

## Review of Benefits and Subscription Rates for 2017 and 2018.

Each Member of the Society:

9<sup>th</sup> May 2017.

The Society like all other medical insurers is not immune from the various cost drivers affecting annual premiums including (a) medical inflation (b) expensive new drugs and procedures (c) increasing age profile of those insured (d) increased charges for services in Private Hospitals (e) new born baby costs in Public Hospitals (f) escalating Public Hospital payments arising from the fiasco around the implementation of the Health (Amendment) Act 2013 as regards admissions through Accident & Emergency Departments in Public Hospitals. The main insurers are increasing premiums every few months amounting to average increases of 10% per annum. The Society applied a 4.5% increase on the gross premium on 1<sup>st</sup> January 2016 to cover the year 2016. The Committee are pleased they are able to extend the period of cover of that increase to 31<sup>st</sup> May 2017.

The Committee in reviewing the Society's finances as at the end of April has concluded that an increase in premiums is required immediately to deal with the various cost drivers outlined above and to sustain the Society for the next period. They are optimistic that this increase will suffice for 19 months until the end of 2018 providing there are no unforeseen adjustments to Public Hospital bed charges or to Income Tax Relief at Source on health insurance premiums as suggested by the Dail Committee on the Future of Healthcare. Thankfully, the Minister for Health has so far rejected this suggestion, which if implemented would have serious implications for all medical insurers.

The Committee reviewed the various benefits provided and made some minor adjustments in that 30 GP visits are covered per family per annum and convalescence is paid at €85 per night for a maximum of 14 nights. To ensure compliance with Revenue Commissioners rules, the Society is obliged to discontinue the benefit payable towards the cost of dentures which are not allowable against Tax Relief at Source (TRS). The Committee are satisfied that the benefits offered to members by the Society are second to none for the premium levied. Please have a look at the "Plan Comparison" section of the Society's website which compares a sample of three similar plans to the GMA Plan and where the value for money and the excellent benefits on offer by the Society will be very obvious to see.

As the Society is non-profit making and owned and managed by its members, the Committee applies premium increases only when absolutely necessary and to the minimum amount required to enable the Society to discharge the medical expenses of its members and their families. The cost of claims in the first four months of 2017 has escalated substantially over the same period in 2016 with a deficit of the order of €1.5 million emerging which cannot be allowed to continue. In the various circumstances outlined above and with the utmost reluctance, the Committee sanctioned an increase of just under 8.2% on the net premium or 7% on the gross premium for an Adult and adjustments to dependant premiums as follows:

- The Adult Rate to increase by €2.50pw (€130 pa)
- No increase in the rate for one child on cover under 18 years of age.
- Increase of €1.43pw for two children on cover under 18 years of age (€74.36pa)
- Increase of €1.55pw for three or more children aged under 18 years (€80.60pa)
- Increase of €1.00pw (€52 pa) for one child aged 18 to 20 and €2.00pw (€104 pa) for two or more children in the 18 to 20 age bracket.

### Discounted Adult Rate.

From the outset of this new legislative provision, the Society applied the maximum discount allowable under law on the Adult Rate for young adults aged between 21 and 25 years of age and applies this charge to only one such young adult in each age bracket. The Committee has decided to continue to provide the maximum allowable discount in 2017/2018 which translates as follows:

21 years old up €1.02pw to €15.17pw	22 years old up €1.53pw to €18.83pw
23 years old up €1.77pw to €22.55pw	24 years old up €2.03pw to €26.27pw
25 years old up €2.29pw to €30.00pw	

As heretofore, the full Adult Rate applies to dependents aged 26 to 29 years of age.

The various changes to Benefits and Subscriptions as outlined above will take effect from the 1<sup>st</sup> June 2017.

Owen Connell  
Secretary