

## Feedback: PSCBC GEMS Special Working Committee Meeting

The Working Committee held a special meeting on 30 October 2024 to discuss the following:

### 2025-Benefit design

The Government Employees Medical Scheme (GEMS) made a presentation, indicating that the process of benefit design and product development starts as early as February to comply with legislative framework as it needs to submit this to the Medical Aid Council by the end of September or early October. The following key issues were discussed:

- Owing to a growing trend of abuse of medical aid where employees join to access services and immediately terminate membership, GEMS has lost billions of rands. Subsequently, as a deterrent, a general waiting period of three months and a condition-specific waiting period of twelve months will be implemented with late-joiner penalties for those who delay joining medical aid.
- Benefits changes for 2025: Continuous glucose monitors and insulin pumps for beneficiaries aged 18 years with Type-1 diabetes on all options; Dental sealants limit will increase on *Tanzanite One* and *Beryl* from 14 to 17 years like all other options; In-hospital dental procedures will be funded until the age of five, including frenectomies for *Ruby*, *Emerald*, and *Onyx* options and consultations with family practitioners and nurses will remain unlimited, however, pre-authorization will be required after the 15<sup>th</sup> consultation per beneficiary per annum for *Tanzanite One* and *Beryl*.

### 2025 Contributions (membership increase)

GEMS reported that owing to the fact that medical aid increased with a lower rate of 2% in 2022, 5% in 2023, and with 9.50% in 2024, the Scheme had to dip into reserves and the trajectory cannot continue as GEMS would end up not being able to fulfil its mandate, which will result in bankruptcy. GEMS is currently running at a loss when income is compared with expenses. Against this background, the Board has approved an enormous 2025 medical-aid increase of **13.4%**.

Labour noted the report with extreme concern, noting the high increase against the prevailing cost of living. The matter of affordability, which was the overarching objective of establishing GEMS, is no longer pursued. GEMS membership is expensive, which is against the spirit of access to affordable medical aid. The PSCBC therefore requested GEMS to make the same presentation at the Council meeting with additional information, such as the composition and cost of the Board, salary increases, and payments of bonuses to executives, if any, to allow for a proper analysis of the financial position of the Scheme.

The PSA has for years called on the employer to afford the same subsidy afforded to GEMS members to members belonging to open schemes. This will provide employees with a choice to join schemes that are more affordable, thus also creating competition amongst medical-aid schemes. The PSA will insist that the employer must consider this proposal, taking into account the unaffordable increases mooted by GEMS.

Members will be updated on developments.

Employees who want to join the PSA can visit the PSA's website, send an email to [ask@psa.co.za](mailto:ask@psa.co.za), or contact PSA Provincial Offices.

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**GENERAL MANAGER**