Medical Aid benefits pre-authorisation

ACCORDING to a Medscheme Clinical Psychologist, consumers always think it is the hospital's responsibility to acquire pre-authorisation on their behalf.

Often, consumers assume that because they have medical aid cover with a fund or scheme, it must be the consumers' responsibility to 'get what I want, and whenever I want it'. Acquiring pre-authorisation differs according to each medical aid scheme or fund and according to the plan the consumer has chosen. It is important for consumers to be involved with their medical aid scheme or fund and know what each process requires of them to do.

There are guidelines and policies that are coupled with pre-authorisations, and it is the consumer's (member's) responsibility to familiarise themselves with those guidelines and policies, as they must be followed. This will not only make your life easier as a consumer (member), but it will bring ease to the medical aid scheme or fund and the doctor who handles your case.

What is Pre-Authorisation?

Pre-authorisation, also known as pre-certification, allows medical aid plans to review proposed care ahead of time, confirm that coverage for the service is available under the plan, and give the medical provider approval to go ahead with the procedure or prescription.

Pre-authorisation is used by the medical aid provider to ensure that only medical care that a plan has determined to be necessary, effective and cost-effective is provided to its members, and that complicated or harmful medicine is not approved. Pre-authorisation plays a role in keeping medical costs down and prompting safe, efficient, and evidence-based care.

Why is it important to pre-authorise?

Importantly, it is essential for all members to confirm their benefits for hospital visits before being admitted, in order for the scheme to confirm the cover for the procedure and for the claims to be funded from the correct benefit. Upon receiving pre-authorisation, this does not mean the procedure will be paid for. This is confirmation that you have received approval to have it performed. It also does not confirm that a claim will be paid in full. Full funding is determined by the availability of benefits and the consumer's (member's) Medical Aid utilisation..

It is also important for consumers or members to note that any additional days in hospital, multiple procedures or additional services will require further pre-authorisation or motivation. No further benefits will be covered or paid for unless a longer stay or revised requirements are authorised by the scheme or fund.

So, whenever your healthcare professional plans a hospital admission for you, you should advise your medical aid provider at least 48 hours prior to admission into the hospital. However, in case of emergency admissions, authorisations must be obtained within 24 hours or on the first working day after the emergency.

The Possible different outcomes of a pre-authorisation request

The are three possible different outcomes of pre-authorisation requests:

- **A denial** – this is the stage where disputes arise; if the treatment requested by a provider on behalf of a patient is not considered medically necessary, it will be denied by the health plan for those reasons. If, however, the reason for the denial is because of incomplete member benefits or clinical information, it may result in an administrative denial.
- **A redirection** - This might happen when a prescribed treatment is denied from one site of care, like a hospital-based surgery centre, and redirected to a lower acuity outpatient site of care.
- A withdrawal of the prior authorisation from the ordering provider.

Medical Aid Pre-Authorisation Complaint

What happens when a complaint arises with regards to complications with medical aid pre-authorisation? If a member or policyholder wishes to lodge a complaint at the Office of the Ombudsman of Financial Services (OFS), we ask that they do the following:

1. Firstly, contact the financial services provider (FSP/medical aid scheme or fund) and submit a written complaint, giving the FSP 30 days to respond. If a response is not received or the policyholder is not satisfied with the response, they may proceed with bringing their complaint to the OFS.

2. A copy of the OFS Complaint Form can be obtained at the OFS Office, any CMAC branch or from the OFS website. Forms are available in both English and Siswati at: **https://www.ombudsfs.org.sz/complaints/form/docs/OFS-English-Complaint-Form.pdf (English version Form)**

https://www.ombudsfs.org.sz/complaints/form/docs/OFS-SiSwati-Complaint-Form.pdf (Siswati version Form)

3. A completed complaint form must be submitted together with all supporting documentation in person, by fax or email, ensuring that the Form is sworn to before a commissioner of oaths.

N.B. OmbudsDay is a monthly consumer education column compiled by the Office of the Ombudsman of Financial Services in the country. Do not miss the next column, which will be published in this newspaper next month.

