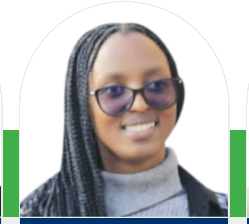
13 JULY 2023. PRETORIA. SOUTH AFRICA

MORE THAN HALF A MILLION NEW DEPENDANTS JOIN MEDICAL SCHEMES EACH YEAR

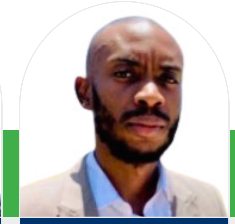
Research Review



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The latest research published by the Council for Medical Schemes in the American Journal of Biomedical Science and Research titled 'profiling dependants joining medical schemes: an analysis of factors influencing enrolment decisions' provides an interesting perspective; especially in the current debate of medical aids versus 'cheap medical aid.' The median number of new dependants joined medical schemes between 2017 and 2021 per year was 1,1 million, newborn babies constituted 23% with those under the age of 5 years accounting for 35%. The authors argue that by analysing enrolment decisions, medical schemes can tailor their strategies to meet the specific needs and preferences of dependants, which could possibly lead to higher enrolment rates and improved healthcare outcomes.

The enrolment of dependants in a medical scheme involved a complex process influenced by multiple factors. CMS research, drawing data from 2017 – 2021, focused on the eligibility criteria associated with affordability, the age of dependants and their healthcare needs.

Furthermore, the criteria for eligibility played a crucial role in determining whether dependants could be covered by a medical scheme, also taking into account age limits, relationship to the main member and proof of dependency.

Interestingly, in the period of 2019, medical schemes collectively experienced a high number of new dependants joining the scheme at 1,3 million. Figures for 2021 show enrolments of new dependants being the lowest in all the years at 622 000.

Various explanations could be offered; however, the impact of COVID-19 had a detrimental effect on the economy, and medical schemes were not spared either.

The analysis also revealed that closed schemes tended to enrol more new dependants below the age of 5 than open schemes. On the other hand, open schemes generally enrolled a larger proportion of beneficiaries aged 60 years.

Financial Year	No of Dependents Leaving	No of New Dependents Joining	Difference
2017	511,201	701 182	189 981
2018	991,102	1 272 882	281 780
2019	1,012,539	1 302 509	289 970
2020	905, 624	1 115 424	209 800
2021	475,748	622 182	146 434

Table 1: Contrasting the entry and exit of dependents from medical schemes (2017 – 2021)

The study uncovered three closed schemes and one open scheme that predominantly had new dependants aged 5 to 59 years joining.

It is worth noting that more than 96% of the recently enrolled dependants within these schemes fell within this age group, signifying a significantly lower proportion of child dependants under the age of 5.

CMS research further probed the costs of medical schemes by dependants.

The affordability of premiums, availability of cost-sharing mechanisms, and financial incentives or subsidies influenced the decision-making process of dependants to enrol for medical schemes.

The research found that decision-making factors for dependants encompassed a range of elements, including the influence of family members, sources of information, and behavioural biases.

Based on these results, interventions aimed at expanding health insurance coverage should prioritise the healthcare needs of children and the elderly. Targeted marketing campaigns for medical schemes should be tailored to address the unique requirements of these vulnerable populations and facilitate their enrolment in suitable medical schemes and benefit options.

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