



NAPOTEL

MEDICAL AID FUND

Affordable and quality health insurance for employer groups



NEWSLETTER AUGUST 2016

TOPICS FOR DISCUSSION:

1. 2016 AGM
2. 2016 Member Information Sessions
3. Update on the Namibian Competition Commission case
4. Prosperity Health: Branch Offices Movements

2016 AGM

The 2016 Annual General Meeting was held on Monday 21 June 2016, the Board of Trustees would like to take this opportunity to thank all members who travelled from all parts of the country to attend the meeting including members who submitted the proxies as they could not attend the meeting.

Addressing the AGM, the chairperson in her report highlighted, that the 2015 financial year was a challenging year for the Fund and that the Fund experienced a slight decrease in membership from 1,965 in 2014 to 1895 in 2015. She alluded to the fact that despite the drop in member numbers the Fund recorded an increase in total claims and closed off the year in a deficit before interest and surplus after investment income.

She further highlighted that the medical aid industry as a whole continues to experience the impact of macro-economic effects such as:

- Tough economic conditions impacting on the amount of take home pay
- Rising cost of healthcare provision caused by more expensive technology, treatment and increase in number of health facilities resulting in higher claims, utilization, admission rates and larger co-payments and out-of-pocket expenses by members. Medical aid cover become less affordability; and
- The impact of the increasing general prevalence of lifestyle diseases such as diabetes, HIV/Aids and hypertension.

In conclusion she highlighted that the Board of Trustees is committed and strive to continuously improve communication channels to the members in order to ensure that they hear the member concerns and address it through product developments whilst trying to keep the premiums affordable

FACT SHEET OF THE ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDING 31 DECEMBER 2015.

RESERVE LEVEL
73% current statutory
requirement 25%

Total accumulated
funds divided by total
contributions

SOLVENCY RATIO
9.8 times norm 2 times?

Total assets cover
liabilities divided by total
contributions

CLAIMS RATIO
73%

Total accumulated
funds divided by total
contributions

TOTAL ASSETS
N\$ 62,832.246 million

Total Fund

TOTAL INCOME
N\$ 77,304,174 million

Total Fund: contribution and
investment income

TOTAL BENEFICIARIES
4929

Total members on the fund

TOTAL CLAIMS PAID

N\$ 74,445,535 million

TOTAL EX-GRATIA PAID

Total cases 62
N\$ 1,879,836.07 million

OUTCOME OF HIGH COURT RULING ON NAMAF AND MEDICAL AIDS AND THE NAMIBIA COMPETITION COMMISSIONER

The Napotel Medical Aid Fund, as a registered medical aid Fund in Namibia is affiliated to NAMAF (The Namibian Association of Medical Aid Funds). Is a juristic body, established in terms of the [Medical Aid Funds Act, 1995 \(Act 23 of 1995\)](#) to control, promote, encourage and co-ordinate the establishment, development and functioning of Medical Aid Funds in Namibia.

Namaf over the years provided for a benchmark tariff structure, a coding system, issued practice numbers to healthcare professionals and other industry matters. The benchmark coding and tariff structure are used by all Medical Aid Funds in Namibia as a guideline in setting individual fund/scheme tariffs, e.g. Napotel Medical Aid Fund pays 225% for specialist treatment, and the Namaf benchmark tariff is 100%. At the same time whilst some health professional use the benchmark tariffs to bill members others used it as a benchmark also and set their own fees and that result in a possible co-payment to members. This is the prerogative of the health service providers to determine their own fee which consider as a fair fee to charge medical aid fund members.

In 2010, the [NPPF](#) (Namibia Private Practitioners Federation) lodged a complaint with NaCC, that the practice of Namaf/Medical Aid Funds setting and using the benchmark tariffs issued by NAMAF to pay for treatment and services of Medical Aid members, was coalition and anti competitive and should be prohibited.

The [Namibian Competition Commission](#) is established in terms of the Competition Act 2 of 2003. The Act regulates competition issues across all sectors of the Namibian economy. In terms of the Act, the Commission is entrusted as the principal institution to promote and safeguard fair competition in Namibia by promoting the efficiency, adaptability and development of the Namibian economy.