Was this article beneficial to you? Has it raised questions? Has it shed light? Then give us feedback by contacting us at:

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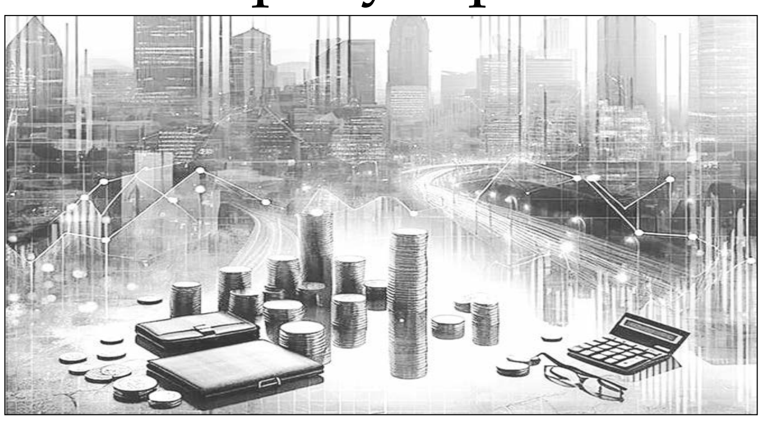
SA sees decline in company liquidations

PRETORIA - Despite a struggling economy, South Africa experiences an eight per cent year-over-year decline in company liquidations, revealing a complex landscape for businesses navigating financial challenges.



Liquidations of companies in South Africa are steadily declining, with a drop in the number of entities that have gone bankrupt down eight per cent year-over-year as of March.

Statistics South Africa's latest figures showed that less close corporations – or generally smaller entities- were liquidated than larger businesses. Liquidations of close corporations decreased by 21 cases, while liquidations of companies increased by 10 cases during this period.

This is despite a general lack of growth in South Africa's economy, which only reached 0.6 per cent last year. The latest forecast for gross domestic product is from the International Monetary Fund, which cut its 2025 growth forecast by 0.5 percentage points to one per cent towards the end of last month.

The Fund's amendment of its growth forecast came on the back of US President Donald Trump's imposition of tariffs across the globe. Trump walked back his April 2 announcement for 90 days, allowing South Africa some breathing room before import duties for products into the US go from 10 per cent to 30 per cent.

Data provided by the statistical agency also indicated that there was generally a downward trend in companies that are closing their doors, with a steady albeit marginal decline between January 2015 and this year with a few spikes along the way.

The total number of liquidations decreased by 3.1 per cent in the first quarter of 2025 compared with the first quarter of 2024.

During March, most of the total companies – at 53 – that were liquidated were in the financing, insurance, real estate, business services sector. Of these, 44 were voluntary, with the remainder being compulsory. ***IOL***

Real estate sector shows remarkable resilience

CAPE TOWN - While the South African real estate sector has not been insulated from the various macroeconomic challenges, the sector has shown notable resilience.

This was as this year got off to a volatile start with significant movements across global markets, shifting geopolitical dynamics, and ongoing volatility driven by persistent macroeconomic headwinds.

Despite global pressures, South Africa's real estate market faces significant domestic headwinds. These include stubbornly high interest rates, the continuing impact of the post-COVID-19 recovery, and overall weak economic growth, according to Simon Fiford, Senior Vice President for Real Estate Coverage at Standard Bank.

These factors have impacted each asset class differently. Across these categories, performance has varied.

"According to Standard Bank's internal estimates, the South African commercial real estate sector is currently valued at approximately R1.9 trillion. This represents a significant increase from the R1.3 trillion recorded in 2015, highlighting the sector's growth over the past decade.

Estimated

"If we add to this the estimated value of the residential property market (R6.9 trillion), the market size exceeds R8.8 trillion (as of the end of 2024)," Fiford said.

The African bank with assets at around R3.3 trillion as of the financial year of 2024 and has a footprint in 20 African markets, monitors and analyses real estate trends.

The senior VP said it is important to note that these valuations may not fully capture the entire market, as certain segments like government-owned properties, hospitals, hotels, and multi-dwelling residential units might be underrepresented in municipal data. ***IOL***