

01/01/2025

Dear Family Practitioner,

Re: Concerns Regarding 2025 Medical Aid Increases for General Practitioners

We have reviewed recent notifications regarding the 2025 Medical Aid increases and identified several areas of concern.

Discovery Medical Aid Increase Notice

Discovery's notice suggests that a 4.2% increase reflects our true value, but this is misleading. The letter references the September CPI of 3.8%, while the actual CPI for 2024 (up to September) is 4.9%*. Additionally, the Administration CPI* averaged 6.8% for the same period. * Source Statistics South Africa

Medical aids must align their increases with these inflation figures. CMS reports that GP payouts have increased by just 0.97% from 2005 to 2022, and dropped further to 0.83% in 2023 **. Based on this, GP's should receive at least a 5.8% increase for 2024/25, which is the difference between the CPI (4.9%) and the Administrative CPI (6.8%).

** Source CMS Industry Report 2023 Pg 18

Industry Increases and Payout to GP's

The 4.2% increase by Discovery is alarming against the ever increasing rates of increase that members are forced to pay. A further adjustment is needed to meet even the minimum expected increase of that between CPI Average and Administration CPI which would be at a minimum of 5.8% in real terms the rand increase on the current Discovery Rate of R 572,40 (vat incl) would be only R 33,19 (vat incl) per consultation or in effect only 28.86 (vat exclusive) per consultation.

While most Medical Aids are at a 5% increase, one even at 6%, we reject being valued at this low level.

Inflation and ever reducing GP's Payouts

We remain aware that inflation is dropping but reject being valued at lower than inflationary increases which the CMS Industry Report 2023 alludes to in its

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Health Care Benefit Paid Per Beneficiary report as less than 1 percent growth paid to GP's annually since 2005 compared to the Specialist payout for comparison who received 4,55% in the same period.** The compounded impact over 18 years here is significant and alarming. ** Source CMS Industry Report 2023

What is more concerning is the continual targeting of GP's by the medical aids especially those administered by the 3 bigger medical aid administrators. They continue reducing costs in the general practitioner space when the administrators should be forced to restructure the very loose scheme rules and free for all access along with the proper adherence of clinical pathways. Where these are not followed no payments for tertiary care should occur These all need to align with best clinical practice and paying the general practitioners appropriately to ensure these patients follow the correct pathways to the areas where the payouts exceed budgets historically.

GEMS Medical Scheme

GEMS has also implemented an increase 4,7% well below the 5% average of Medscheme-administered schemes, without providing any justification.

Medscheme Administered Schemes

As already mentioned most of their administered schemes were at an average of 5% also with no justification or explanation.

Momentum Health Administered Schemes.

They had the audacity to tell the GP fraternity that they can wait for the new year to find out their fate on tariff increases. We will be taking this up with the CMS along with the complaints of late publication of fees in 2024

Concerns Over GP Payouts

We take exception to the minimal increase of less than R18 per consultation for GPs, especially when medical schemes have raised consumer rates by 8% to 13%. The ongoing decline in GP payouts -down more than 50% since 1997 - suggests that the real reason for higher costs to consumers is not related to GP compensation.

We urge all General Practitioners to share this information that your worth is a measly R 20,90 (based on discovery rate which is higher than industry average) with their patients and join their local IPAs. IPAF is committed to addressing these issues, including the market dominance of the top three administrators, which we believe is leading to a reduction in both the numbers and decline in earnings of primary care providers.

Thank you for your attention to this matter.

Sincerely,

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