



FOR PSA MEMBERS: **PUBLIC SERVICE COORDINATING BARGAINING COUNCIL (PSCBC)**

29-07-2025

Feedback: PSCBC GEMS Task Team meeting – 23 July 2025

The following agenda items were discussed:

Measures to limit contribution increases

Members would recall that the huge 2025 Government Employees Medical Scheme (GEMS) membership premium increase of 13.4% created unhappiness amongst members owing to unaffordability. In this meeting, GEMS reported that various initiatives have been implemented in 2025 to support reasonable contribution increases in 2026. Such initiatives include risk-based capital (RBC), non-healthcare costs containment, a claims management forum, and benefit-design strategies. Several RBC frameworks have been proposed to address some of the shortcomings of the current regulatory framework. These frameworks outline methods of measuring the minimum amount of capital that is required to support overall business operations of a medical scheme. This ensures minimum capital requirements are commensurate with scheme size and overall risk profile. Further, cost-containment measures pertaining to staff costs, meetings, consultant usage, procurement, promotions and marketing as well as travel, accommodation and meals have been implemented, targeting a saving of R18 million. The Claim Management Forum critically analyses claim patterns and identify saving options. Other initiatives considered include redesigning Tanzanite One (T1) to align to the NHI primary cover, align the contribution rate of the highest income band on T1 with Beryl, extending the current hospital network to other options, consider no benefit changes for 2026, and Pilot RBC and maintain a lower reserve ratio than the required 25%. Labour reminded GEMS of the submission to create value for members through partnerships. GEMS responded that work is underway for wellness and loyalty partners although it could not commit to launching these in 2026. Factors that increase utilisation for medical aid are average age, chronic ratio, pensioner ratio and life expectancy.

GEMS 2025 product development approach

GEMS noted the member pushback regarding the high 2024-contribution increase and endeavoured to respond in the product development approach. The response would include, amongst other strategies, alignment with universal health coverage (UHC) and to prioritise proposals offering cost-neutrality, savings or clinical appropriateness. Four key areas that shaped the 2025-evaluation process are minimal benefit enhancements, affordability, digital innovation, and regulatory compliance. Further GEMS reported that it conducted a membership survey, which showed that generally members are happy with

the product offering and benefits although labour disputed such based on complaints received from members. Subsequently, labour proposed that three areas where there is a high density of members be identified where labour and GEMS will conduct such a survey. GEMS was amenable to the idea and the necessary planning will ensue. Members will be updated.

Employees who want to join the PSA can visit the PSA website or contact PSA Provincial Offices.

Reuben Maleka
GENERAL MANAGER