%

Your Trustees are aware of the financial hardships of many of our members who continue to struggle to make ends meet. They have spent a lot of time and effort trying to find alternative ways to maintain the Scheme's financial position. However, with the very rich benefit structure that Pick n Pay Medical Scheme members have access to, there are only two possible solutions: either reduce benefit limits or apply a contribution increase that is 1% higher than claims expenditure.

The latter option was chosen and contribution increases for 2025 will therefore be 10.9% on the Plus Option and 7.2% on the Primary Option. We would like to stress that these increases are still lower than those of most other medical schemes.

To assist members, the income categories have also been increased to prevent members from falling into higher income bands when increases are implemented during 2025.



Benefit changes for 2025

Together with the actuaries and Momentum Health, our Administrator, a full review of the current benefits was carried out to identify areas where benefits need to be introduced to ensure that clinically appropriate cover is provided in line with the Department of Health's treatment protocols.

The following benefit changes have been introduced for 2025:

Plus Option	Comments
Out-of-hospital treatment plan for alcohol and substance abuse	Subject to managed care protocols
Revised care plans for HIV	Care plans aligned with industry standards in HIV management
Bone density scans	Subject to the following criteria: <ul style="list-style-type: none"> • females older than 65 • males older than 70 • all beneficiaries older than 18 with low bone mass, bone loss or fragility fractures
Faecal occult blood test/Faecal immunochemical test	Subject to the following criteria: <ul style="list-style-type: none"> • over 50 years • family history
Antenatal vitamins during pregnancy	Must be registered on the Maternity Programme Limited to R140 per month
Co-payments on the following endoscopic procedures in doctors' rooms or day facilities: <ul style="list-style-type: none"> • gastroscopies • oesophagoscopies • colonoscopies • sigmoidoscopies 	R2 500 co-payment will be applied if these procedures are performed in hospital without an approved clinical indication and Scheme approval

Primary Option	Comments
Faecal occult blood tests/Faecal immunochemical tests	Subject to the following criteria: <ul style="list-style-type: none"> • over 50 years • family history
Mammograms	Care plans aligned with industry standards in HIV management Every two years, subject to the following criteria: <ul style="list-style-type: none"> • over 40 years • clinically indicated (high-risk members)

All benefit limits have also been increased by 4.7%.

Changing your option

In making an option choice for 2025, we urge you to take not only contribution increases into account, but also to carefully study the benefits brochures to ensure your family's anticipated healthcare needs for 2025 will be met on your chosen option.

Remember that you will need to remain on your chosen option for the full year and will only be able to make a change again in 2025.

Should you wish to change your option for 2025, please complete the option selection form and return it by no later than 17 December 2024. Your option change will be effective from 1 January 2025.



Reminder: Complementary products



Multiply is a rewards programme that guides, motivates and rewards you for taking everyday steps on your journey to living a better and happier life. As a Multiply member, you get rewarded from day one for every step you take in looking after your mental and physical health.

All Pick n Pay Medical Scheme members have access to Multiply Inspire – free of charge. Members will need to download the Multiply app from Google Play or the Apple iStore and register to start benefiting. You will also have the option to upgrade to Multiply Inspire Plus, where bigger cashbacks and rewards can be obtained. It all happens on the Multiply app and the healthier you are, the more you score.

HealthSaver

The HealthSaver account lets you save for medical expenses, such as co-payments, cosmetic surgery, vitamins and other costs that are excluded from benefits by the Scheme. These costs can be covered from HealthSaver, provided you have accumulated sufficient funds in the account to do so.

Not only can you choose the monthly amount to contribute to HealthSaver according to your own needs and budget, but seamless integration with the Scheme means it is the most convenient way to pay for treatment and procedures not covered by your option or once your Medical Spending Account (MSA) has been exhausted.

You will also be able to boost your HealthSaver balance by earning HealthReturns. **HealthReturns can only be deposited into a HealthSaver account.**

Important: There is no longer a requirement to pay a minimum of R100 each month into your HealthSaver account. You can open a HealthSaver account and use it merely to receive HealthReturns without making monthly contributions.

