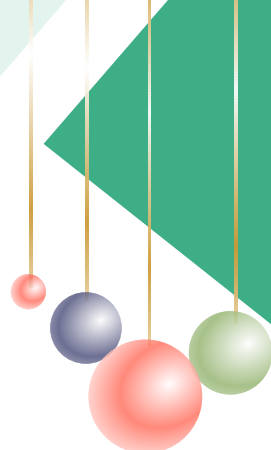




# HERITAGE HEALTH®

LIVE BOLDLY



November 2022

## Member Newsletter

### DEAR HERITAGE HEALTH MEMBERS

The year-end is fast approaching, and it is almost time to wind up and relax after a very challenging 2022. The overall Namibian healthcare funding industry has been faced with an anomaly for the last two years which has led to a distortion of healthcare costs, especially the cost of in-hospital treatment.

### HERITAGE HEALTH COURT CASES

As you are aware, the Fund has been conducting two major court cases. The progress to date is as follows:

#### 1. Namfisa // Heritage Health supreme court appeal

The appeal case emanated from the decision of the High Court wherein the Fund was instructed to refund to those members who chose not to waive the portion of increased premiums arising from the unapproved 2019 product increases. This refund is reflected as a contingent liability on the Funds Balance Sheet.

The Fund appealed against this judgment and the Supreme court hearing was on 5<sup>th</sup> October 2022. Judgement in this regard is awaited.

In the event that the Supreme Court upholds the High Court judgement, the Fund has to pay out a substantial amount to non-waiving members. This will certainly put tremendous strain on the income of the Fund and will have a negative bearing on the Fund's arguments against liquidation.

#### 2. Namfisa // Heritage Health : High Court application for liquidation

The High Court application by Namfisa to liquidate the Fund due to low solvency was heard on the 18<sup>th</sup> October 2022. The low solvency margins resulting primarily from the contingent liability from the use of unapproved 2019 products and Namfisa penalties. Counsel for both parties presented their arguments before the High Court Judge. The case was postponed to the 10<sup>th</sup> March 2023 for delivery of the judgement.

Should the Fund be successful in defending the case, Heritage Health will continue as a going concern. However, should Namfisa be successful, the Liquidation process would be put in motion under the relevant legislative provisions of the Companies Act.

We remain positive that our Counsel presented the Fund's cases adequately. Further updates to the members will be given accordingly.

### IMPORTANT PROPOSED BENEFIT CHANGES

The Quarter two 2022 Namfisa report demonstrates that the reserve levels of medical aid funds have decreased from 39.4% to 30.22% in the last six months. This extensive decrease in the reserves is due to a number of reasons and is posing a real threat to the long-term sustainability of medical aid funds in Namibia.

Analyses of the healthcare market in Namibia identified the following main challenges:

- The number of beneficiaries covered by medical aid funds in Namibia has largely remained the same over the last 5 years.
- Although the number of beneficiaries stayed relatively constant, the number of beneficiaries that claimed their benefits has increased significantly.
- The spectrum of healthcare services offered in Namibia has grown significantly, while the pool of insured beneficiaries remained the same.
- Although it is anticipated to correct over time, medical aid funds are still experiencing an increase in in-hospital procedures

due to the pent-up demand created during the Covid-19 restrictions.

Although funds have reserves in order to deal with periods of unexpected high claims, the consistent high claims trends experienced over the last two years are a concern and threaten the sustainability of Funds. It is against this background that the Board of Trustees explored possible changes, that could be implemented to improve the financial position of Funds.

Amongst the proposed benefit changes is reducing the Additional Hospital Benefit (AHB) by 25%. In other words, a decrease of the 225% to 200% of NAMAFA tariff in respect of in-hospital procedures. The healthcare landscape in Namibia looked different when this practice was introduced 12 to 15 years ago and therefore it had to be reviewed to align to current challenges. Furthermore, the board is proposing a decrease in fees paid to hospitals for hospitalisation from 100% to 95% of NAMAFA tariff. Although the change is unexpected, it is crucial to the financial sustainability of Heritage Health.

