



# NEWSLETTER

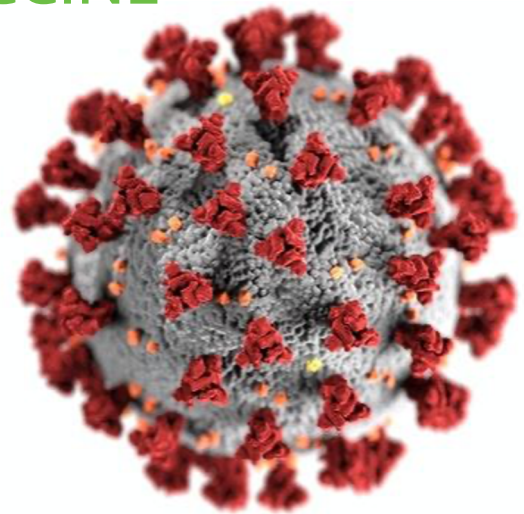
## JANUARY 2021

[www.phoenixgrp.co.za](http://www.phoenixgrp.co.za)  
[info@phoenixgrp.co.za](mailto:info@phoenixgrp.co.za)

## COVID-19 VACCINE

### NOW A PRESCRIBED MINIMUM BENEFIT (PMB)

*Despite the recent announcement by the Council for Medical Schemes (CMS) that Covid-19 vaccines will be included as a prescribed minimum benefit (PMB), the procurement and distribution of vaccines does not fall within the ambit of medical schemes.*



National government will be the sole purchaser of vaccines before allocation to regional authorities and the private sector. The first doses of the vaccines are expected to arrive at the end of January 2021 and government has an ambitious goal of vaccinating 31 000 citizens a day.

### WHO IS FUNDING VACCINES?

*"It is laudable for the CMS to announce that Covid-19 vaccines will be included as a PMB. However, we need to remain cognisant that although National Treasury will fund the majority of the cost, government will look to medical insurance providers to contribute. This means that medical insurers could contribute to the insured and the uninsured, a solidarity principle in action." says Clayton Samsodien, Group CEO.*

## HOW ARE PMB'S COVERED?

PMB treatment is covered in full by medical schemes meaning that no member co-payment is necessary. The majority of medical schemes already have partnerships with pharmaceutical companies to deliver various forms of wellness initiatives such as screening, preventative tests and flu vaccinations. It is expected that schemes will build on these partnerships to deliver vaccines to members when available.

## STATUTORY SOLVENCY REQUIREMENTS

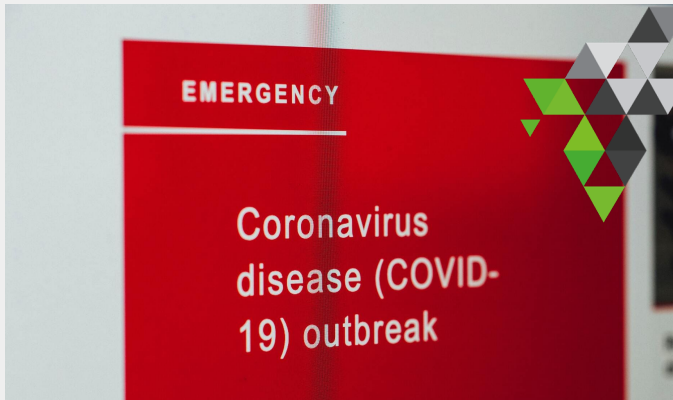
The CMS has always argued for medical schemes to ensure 25 per cent solvency to fund future material healthcare expenses such as pandemics. Schemes themselves countered this argument indicating that the high level of solvency was not required and could rather be used to reduce the rising cost of healthcare. Currently, schemes are sitting with an estimated R66 billion in reserves that could help all South Africans with access to vaccines and not just those that are members of medical schemes.

*"The percentage of reserve funding of a medical scheme will have an impact with the other demographics of the risk pool like average age and pensioner ratio of members. The higher the average age of members, the more the likelihood of members with comorbidities that will need to be vaccinated earlier in the vaccination drive."*

## VACCINE ROLL OUT

The government has indicated that it will follow international standards and practice in terms of the vaccine roll out once secured. Front line health care workers will be vaccinated first, then essential workers, persons in congregate settings, persons over 60 years, persons over 18 years with comorbidities followed by other persons over 18 years and then the general public. However, there remain numerous factors at play delaying the procurement and delivery of vaccines locally.

# COVAX



South Africa is a party to the World Health Organisation (WHO) COVAX facility. Health Minister Zweli Mkhize indicated that South Africa will receive vaccines from the following manufacturers.

- 5 percent from Moderna
- 5 percent from Pfizer
- 70 percent from AstraZeneca and
- 20 percent from Johnson & Johnson.

## HOW MANY OF SOUTH AFRICANS NEED TO BE VACCINATED?

Government reported that approximately 34,5 million doses of Covid-19 vaccines have been secured. Approximately 40 million people need to be vaccinated in order to achieve herd immunity. At present, vaccinations against Covid-19 remain voluntary, however this could change dependent on numerous factors. We should take heed of the fact that children attending a public school are obliged to provide their vaccination record as part of their application and we could see something similar in terms of a national immunisation drive.

Government has also indicated that it is developing an electronic vaccination data system in partnership with leading multinational technology firms. This will include a national register of all vaccinated citizens, and they will be provided with a vaccination card.

*"Looking at the proposed National Health Insurance (NHI), what the pandemic has done is to push the project even further down the road. It appears that NHI cannot be implemented by 2025 given the current economic climate," concludes Clayton.*



Clayton Samsodien  
Group CEO



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# THANK YOU

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[www.phoenixgrp.co.za](http://www.phoenixgrp.co.za) | [info@phoenixgrp.co.za](mailto:info@phoenixgrp.co.za)

Tel. 010 443 9734 | P. Box 1863, Rivonia, 2128