

## DEAR HERITAGE HEALTH SERVICE PROVIDERS

The year has started with positive expectations and hope for recovery. We should however give a cautionary note from the on-set. As was advised in the previous newsletter, the overall Namibian healthcare funding industry is still facing tremendous challenges which are posing huge risks to all the Medical Aid Funds. Heritage Health, being the smallest player in the industry, is affected more adversely and there has to be concerted efforts to stem the tide of the rising post Covid-19 healthcare costs.

Historically, Heritage Health product benefits were extremely rich for a fund of its size and financial capability. Coupled with this, the Fund's product portfolio did not cater to the more price sensitive entry level market which placed a limit on the Funds numerical growth and contributed to a higher average age profile. This along with the reputational and financial impact of the long running court cases contributed to the Funds gradual decline over the last four years. Regrettably, Namfisa's actions, as the November 2022 Supreme Court ruling confirms, accelerated the Funds decline.

The Fund was therefore very vulnerable when the post-Covid 19 high claims trend occurred during 2022. An extreme intervention is therefore required to change the Funds prospects for the better. To this end, the Fund leadership has implemented a number of initiatives and product features;

- Reduced product overall annual limits to be in line with Namfisa expectations
- Introduced more product benefit sublimits and procedure copayments
- Introduced NAMAf and competitor benchmarked benefit rates
- Introduced appealing entry level products
- Introduced a drive to make use of generic medication
- Raised premium rates to be in line with health inflation

The above-mentioned interventions should provide the Fund with an opportunity to recover provided the members and service providers remain to be supportive of our efforts. We urge members to remain loyal while we work on the Funds recovery.



## HERITAGE HEALTH COURT CASES

As per the update done in the 2022 year end message, the Fund has been going through two major court cases, both of which we have been defending vigorously, The progress to date is as follows:

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

The appeal case judgement was handed down in November 2022 and we are pleased to announce that the Fund was successful.

Contrary to the messages placed in the print media by Namfisa, according to our legal teams interpretation of the judgement, the Fund does not have to pay out the Namfisa imposed refunds for what was termed "unapproved products".

As such, the financial position of the Fund should improve going forward. As a result, we look forward to resolving the outstanding debts with some of our service providers. We have managed through negotiations to keep our members' costs covered and with this good news, the situation should improve. Thank you for your patience thus far.

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

As was reported previously, the High Court application by Namfisa to liquidate the Fund due to issues of low solvency margins of the Fund was heard on the 18th October 2022. Counsel for both parties presented their arguments before the High Court Judge. The case was postponed to the 10th March 2023 for delivery of the judgement.

We still await the handing down of the judgement and will update you of the outcome as soon as we receive same. We remain optimistic and anticipate a favorable judgement.

## IMPORTANT INFORMATION

### Generic Medication Drive:

Historically the Fund paid all medication at cost with no levy charged for generic medication and a minimal levy charged for branded medication. Given that the Funds average age is 60 years and that aged members use more chronic medication; that coupled with the fact that less than half of the members use generic medication, the Funds pharmaceutical claims have become unsustainable.

Generic medication is just as effective as branded alternatives. We have therefore introduced a strong drive to make greater use of generic medication. The new co-payment structure is designed to encourage members to make use of generic medication which is more affordable and will assist the Fund to recover financially. A 51% levy will therefore apply to all branded medication and a 30% levy to the use of generic medication. Please ask your service provider to prescribe generic medication to save both you and the Fund money.

### Billing:

Please make sure all member details are correct on accounts together with correct practice details. Health care providers should ensure that all claims are complete when submitting claims. Claims older than 4 months will not be settled.

### Portal:

Should your practice not receive any remittances, please contact our office or register on our portal to view benefits and generate your remittances.

Heritage Health Portal Link:

<https://hhmliv.heritagehealth-namibia.com/>

On behalf of Heritage Health and the Board members, we thank you for choosing us and trusting us with your health.



**Ms V Muchero**

**Principle Officer: Heritage Health**



### Public Holidays for the 1<sup>st</sup> Quarter:

- Independence Day 21 March
- Good Friday 7 April
- Easter Monday 10 April

### Please note our office hours are :

Monday - Friday 7H30 - 16H30

## ANY QUESTIONS OR QUERIES? CONTACT US:

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