

## Feedback: Special PSCBC meeting

### Medical-aid subsidy: Annual adjustment

Labour has since last year, called on the employer to pronounce on the medical-aid inflation increase that is due for implementation yearly on 1 January. Council also submitted correspondence to the employer, enquiring on the date of implementation. A response was requested by 20 January 2021. Unfortunately, no response was received. At a special meeting held on 2 February 2021, the employer apologised for the delay in the response and indicated that it is resolving some administrative challenges it has experienced in finalising the matter. It was undertaken that the matter will be finalised by no later than **end-February 2021 and payment will be backdated to 1 January 2021.**

### CMS Section 59 Preliminary Report

The Government Employees Medical Scheme (GEMS) tabled a presentation to Council on the preliminary report that was issued on allegations of racist practices by medical schemes, including GEMS. GEMS indicated that it has approached the Court earlier to interdict the release of the report as it wanted an opportunity to respond to the allegations prior to the report being made public. The intention was to protect GEMS from any reputational harm before the final report is issued. Unfortunately, the GEMS Court application was not successful and it now has an opportunity to respond to the report by 5 March 2021. GEMS indicated that the matter arose because of the process that commenced in 2019 on Fraud Waste and Abuse (FWA), which was pointed out by the Council for Medical Schemes based on complaints received from members. This led to some practitioners raising concerns that were based on racist practices. GEMS indicated that it would provide a response to Council on the matter.

Labour raised concerns with how the process was conducted and that perceptions were created around the stance of GEMS on the matter. It was also raised that unfortunately members are disadvantaged by the process as payments to service providers are not made and they must carry the cost from their pockets. Parties agreed that there is a need for further interaction on the matter in the PSCBC Task Team dealing with GEMS-related matters and that a solution needs to be found to remedy the matter and address allegations.

### Increase in contributions for GEMS members: 2021

Members will recall that it was reported in December 2020 that labour objected to the percentage increase in GEMS contributions and requested the Board of GEMS to reconsider the increase. Unfortunately, before a response was given to labour at Council, as was anticipated, GEMS proceeded

with the increase. GEMS further made another presentation on the options available to justify the increase and argued on the need to ensure legislative compliance with the reserve ratio that needs to be maintained and therefore justified the decision to increase contributions.

Labour expressed dissatisfaction with the unilateral action by GEMS to increase contributions without consultation. Labour pointed out to GEMS that unions were integral stakeholders and by not consulting resulted in a breakdown in relations.

Amongst other concerns and frustrations expressed by the rest of labour, the PSA placed on record that GEMS did not consider the current economic climate in the country and only considered its own viability. Currently, everyone is affected economically, including GEMS members. GEMS needed to create and ensure a balance and that other measures could have been explored to reduce the economic impact instead of an increase. It was also raised that reports revealed that medical aids did not incur much expenditure since the onset of COVID-19 as hospital admissions and normal doctor visits decreased. GEMS did not give an indication how this saving could substitute or reduce the percentage that was set for increases. The PSA also placed on record that GEMS is no longer regarded as an affordable medical aid, and is no longer in line with the purpose for which it was established as contained in the PSCBC's Resolution that established GEMS. The issues of concerns, challenges and frustrations experienced by members are becoming too much and are escalating. The PSA stated that there is a need for a comparison to be done between GEMS and other medical schemes (benefits and contributions) and that it should be aligned to the purpose for which it was established as an affordable, in-house medical scheme for the Public Service as a last resort and on an urgent basis. Failing this, the PSA will not hesitate to pursue the economic interest and economic protection of its members.

Labour also called for the review of GEMS in line with the agreement and demanded that GEMS should return to the Board and express the anger and concerns raised by labour. The increases that were already implemented should also be reconsidered in line with the concerns that were raised in Council. Parties also agreed that further engagement and the process as proposed above should unfold in the Medical Aid Task Team of Council as a matter of urgency and report back to Council.

Members can be assured that the PSA will continue to call for the reform of GEMS and equalisation of the medical-aid subsidy to ensure a freedom of choice.

GENERAL MANAGER

## PRESS STATEMENT

**19 January 2021:** The Government Employees Medical Scheme (GEMS) has noted the release of the Section 59 Investigation Preliminary Report which investigated the veracity of allegations made by medical professionals that they were being discriminated against by medical schemes and administrators and their claims were being withheld based on their race and ethnicity.

The Scheme always supported the establishment of the Section 59 Investigation by the Council for Medical Schemes (CMS) and continue to do so.

