

17 January 2025

Dear SAMWUMED member

Recent news articles and communication from the National Health Network (NHN) contain false information on the exclusion of NHN facilities from SAMWUMED's 2025 hospital network, which must be corrected.

1. NHN's decision not to sign a renewal contract with SAMWUMED

Firstly, contrary to claims made by the NHN group, the decision not to be included as a Designated Service Provider (DSP) in SAMWUMED's 2025 hospital network lies squarely with NHN. The facts are as follows:

Prior to 2021, the NHN's facilities, including the Melomed Group of hospitals, were the only DSP contracted on the SAMWUMED's hospital network. This limited access for our members to healthcare facilities.

To expand access for our members, SAMWUMED put out a Request for Proposal (RFP) in 2023 to all hospital groups interested in joining our hospital network. After a thorough tender adjudication process, NHN and another hospital group were chosen as preferred providers, offering SAMWUMED members access to a wider selection of hospitals across the country.

However, despite the other hospital group signing the contract sent by SAMWUMED to be appointed as the Scheme's anchor hospital (DSP), NHN refused to sign the agreement. The reason for their refusal is because of the inclusion of an anti-fraud clause. This standard clause simply requires the NHN and its healthcare providers to co-operate with any forensic investigations conducted by SAMWUMED in the instance of suspected or confirmed cases of fraud, waste or abuse affecting our members.

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The inclusion of this clause is in line with the Medical Schemes Act and is critical to SAMWUMED's efforts to prevent fraud, waste and abuse which drives up healthcare costs, and would in turn lead to annual fee increase for our members. Despite eleven months of negotiations, the NHN still refused to sign the contract, which means SAMWUMED had no choice but to contract an alternative hospital group as its second anchor hospital network group.

It is unclear why the NHN rejected this anti-fraud clause in the contract, and it is the only hospital group that has had an issue with it. At the same time, the NHN made the unilateral decision to significantly increase their 2025 fees for SAMWUMED members, which would mean unaffordable co-payments for all members admitted at their hospitals.

Despite the NHN's decision not to sign the contract, SAMWUMED recognised that the Melomed Mitchell's Plain and Melomed Gatesville hospitals serve a significant number of our members, due to their proximity and the exclusive contract that was in place for many years between SAMWUMED and Melomed. This is why SAMWUMED attempted to engage with Melomed (which falls under the NHN group) to include these two facilities as filler hospitals in the SAMWUMED hospital network. Unfortunately, the Melomed Group required us to include all their hospitals in our network, which was not possible due to SAMWUMED already having contracted with two other hospital groups that had hospitals in the same areas as the Melomed Group.

It is unfortunate that the NHN made the decision to terminate its relationship with SAMWUMED. However, one of our main priorities is protecting our members from fraud, waste and abuse and its impact on driving up healthcare costs and members' contribution fees.

2. How members have been impacted

Contrary to current misinformation in the media, the changes in SAMWUMED's hospital network will not affect members visiting specialists at NHN facilities if they are on our specialist network. This means members can continue visiting specialists based at NHN hospitals and SAMWUMED will cover these

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health costs in full. This includes all members who are currently receiving cancer treatment at NHH facilities.

However, members will incur co-payments if they are admitted into NHH facilities, except in life threatening emergencies (the scheme will fund admissions that were approved prior to 1 January 2025 in full). SAMWUMED has appointed Netcare911 for ambulance services to transport members to its network hospitals, when needed and therefore members are encouraged to make use of the Scheme's hospital networks

Furthermore, SAMWUMED is engaging with all specialists in its network who consult at NHH Hospitals and who also have admitting rights to our current network of hospitals when they request approval for hospitalisation. Most have indicated that they are happy to admit members to SAMWUMED's network of hospitals moving forward.

SAMWUMED is also assisting members whose specialists have inexplicably increased their fees for out-of-hospital consultations, by providing them with the details of specialists registered on the SAMWUMED's specialist network, and whom they can consult with, without incurring co-payments.

We hope that this clears up any misconceptions related to SAMWUMED's relationship with NHH. Should you have any questions regarding the change in hospital networks, you can call our member contact centre on 0860 104 117. Our teams will be happy to assist.

Yours Faithfully

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Principal Officer

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