

2020

DISCOVERY HEALTH MEDICAL SCHEME

Medical scheme waiting periods and late joiner penalties

Waiting periods

Medical schemes in South Africa, including Discovery Health Medical Scheme, can apply a **three-month general waiting period** or a **12-month condition-specific waiting period** if any of the below situations apply to you:

- You have a pre-existing condition
- You have never belonged to a medical scheme before
- You have had a break in medical scheme membership of more than 90 days

What waiting periods are

According to the Medical Schemes Act 131 of 1998, medical schemes may apply waiting periods when new members join the scheme. During waiting periods, the new members pay full contributions to the medical scheme, but they cannot claim for full benefits from the scheme.

Why medical schemes apply waiting periods

Applying a waiting period protects other members of the scheme. A waiting period protects by making sure the new member cannot make large claims shortly after joining and then cancel their membership of the scheme again.

Types of waiting periods

There are general waiting periods and condition-specific waiting periods. Discovery Health Medical Scheme's general waiting period is for three consecutive months, while the condition-specific waiting period is 12 consecutive months.

The table below gives more information about the type of waiting period that we may apply.

Waiting period situations (categories)	Type of waiting period we may apply
<p>Category A</p> <p>Individuals who have applied to join Discovery Health Medical Scheme, but have not belonged to a registered South African medical scheme before.</p> <p>Or</p> <p>Individuals who have allowed a break of more than three months since ending their membership with their previous medical scheme.</p>	<ul style="list-style-type: none"> • A three-month general waiting period and a 12-month condition-specific waiting period, if applicable. • The individual will not have cover under the Prescribed Minimum Benefits. • Late-joiner penalties may also apply.
<p>Category B</p> <p>Individuals who have belonged to a registered South African medical scheme for a period of less than two years. They have also applied to join Discovery Health Medical Scheme less than three months since the date of ending their membership with their previous medical scheme.</p>	<ul style="list-style-type: none"> • A 12-month condition-specific waiting period. • If the previous medical scheme placed a general or condition-specific waiting period on a membership and the waiting period did not expire at the date of ending their membership with the previous medical scheme, we may apply the rest of the waiting period. • The individual will have cover under the Prescribed Minimum Benefits. • Late-joiner penalties may also apply.
<p>Category C</p>	<ul style="list-style-type: none"> • A three-month general waiting period. • The member will have cover under the Prescribed Minimum Benefits.

<p>Individuals who have belonged to a registered South African medical scheme for a period of two years or more, and have applied to join Discovery Health Medical Scheme less than three months since the date of ending their membership with the previous medical scheme.</p>	<ul style="list-style-type: none"> Late-joiner penalties may also apply.
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Effects of waiting periods on your benefits

As you can see from the right-hand column in the table above, some members will have access to the Prescribed Minimum Benefits during their waiting periods, and some will not.

Prescribed Minimum Benefits is a set of defined benefits according to the Medical Schemes Act 131 of 1998 that all registered medical schemes in South Africa must give to all their members. This is to make sure that all medical scheme members have access to certain minimum health services, regardless of the benefit option they have selected.

Late joiner penalties

The Medical Schemes Act 131 of 1998 allows medical schemes to apply a late-joiner penalty to an applicant and to a dependant of an applicant who are late joiners when they apply to become members of the medical scheme.

What a late joiner is

A late joiner is an applicant or the dependant of an applicant who, at the date of application:

- Is 35 years or older and
- Was not a member or a dependant of a registered South African medical scheme (foreign schemes and insurance policies are not recognised) on or before 1 April 2001 or
- Has allowed a break in membership of more than three consecutive months since 1 April 2001.

What a late-joiner penalty is

A late-joiner penalty is a higher monthly rate you pay for membership because you only join a medical scheme at a later stage in life when you are more likely to need expensive cover from a medical scheme.

Late-joiner penalties were introduced to protect medical schemes from people who wait until they are sick or older to join. Late-joiner penalties encourage people to join a South African medical scheme while they are still young and healthy.

We calculate the penalty using the applicant's age when they apply to join and the number of years they did not have medical scheme cover since the age of 35. This excludes any period of cover as a dependant under the age of 21.

For more information

If you have any questions, please contact your financial advisor.

You can also contact Discovery Health on 0860 99 88 77.