### CHOOSE YOUR MEDICAL AID OPTION FOR 2023

Members can submit requests to change their benefit options until the 15 of January 2023 for the new benefit year. Option changes in January 2023 are valid only when **no claims** were submitted with a service date within January 2023. Note that members will receive new memberships cards, with the new benefit options selected, whilst the membership number remains the same.

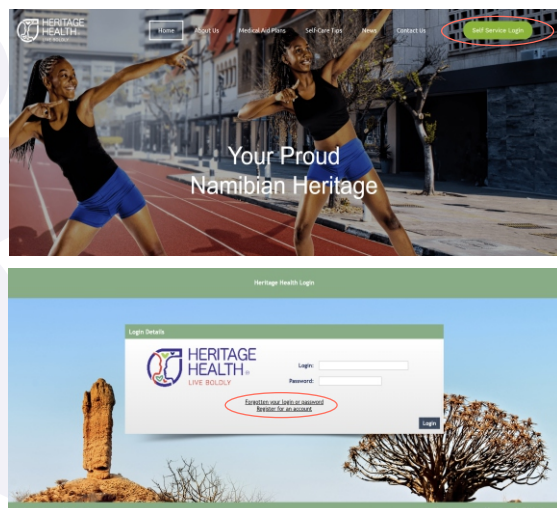
### REVIEWING OF BENEFITS

**With only two months left this year, we anticipate that members benefits will begin to diminish. Please view your benefits before making an appointment with your Health Care Practitioner.**

Members may register and login under the self-service tab to examine personal information, claims, and benefits. A self-care recommendations area, which provides members with some useful wellness advice, is one of the website's more recent improvements. Please use your membership number to register.

Link to self-service portal:

[https://hhmliv.heritagehealth-namibia.com/web\\_hhmliv/run.w](https://hhmliv.heritagehealth-namibia.com/web_hhmliv/run.w)



### WORD OF THANKS

On behalf of the Heritage Health board of trustees we would like to thank all members for their patience and long suffering during the last year. During the year, as a means of coping with the high claims experience, the Fund prioritised paying Hospitals, Oncology Pathology and Medical Imaging services. Some of the other service providers claims therefore lagged behind. The Fund has however started to address this backlog during the last 3 months.

### ROAD SAFETY TIPS

**As the holiday season draws near, road safety should always be our top focus when driving. Below are some Road Safety tips:**

1. Obey the rules of the road and carry your driver's license with you.
2. Make sure that your vehicle is in a roadworthy condition before departure. All lights and indicators, windscreens, windscreen wipers, brakes, steering, shock absorbers, exhaust system and tyres should be carefully examined for any defects.
3. Do not overload.
4. Have a good rest before you embark on your journey
5. Take stretch breaks every 2 hours or 200km. Rest, continue once well-rested.
6. Do not drink and drive
7. Be visible - drive with your lights on
8. Headlights should be dipped well before an approaching vehicle is within the range of the main beam.
9. Always wear your seat belt and ensure that everyone in the car is wearing theirs.
10. Stay within the speed limit at all times
11. Only overtake when it is absolutely safe to do so
12. Expect others to not be as obedient to the law as yourself
13. Avoid distractions on the road such as texting, conversations on cellular phones etc.

14. Be courteous towards fellow road users - keep your temper and resist the temptation to retaliate
15. Know your emergency numbers
16. Keep your spare tyre maintained. Do not neglect your spare when you're checking your tyres - it needs to be examined just as thoroughly.

### EMERGENCY NUMBERS:

E-Med Rescue 24	081924 / 083924
	061 411 600
	Toll Free 924
MVA	Toll free 9682

### OFFICE OPERATING HOURS DURING THE HOLIDAY SEASON:

**We will maintain normal office hours until:**

- Friday, 23 December 2022
- 07h30 to 16h30

**Office hours will change from:**

- Monday, 26 December to Friday 06 January 2023
- 08h00 to 14h00

**Except for public holidays on which the office will be closed**

**Office contact numbers:** 083 334 2790/1/3

**Office after hours emergency numbers:**

081 388 0238 / 081 346 4765 / 081 369 2656

### ANY QUESTIONS OR QUERIES? CONTACT US:

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Administered by

