



ACA Employee Benefits (Pty) Ltd

ACA becomes Sanlam owned

Absa Consultants and Actuaries, formerly known as Absa Healthcare Consultants, have been involved as appointed consultants for the IEASA Medical Scheme Project since 2010.

During 2017, as part of a strategy to focus on core business, Absa indicated their intent to sell the employee benefits business, Absa Consultants and Actuaries Pty Ltd (ACA). By the end of 2017 it was announced that Sanlam Life (Pty) Ltd would become the new shareholder of ACA and would become a separate business under Sanlam Employee Benefits (SEB). The transaction was approved by the regulatory authorities early in 2018 and the effective date of sale was 1 April 2018 and ACA staff moved to Sanlam offices on that date. The integration process involved server testing, intranet transfer and access, staff induction and contracting and communication to clients.

The process reached an important milestone with the official name change from Absa Consultants and Actuaries to **ACA Employee Benefits (Pty) Ltd** being approved on 4 June 2018. The healthcare consulting division within the business is referred to as **ACA Healthcare**.

While the above aspects were being attended to, it has been business as usual for ACA Healthcare in terms of delivering the services to our clients as agreed. For IEASA, this means that we continue to guide the organization on all aspects of medical scheme offerings and, where appointed, also to the universities where we are operationally involved to assist students.

Please note that communication to reflect the new name and email addresses has been sent to all universities which have appointed ACA Healthcare as intermediaries and this communication has to replace the previous communication on university websites.

The benefits of being part of the IEASA project in action

At the last IEASA Medical Scheme Project meeting, the value of the project was again demonstrated through the fruitful discussions and information shared:

- The offering of the two schemes (Momentum Health and CompCare) only as preferred and accredited providers was again discussed, highlighting the benefit of dealing with the said schemes, via ACA Healthcare as consultant. The benefits include knowing that an independent healthcare specialist (ACA Healthcare) scrutinises the industry to ensure that the products on offer are sustainable, adhere to the specific requirements of the international student market and provide good value for money. It was agreed that universities must again be reminded of these benefits, which further also include proper service support. With ultra-low cost products, the high level of service around South Africa can only be achieved where economies of scale are prevalent – typically only with Momentum and CompCare in this market. Students would prefer the lowest monthly contribution possible and often do not consider that the benefits and limited access to hospitals and providers (networks) apply.
- The recent pressure by the SADC countries to have the medical schemes from our neighbouring countries approved for students studying in SA, has been confirmed by IEASA to not be supported by the Department of Home Affairs, based upon recent discussions IEASA had with them. The Immigration Act was amended in 2014 to prescribe that only medical cover from medical schemes registered with the Council for Medical Schemes is acceptable and the Department of Home Affairs remains adamant to continue applying this requirement. To open it up for insurance providers, foreign schemes and sick funds will be problematic to manage compliance, ensure appropriate cover and support.
- Josua Joubert of CompCare provided valuable insights regarding the recent proposed changes to medical scheme legislation from his perspective as representative on the Board of Healthcare Funders structures and contact that he has had with the Minister of Health. While we all agree that the healthcare system in South Africa is in dire need of reform, it seems that much of what is proposed (see later article) can still take years to be implemented. It was established that for the foreseeable future, the IEASA Medical Scheme Project will continue to offer the solutions to international students as it has done for 15 years.
- Rikki Wooding from Momentum Health provided detailed feedback on fraudulent activities identified during the past months. The detail of the fraudulent activities will be communicated in a separate communication by Rikki and it was clear to all that a collaborative effort by the schemes, ACA Healthcare, IEASA, SA Missions / Consulates and universities would be required to deal with this threat. Nevertheless it remains the university's responsibility to verify the authenticity of the confirmation letters that international students provide as proof of membership for registration purposes. Allowing other schemes than Momentum Health and CompCare increases the risk of non-compliance as students may cancel membership shortly after registration. Both Momentum and CompCare require confirmation from the university that studies have been concluded before cancelling membership which is an added safeguard.
- Compliance is the name of the game and this project relies on accurate reporting of students, medical scheme and other compliance records. The availability of trustworthy data, which IEASA is confident to have available soon, will further support and strengthen the value of the project. Where discrepancies exist in terms of medical scheme membership, possible adjustments to processes will be proposed by IEASA – in line with the requirements already established a number of years ago – (the IEASA-DHA Handbook)



What are the reporting requirements now being determined by the Department of Home Affairs as per the IEASA Handbook?

The Department of Home Affairs recently updated their requirements on reporting by universities on international students. This assists the Department of Home Affairs to reconcile their data. It seems that a number of foreign nationals enter the country with a study visa, but never end up being registered for study at any university. The reporting requirements now include details on the medical scheme registered for. Universities were provided with the necessary template to be completed for reporting purposes. All the requirements are included in the IEASA Handbook which has been circulated to International Offices and should guide universities to be fully compliant.

NHI and Medical Schemes Amendment Bills

The publication in 2018 of the two Bills for comment and the Minister of Health's comments at a press conference have caused some concern amongst practitioners, funders and brokers as it has the potential to completely transform the industry, if implemented. Some of the proposed changes mentioned under the Medical Schemes Amendment Bill, which aim to align medical scheme legislation with the proposed National Health Insurance introduction, include abolishment of medical scheme co-payments, review of the 25% statutory reserve requirement, reform of Prescribed Minimum Benefits to include primary care benefits and reviewing of the role of brokers. In order to optimize cross subsidization, it is also proposed that contribution tables of medical schemes must be based upon income and make provision for differentiation based upon beneficiary category, use of a broker and network discounts.

The IEASA Medical Scheme Project, through the valuable input from ACA Healthcare and the schemes will stay abreast of the proposed changes and timeously inform universities of any potential impact. While we agree with the need for reform due to the high cost of private care and the lack of quality in the public sector, we are of opinion that it might be challenging to implement a number of these proposals.

As indicated earlier, these are examples of the benefits of being part of the project:

- **Information is shared, and service levels compared and maintained at a high level, and assistance provided**
- **Universities can be on the cutting edge of developments regarding the offering of study opportunities to international students.**

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