HealthReturns

The HealthReturns programme is designed to incentivise members to follow a healthy lifestyle. The reward for taking accountability for one's health could be as much as R1 500 per adult beneficiary per month (or approximately R3 000 per family per month), which is paid into your HealthSaver account and which you can access if your MSA becomes exhausted. Please note that the HealthReturns you can earn are limited to 40% of your medical scheme contribution on Multiply Inspire Plus and 10% on Multiply Inspire.

Pick n Pay Medical Scheme members enjoy free access to Multiply Inspire and can upgrade to Multiply Inspire Plus to earn bigger rewards and increased HealthReturns. In order to maximise your HealthReturns, you will need both Multiply Inspire (free to all Pick n Pay Medical Scheme members) and a HealthSaver account (visit www.pnpms.co.za for more information).

Download the Multiply app and complete the Lifestyle Quiz to get your Lifestyle Score and start earning HealthReturns for your HealthSaver account. This gives you three months within which to complete your health assessment, locking in your HealthReturns for 12 months. Completing a fitness assessment will further increase the HealthReturns you can earn.

You can earn more HealthReturns if you achieve a Weekly Win for hitting your Active Dayz goal for the week – you can view your Active Dayz goal on the Multiply app.

It is time to take charge of your health and earn HealthReturns to boost your medical savings balances.

Should you wish to find out more about any of these complementary products, please visit www.pnpms.co.za and click on 'Complementary products' in the menu at the top of the webpage.

Complementary Products





The benefits of taking out GAP cover

GAP cover provides for:

- charges levied by medical practitioners above the Scheme rate for services in-hospital
- chemotherapy or radiotherapy for the treatment of cancer on an out-patient basis
- kidney dialysis on an out-patient basis
- other defined out-patient procedures.

Pick n Pay Medical Scheme members have access to Gap Cover Supreme, which provides cover at six times the Scheme rate, less the higher of the medical scheme tariff or the medical scheme option's reimbursement rate up to a maximum of R190 000 per annum.

For a brief overview of the benefits, please see the GAP cover benefits overview below. You can also join GAP cover with no underwriting (i.e. waiting periods or other conditions for joining) between 1 November 2024 and 31 January 2025. For more information and to download an application form, please visit www.pnpm.co.za.

Benefits overview

GAP cover

The GAP cover benefit covers charges above the Scheme rate for associated services in hospital, listed out-patient procedures, chemotherapy or radiotherapy for the treatment of cancer, and kidney dialysis. GAP Cover 100 ensures insured persons have up to 600% cover.

Major medical co-payment/deductible cover

The co-payment benefit covers co-payments or deductibles levied by the Scheme for hospital admissions, listed out-patient procedures and CT, MRI and PET scans. It covers the penalty for using a non-network hospital once per family per year, limited to R15 000.

Sub-limitation cover

The sub-limitation benefit covers charges above the defined in-hospital sub-limits imposed by the Scheme.

Cancer cover

The cancer benefit covers the co-payment after the sub-limit has been reached for either traditional methods of cancer treatment or treatment of cancer with defined biological drugs, immunotherapy, hormone therapy, targeted therapy, photodynamic therapy and/or stem cell transplants.

Casualty ward benefit

The casualty ward benefit covers the cost of emergency medical or surgical procedures in a hospital casualty unit where such costs were not covered by the Scheme.



Contacting us

We want to make it easy for you to contact us and would like to provide you with feedback as quickly as possible. As such, we have created a number of email addresses that will make it easier for your query to reach the correct team for a speedy response.

 Should you need to email the Scheme, please send your email to the relevant email address below:

Claims
claims@pnpm.co.za

Membership
membership@pnpm.co.za

Pre-authorisation
auths@pnpm.co.za

Enquiries
enquiries@pnpm.co.za

Chronic medication
chronic@pnpm.co.za

Contributions
billing@pnpm.co.za

Maternity Programme
maternity@pnpm.co.za

Mental Health Programme
mentalhealth@pnpm.co.za

Oncology Programme
oncology@pnpm.co.za

Disease Management Programme
diseasemanagement@pnpm.co.za

HIV Programme
yourlife@pnpm.co.za

HomeCare+ Programme
homecareplus@pnpm.co.za

Palliative Care Programme
palliativecare@pnpm.co.za

Dental authorisations and queries
dental@pnpm.co.za

Motor vehicle accidents (MVAs)
mva@pnpm.co.za

Ex gratia requests
exgratia@pnpm.co.za