



HOSPITAL BENEFIT MANAGEMENT

Globally the cost of health-care has grown above inflation over the past decade

The number one cost driver in health-care is the increase in hospital costs and more expensive associated treatments. Hospital based care typically makes up the largest expenditure category for any health-care funder. Insurers and health-care funders need to balance affordability of hospital services with quality of care.

We are one of the pioneers of Hospital Benefit Management in Africa and one of the first companies in the world to work

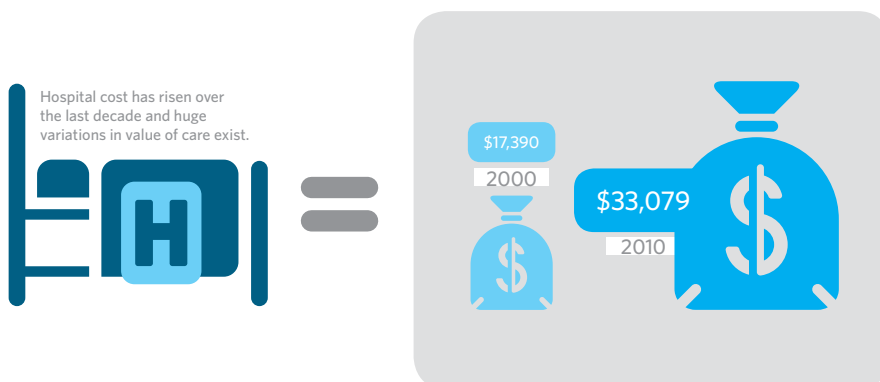
with health-care funders and providers in finding innovative ways of managing their hospital admissions. The primary focus is on ensuring clinical appropriateness of care which is aligned with international best practice.

The result is high quality outcomes, proactive support of members and hospitals and the management of financial risk through the containment of costs.

KEY BENEFITS

- With more than 40 years of experience we have a large team of nurses, physicians and consultants involved in these programme.
- This is supported by technology adhering to international standards and that enables efficient automation of claims and payment rules.
- Hospital procedure pre-authorisation and claims management through the application of funding rules are continuously evolving. Our multi-disciplinary Health Policy Unit updates and collaborates with experts based on evidence-based methodologies.
- This is supported by provider negotiation initiatives as well as data analysis by our Health Intelligence Unit (research and measurement, including actuarial, analytical and clinical staff).

The average cost of a hospital stay in the US almost doubled in a decade



Our world-class Hospital Benefit Management programme ensures the right treatment for patients in a fast and affordable way, no matter what the available health-care infrastructure or technology capacity.



01 Hospital benefits design consulting

- 1.1 *Actuarial consulting*
- 1.2 *Funding policies*
- 1.3 *Hospital funding policy*
- 1.4 *Hospital provider network setup and negotiation.*



02 Procedure and admission pre-authorisation

- 2.1 *The pre-authorisation request*
Received either via the telephone from members, health-care professionals or hospitals or via the web or business-to-business interactions with the hospitals.
- 2.2 *Membership validation*
- 2.3 *Rules engine*
This proprietary engine has built-in clinical adjudication rules that assist with authorisation process.
- 2.4 *Level 1: Funding rules review*
- 2.5 *Level 2: Advanced review*
- 2.6 *Application outcome communication*



03 Case management

- 3.1 *Discharge planning*
We liaise with providers so that appropriate care is provided at all times and that the appropriate discharge planning takes place where clinically indicated and where benefits are available.

We provide discharge and step-down planning as an integral part of the case management offering to clients. This includes finding quality alternatives to conventional hospitalisation including sub-acute facilities; hospice, private home nursing and frail care. Discharge planning starts at the point of the pre-authorisation. Depending on the reason for admission, a holistic evaluation is performed, looking at previous admissions, the member's home environment, support structures post-discharge and the availability of service providers in the vicinity, which could include nurses and other auxiliary service providers. Appropriate discharge planning avoids clinically unnecessary, prolonged hospitalisation.
- 3.2 *Specific cases that require extensive hospitalisation.*
When extended length of stay or level of care is requested, the case manager will interact with

the hospital and medical professionals to ensure to check and confirm if it is clinically appropriate.

All changes in initial approvals are communicated to the hospital and the treating professional. In the event of long-term cases, the member's family is also involved.