Commenting on the release of the preliminary report findings to the Public, Dr Stanley Moloabi, Principal Officer of GEMS said, “GEMS has noted with concern the preliminary findings, and as the Panel has afforded impacted Schemes a period of six weeks to study the report and thereafter provide formal comments based on the interim findings; GEMS will take this opportunity to closely study the full report findings, and the recommendations of the Panel to establish a way forward.”

Providing clarity on the interdict application made by the Board of Healthcare Funders (BHF) and GEMS, Dr Moloabi clarifies, “Our intention was never to ‘block’ the release of the report, but to request that due processes be followed in ensuring that affected parties had a view of the report before it was released to the public.”

The task at hand is to engage widely with healthcare providers to strengthen relationships with them and make sure that if there are any loopholes, we work together to fix them for the benefit of all.

“GEMS has nothing to hide and have throughout the process cooperated with the Panel to support in providing all information required for the panel to meet its obligations.

“GEMS has a zero-tolerance to all forms of discrimination and pledges to implement corrective action where such remedial interventions are required and as recommended by the Panel for the benefit of our members and healthcare providers.

As GEMS, we reiterate that we are an entity that abides by and is loyal to the Constitution of this country and in all our dealings we remain committed **not to** discriminate on any basis including race, gender, sex, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture and language.” Dr Moloabi commented.

“GEMS will continue in all efforts to ensure that medical professionals receive their claims payments as the Scheme has been doing, in line with scheme rules and provisions of the Medical Schemes Act. GEMS remains committed to eradicate fraud, waste and abuse to ensure we sustain the Scheme financially for the benefit of our members, the same way we are committed to ensuring that there is no unfair racial discrimination whether deemed to be intentional or due to flawed processes that we were blinded to.” concluded Dr Moloabi.

- End -

Public Servants interested in exploring GEMS coverage options for 2021 or want to join the Scheme can simply SMS “Join” to 33165 or call 086 004 367 or simply visit the GEMS website on [www.gems.gov.za](http://www.gems.gov.za)

**Issued by: GEMS Senior Manager: Marketing and Communication on behalf of the Principal Officer.**

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Mr. F de Bruin  
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Dear Mr De Bruin

## GEMS' CONTRIBUTION AND BENEFITS FOR 2021

1. Following our previous engagements and discussions regarding GEMS' 2021 contribution and benefits, kindly note the communication below:

1.1 The GEMS Board of Trustees hereby apprise that contributions will increase by a weighted average of 6% for 2021, effective 01 January 2021. The table below illustrates the contribution increase per option:

	2021 Tanzanite One	2021 Beryl	2021 Ruby	2021 Emerald	2021 Emerald Value	2021 Onyx	2021 Scheme
Contribution Increase	4.25%	6.25%	6.25%	6.25%	4.25%	7.25%	6.00%
Average members during this period	70 538	48 739	118 293	400 204	86 682	24 159	748 614
Average beneficiaries during this period	225 843	130 976	314 809	998 891	238 713	37 502	1 946 734

1.2 Members were afforded the opportunity to change options until 14 January 2021.

1.3 An overall increase of 4% will apply to all in-and out-of-hospital benefit limits across all GEMS benefit options.

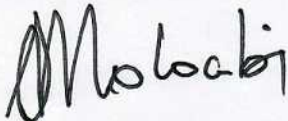
1.4 Members moving from the traditional Emerald option to the Emerald Value option will save over 31.5% on their monthly contributions.

1.5 The Out-of-Hospital Primary Care Extender Benefit will provide an additional R780 per beneficiary per year for the Emerald and Emerald Value options.

1.6 Qualifying members who join the Tanzanite One option are entitled to receive up to 100% subsidy from their employer.

- 2 Based on the evolving healthcare needs of members and the current global climate, we are pleased to announce a variety of additional health benefits, as below:
  - 2.1 An advanced radiology sub-limit on Tanzanite One
  - 2.2 An in-hospital prosthesis sub-limit across all options
  - 2.3 The introduction of an in-hospital Mental Health sub-limit for Educational and Industrial Psychologists across all options
  - 2.4 Enhanced Preventative Care services, including the introduction of other clinically indicated vaccines
  - 2.5 A dental benefit enhancement on options Tanzanite One and Beryl.
  
- 3 Please note that due to the delay in finalizing the 2021 contributions, PERSAL implementation was delayed. This will have an impact on those members who opted to change their option between 01 and 15 January 2021. Members who have changed to lower cost options will be refunded; prorated deductions will be applied to those who have upgraded.

Yours sincerely



Dr BOS Moloabi  
**Principal Officer**  
**Date: 20 January 2021**