

Focus on non-disclosure

Why is non-disclosure investigated?

Open enrolment forms a cornerstone of the Medical Schemes Act 131 of 1998 (the Act), directed at preventing risk selection by medical schemes, and allows for any eligible person to join any open medical scheme of his/her choice without facing any form of unfair discrimination.

Section 29(1)(n) of the Act makes provision for medical schemes to not discriminate against any member on certain grounds, such as age, gender, past or present state of health. This means that schemes are not allowed to risk rate and have to accept any person who applies to join. To protect schemes from anti-selection risk, schemes can impose waiting periods, including a 3-month general waiting period and/or 12-month condition specific waiting period/exclusion.

Section 29(2)(e) of the Act makes provision for a membership contract to be cancelled on the grounds of non-disclosure of material information. Applicants must disclose any condition for which they have received a diagnosis, treatment or care within the 12-month period preceding the application to enable the scheme to perform a proper risk assessment. Members should, however, declare all conditions - even those dating back more than 12 months, and conditions that may seem minor, e.g. period pains, as some conditions are permanent and, whilst members may not have sought treatment in the last 12 months, that condition is ongoing, for example hypertension.

Schemes may impose a 12-month condition specific waiting period/exclusion on a pre-existing condition to ensure that members do not join merely to get the scheme to cover medical expenses for a health event and then resign once the medical expenses are paid. In instances where the member does not declare pre-existing conditions (whether intentional or unintentional), this would be considered non-disclosure of material information and would result in termination of membership.

The non-disclosure legislation is in place to ensure the long-term sustainability of open medical schemes.

Non-disclosure process

- Members who apply for chronic registration, pre-authorisation for any treatment/procedure or registration on any health management programme within the first 12 months of joining Momentum Medical Scheme, will be subject to the standard non-disclosure process.
- This process includes an email to the member and his/her financial adviser, informing them that the standard non-disclosure process has been initiated and what is required from them, i.e. Clinical History Form (CHF) to be completed by the member's doctors.
- The CHF is sent directly to the relevant healthcare providers for completion.
- Any authorisation/admission that is requested, is pending until finalisation of the non-disclosure review.

- Upon receipt of the completed CHF from the doctor(s):
 - The details are reviewed to make sure that all pre-existing conditions and treatment were disclosed.
 - In instances where non-disclosure is found, the membership is terminated, backdated to the member's join date and contributions received are refunded to the member. If any claims have been paid by Momentum Medical Scheme, the amount claimed will be offset against the contributions. A member may re-apply to join the Scheme and will be subject to full underwriting.
 - In instances where members declared all the relevant information, the review is closed off and pending authorisations are released.
- In cases where the CHF is not received, the doctors are contacted up to 5 times, to remind them to send through the information. The review cannot be finalised until all the CHFs are received.
- Members should be encouraged to liaise with their doctors to provide any outstanding information so that we can complete the review and release any pending authorisations as quickly as possible.

Who is liable for the cost to complete the Clinical History Form?

Momentum Medical Scheme will fund the payment for the completion of the CHF. The doctor will be reimbursed once the completed forms have been received.

Important notes

- It is important for applicants to declare all conditions, medication, treatment and doctors' visits, no matter how minor or trivial they may seem.
- Financial advisers must request applicants to share as much detail as possible, upfront.
- Financial advisers must make sure that they include all information shared by the applicant and not be selective about what to include, especially if the adviser is assisting with the completion of the form or capturing a web application.
- Applicants must share details of any treatment they anticipate having upon joining the Scheme.
- Applicants who are pregnant, planning a baby within 12 months of joining the Scheme or who are unsure if they are pregnant, e.g., missed, or irregular menstrual cycle(s), must also declare this on the application form.
- The principal member, as the person completing the application form, must ensure that the details of all dependants are accurately shared and check with all dependants prior to submitting the application form.
- Members must read all questions on the application form carefully when completing the form to make sure that all information (including those for dependants) is provided upfront to prevent inconvenience at a later stage.
- Members can assist during the non-disclosure review process by getting their doctors to provide any information required for the review as soon as possible to prevent unnecessary delays with finalising the decision.