Specific focus is placed on:

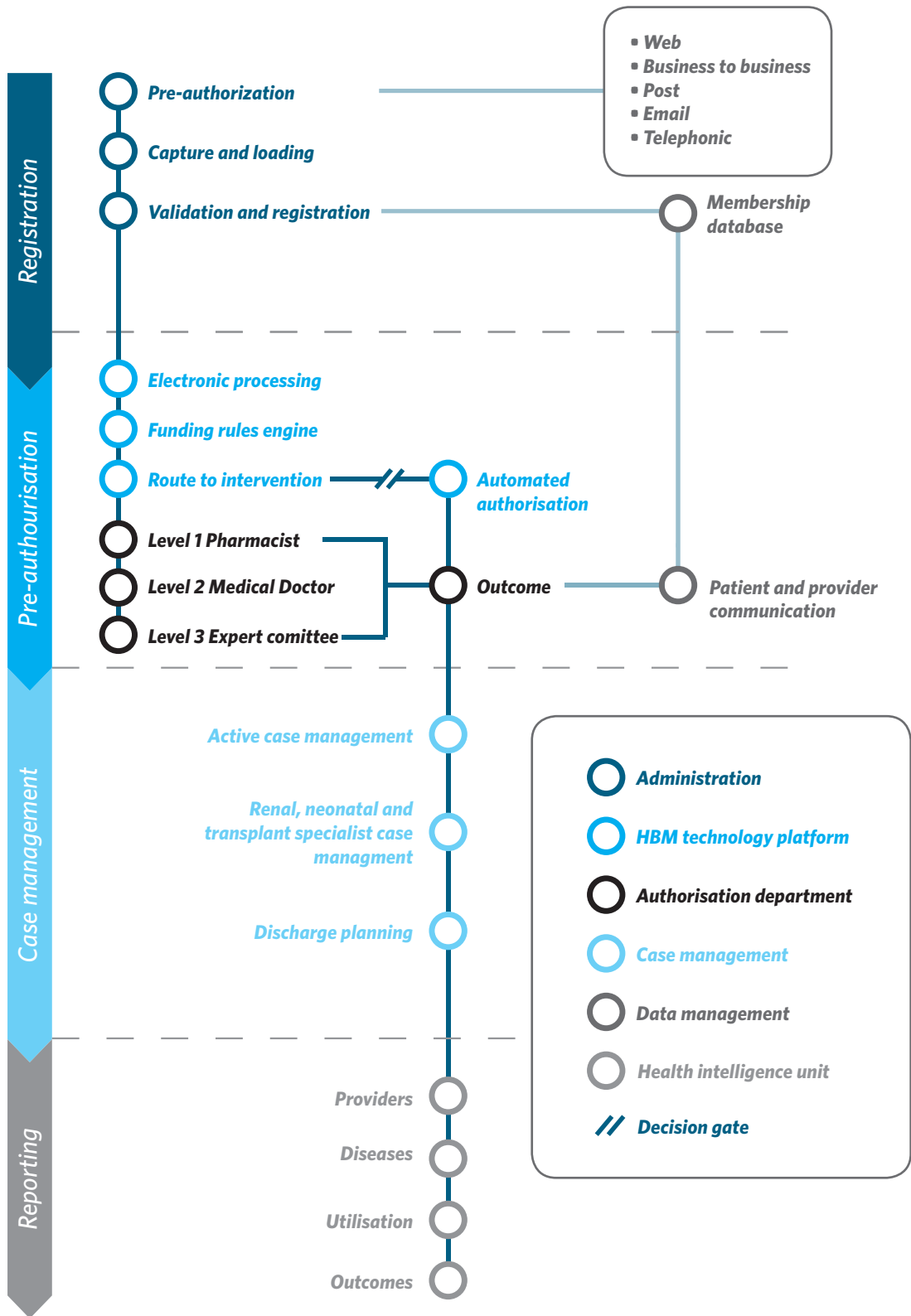
- The utilisation of specialised wards like the intensive (ICU) and high care units (HCU).
 - Conditions that tend to have unpredictable lengths of stay (LOS).
 - Conditions identified as cost drivers and clearly amenable to more cost-effective practices.
- 3.3 *Neonatal care case management*
The following cases are managed:
 - All premature babies.
 - Neonatal ICU and HCU cases.
 - Home phototherapy.
 - Outpatient parenteral antibiotic therapy (OPAT) for pediatrics.
 - 3.4 *Renal case management*
 - Authorisation and management of chronic haemo- and peritoneal dialysis.
 - Insertion of A-V fistulas and Tenckhoff catheters.
 - Admissions of chronic renal failure (patients in an acute phase).
 - Authorisation of drugs for anaemia/managing anaemia in chronic renal failure.
 - 3.5 *Organ transplant case management.*
 - Renal, heart, liver and stem cell transplants.
 - Post-transplant biopsies.
 - Hospitalisation for transplant rejection.
 - Authorisation and management of immune suppressants.
 - 3.6 *Step-down care*
We facilitate the access and transfer of patients to the appropriate step down care facilities.



04 Health intelligence reporting

- 4.1 *Utilisation analysis*
Claims per disease code, specialty, length of stay as examples.
- 4.2 *Provider profiling*
Profiling of hospital provider risk adjusted to case mix.
- 4.3 *Hospital profiling*
Profiling of individual hospitals on costs, length of stay and comparative utilisation.

Sustainable health-care = cost risk management + outcomes improvement



Office Line: +27 11 671 2000

E-mail: Partner@medscheme.co.za

Head office: 37 Conrad Road, Florida North, Roodepoort, 1709

Postal address: PO Box 1101, Florida Glen, 1708

Medscheme Holdings (Pty) Limited Reg No 1970 | 015014 | 07

www.medscheme.com