

Bonitas announces the lowest increase in 10 years - from 0%

Issued by [Bonitas](#)

28 Sep 2020

Financially solid, younger new members, two new plans, virtual healthcare and a renewed focus on Managed Care for chronic diseases are just a few of the insights from the Bonitas 2021 product launch.

But it is the annual contribution increases which are highly anticipated and the moment of truth for all medical schemes.

Lee Callakoppen, Principal Officer of Bonitas Medical Fund announced an unprecedented 0% increase on its BonFit Select plan and a weighted increase of 4.6% across all plans. The highest increase is 7.1%. 'Members on our growth options, which contribute to 91% of business, will only experience an increase on 3.9%. I think, looking at the pricing and the benefit richness we offer in comparison to the market, the changes for 2021 will be well received.'

He says, 'The guidelines received from the Council for Medical Schemes (CMS), clearly highlighted that medical schemes should limit contribution increases as far as possible. We crunched numbers and worked tirelessly to find the sweet-spot between sustainability and ensuring affordability. Not an easy task, especially in a weakened economy. We took a responsible stance, with a long-term view, to ensure that our members wouldn't have to pay the price of a low increase for 2021 in the coming years. One of our core considerations was finding ways to ensure members could get access to full healthcare cover and avoid out-of-pocket expenses and co-payments.'

Pricing and technology

Seven of our current options are priced between R1500 and R3000 which is where the medical scheme market is experiencing growth currently. Member behaviour has changed significantly and demand is for innovation, accessibility and technology. This has the benefit of attracting, a younger, target audience and driving sustainability.

We can't talk about 2020 without mentioning Covid-19. Key trends that emerged from a medical schemes perspective were:

- Changes to benefit structures and PMBs
- Lower than anticipated investment income as markets slumped
- Changes in claiming patterns in terms of seasonality and volume, due to the lockdown measures that came into effect
- And a Consumer Price Index that was lower than previous years which is expected to be at around 3.9% in 2021

In an industry like ours, it's challenging to be different – to innovate, disrupt...to be better. But not impossible. The Fund needed to make short-term decisions with the long-term view and sustainability in mind.

One of the highlights over the past few years, has been the introduction of four Efficiency Discounted Options (EDOs). Plans whereby members use network healthcare providers and pay around 15% less for the same benefits. The EDOs cover over 74,000 lives and the principal members who join are around 10 years younger than the average Bonitas member.

2021 - changes, contribution increases and enhancements

Over the past five years, we have proactively driven innovative product design, actuarial modelling and constant

engagement with various stakeholders. We believe we offer the ultimate split risk solution, with a comprehensive product range and diversified membership base.

To stay at the forefront of innovation we have introduced:

Edge - a new category driven by technology, intelligence and innovation, with two plans called BonStart and BonStart Plus. These are designed for economically active singles or couples, living in the larger metros.

The plans include access to: A private hospital network and full cover for emergencies; PMB chronic medicine; excellent day-to-day benefits including unlimited GP consultations; layers of virtual care, dental and optical benefits; preventative care; wellness screenings; contraceptives and more. The cost: R1452 and R1731 respectively for the principal member.

Managed Care

One of the leading trends worldwide is the rise in non-communicable diseases, such as diabetes, high blood pressure and oncology. In fact, during this global pandemic, the impact lifestyle diseases and comorbidities had on Covid-19 patients was put in the spotlight. 20% of our members have multiple comorbidities which means, even without the pandemic, we need a stronger focus on preventing and managing lifestyle behaviours. Poor diet, smoking and lack of exercise are the three lifestyle factors that contribute to over 80% of chronic conditions.

Managed Care continues to be a focus to empower members to take charge of their health and support them along the way.

Home-based care

During Covid-19, home-based care received renewed interest and focus. This dovetails with our strategy to move more care to the home and out of hospital. As an example, post-surgery or mild pneumonia, treatment can be effectively provided at home through the assistance of nurses. Not only is home-based care a cost effective delivery of care but it also promotes healing. Studies show that patients recover faster in their comfort of their own home.

Day hospitals

We believe the use of day hospitals and clinics should be encouraged, where possible. Some procedures such as cataract surgery, circumcisions and scopes are better suited to be performed in day hospitals or clinics versus larger hospitals. There is minimum disruption to members, speedier recovery times, less risk of infection and day hospital are also a more cost effective alternative.

Technology

One of the key learnings has been adapting to a new way of working – with virtual technology at the forefront. The WhatsApp channel we introduced has the most room for potential. This platform is convenient for members and allows them to manage their medical aid through live chats.

Virtual Care

There was a positive response to the launch of the new Bonitas Member Mobile App and free virtual care for all South Africans. This provided access to GP consultations for a range of conditions, including Covid-19, as well as free delivery for chronic medicine.

At the heart of the model is the GP. This aligns to our care coordination initiatives, ensuring members receive the right level of care and support in managing their conditions. It allows access to a virtual nurse, advice in an emergency, auxiliary and home-based care, ensuring members have comprehensive support for any condition, in any circumstance, through our

virtual based model.

We're pleased to announce that this model is unique and will guarantee a further level of differentiation for Bonitas.

Mental health

Is fast becoming the next pandemic and is a significant Managed Care risk. Studies show that around 20 -25% of patients with pre-existing mental health issues feel they are coping badly or deteriorating due to the pandemic. We predict that depression and post-traumatic stress, which has historically been on an upward slope, will increase further in time.

We have built a resource hub on our website to help people understand the condition and steps they can take to remain mentally healthy. The app also has a screening tool to help identify warning signals of mental distress. For those who need medical treatment, the focus is on ensuring that care for the mental illness is provided effectively.

The Wellness Extender

Is one of our key benefits as it provides access to another layer of care paid from risk. In 2021 the Wellness Extender can be used to pay for up to three months subscription fees for Run/Walk for Life to help our members get healthier.

Conclusion

We are looking forward to new and innovative ways of empowering members to manage their health in 2021 and beyond. Our focus is on more primary healthcare, utilisation of preventative care benefits, digitally enabled solutions and self-help facilities for members who want access to their benefits 24/7. Our goal is to improve integration of care, enable more access to out-of-hospital services, clinical information and benefits via various solutions.

We have listened to our members' needs and will be rolling out various tools and services to provide additional clinical support, an easier claims process and access to various helpful tools on our website. We are a medical aid for South Africa and our commitment of providing quality care, connecting with our customers and driving innovation is unwavering.'

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Bonitas



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