The NaCC lodged an investigation, and the main purpose of the investigation was to determine whether the decision by Medical Aid Funds to implement bench mark tariffs issued by Namaf was in contravention of the NaCC act. The investigation was concluded in 2015, and the NaCC found that the Medical Aid Funds contravened the act, by colluding as undertakings to use the Namaf bench mark tariffs, and all Medical Aid Funds must sign a consent agreement and pay a penalty equal to 5% of their annual contribution income.

NAMAF/Medical Aid Funds did not agree with the findings, as the investigation classified Medical Aid Funds as undertakings, and the argument of NAMAF

was that Medical Aid Funds can not be undertakings, as they operate on a solidarity, cross subsidation principle and no profits are paid to its members. Namaf and the NaCC could not reach an agreement on the classification of Medical Aid Funds as undertakers, and the case was referred to the high court to obtain clarification if Medical Aids were in fact undertakings or not. The case was argued in the high court on 24 November 2015 and the judgement was in favour of the NaCC as announced on 17 March 2016. NAMAF/Medical Aid Funds are in the process to appeal the case.

The Board of Trustees would like to inform all members, that this judgement does not have an impact on the member at this point of time and that the business of the Fund continues as normal.

2016 INFORMATION SESSIONS

As part of the annual feedback process to members, information sessions are held annually to communicate new benefit and premium changes. It is interactive sessions where the Trustees as well as the Administrator receive feedback on benefits, services delivery positive or negative and any challenges that members experience with their medical fund.

The 2016 sessions kicked off during the 1st week of April, below is a report indicating the towns where the sessions were held including the feedback received on benefits from Members.

The Board would like to thank all members who attended the sessions, and further highlight their appreciation of the feedback received from members. The feedback will be taken into consideration for the 2017 benefit design and review process.. Below is the feedback received from members during the 2016 sessions:



NO	BENEFIT
1	<p>Co-Payments Co-payment (Levy on Medication) Concern is that the current levy structure is too high and the BOT need to look at possible ways to reduce the current percentage</p> <p>Current Structure: 20% with a minimum of N\$ 35 & Maximum of N\$ 60</p> <p>1.2 Co-Payment at Swakopmund Cottage Hospital Concern raised that the co-payment is too high that members pay at the hospital</p> <p>1.3 After Hours co-payments Concern of high co-payments during after hours at casualties</p>
2	<p>Chronic Medication Benefit Current benefit is limited , Fund should revisit and increase the amount</p>
3	<p>OTC benefit Current benefit is limited , Fund should revisit and increase the amount</p>
4	<p>Gym benefits 2.1 Home Equipments</p> <p>The fund should be proactive and include fitness equipment for chronic members –also for areas with no formal gym facilities</p> <p>2.2 Gym Facilities at Companies</p> <p>The members propose that the Fund should look at the possibility of opening gym facilities on company premises</p>
5	<p>Physiotherapy & Psychology Benefits currently covered under one benefit, request is for a separate benefit to be allocated to each benefit</p>
6	<p>Transport Assistance 3.1 Transport Assistance for Accompanying parents</p> <p>Request for Fund to cover travel costs for both parents when accompanying a child dependant for medical treatment.</p> <p>3.2 Transport Benefits</p> <p>Current benefit is too limited, Fund need to review and increase benefit.</p>
7	<p>Drug & Alcohol rehabilitation Current benefit is too limited, and will not be enough to cater for cases where a member need to go to a rehab centre more than once in one benefit year</p>
8	<p>Cancer Prevention Injection Benefit to be covered under complimentary benefits and not acute medication.</p>
9	<p>Optical Benefits Eye Test Current benefit offered every 2nd year, Fund should introduce a separate benefit to cover the eye test every year.</p>
10	<p>Psychiatry hospitalisation Current benefit is too limited</p>
11	<p>Refractive Surgery Current benefit is not sufficient to cover the surgery, Fund need to review benefit</p>
12	<p>OTC Fund should supply information on which supplements and vitamins are covered under the OTC benefits</p>

PROSPERITY HEALTH: BRANCH OFFICE MOVEMENTS

Please take note that the Tsumeb & Keetmanshoop Prosperity health branch offices has moved to new offices, the new address and contact numbers are as follows:

<p>Tsumeb 1150 Sam Nujoma Drive Tel: 083 32370/2079 Fax: 088 655 9448</p>	<p>Keetmanshoop Office nr.12 Desert Plaza, Hampie Plichta street Tel: 083 323210 Fax: 088 652 4102</p>
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