

Liberty 'shows resilience' after Medicovert deal

STAFF WRITER

THE Liberty Medical Scheme had showed "strong resilience" in an adverse market environment last year, executive principal officer Andrew Edwards said yesterday.

The medical scheme increased its membership significantly after the merger with Medicovert had taken effect, Mr Edwards said.

However, he acknowledged that there was a slight overall "drop-off" due to the introduction of the Government Employees Medical Scheme and other market forces.

"Last year's merger with Medicovert provided us with additional reserving, which positions us well for the future challenges of private healthcare in our country."

The scheme had reduced its administration costs for the fourth year running, Mr Edwards said. This was to ensure members that had access to quality healthcare without being overburdened with additional costs.

"The scheme's solvency ratio is above the regulated 25%, currently 28%, which puts the business in the right position to pursue other opportunities and refine its product offering," he said. "Plans are under way to further

improve our benefit offering to members and one of the key elements that we will be looking at is our pricing strategy."

The scheme was created on January 1 last year by the merger of Liberty Health Medical Scheme and Medicovert Medical Scheme.

The Council for Medical Schemes said in its 2010 annual report that Liberty Health Medical Scheme had a solvency rate of 19,5% in 2009. By merging with Medicovert it raised this to the statutory minimum above 25%.

The council's data showed Liberty's administration costs as a percentage of contributions was 10,2% in 2009. Resolution Health was higher with 17,8%, followed by Hosmed with 13,6%, Bestmed with 12%, and Discovery with 10,7%.

Liberty's administration costs per member averaged R96,5, Bestmed's R116,6, Resolution's R114,21, and Discovery's R106,5. The industry average was R95,8.

The council's 2009 data showed that Liberty had the third-highest paid trustees, each averaging R385 000. Bonitas had the best-paid trustees averaging R442 000 each, followed by Selfmed with R440 000. *I-Net Bridge, Staff Writer*