MEDICAL AID VERSUS HEALTH INSURANCE.

We are often asked to explain the difference between Medical Aid and Health Insurance. Considering that Affinity Health offers Health Insurance and NOT Medical Aid, it is important to understand the subtle differences.

Medical Aid

- Medical Aid cover is based on tariff codes and procedures
- Medical Aid is regulated by the Medical Scheme Act
- Medical Aid schemes is governed by the council for medical schemes
- Medical Aids often have shortfalls due to the difference between NHRPL and SAMA (South African Medical Association ) Rates which is what healthcare professionals charge
- Day-to-Day benefits are paid according to the national recommended price list (NHRPL)
- Medical Aid Scheme must by law cover PMB's (Prescribed Minimum Benefits)
- Medical Aid Scheme have got specified and yearly limits for procedures and health events do not need to be specifically stated
- Medical Schemes do not include any personal accident, disability, loss of limbs, life cover or funeral benefits
- Medical Aids may not decline applicants irrespective of their state of health and age, but reserve the right to impose late joining penalties and waiting periods for pre-existing conditions
- Medical Aids pay in-hospital benefits according to NHRPL and limited to the benefits as per the plan

Health Insurance

- Health Insurance is based on events and stated benefits
- Health Insurance is regulated by the long term and / or shot term insurance acts
- Health Insurance is governed by the FSB (Financial Service Board )
- Health Insurance may be used as gap cover in conjunction with your medical aid to cover any shortfalls of your medical aid scheme
- Health Insurance cover stated benefits directly to the insured
- Health Insurance offers stated benefits and a formulary that may or may not cover PMB's (Prescribed Minimum Benefits )
- Health Insurance covers health events at fixed or stated amounts which pays directly to the member as opposed to the medical services provider
Health Insurance (Continued)

- Health Insurance may include personal accident risk cover such as disability, loss of limbs, dread diseases, life cover and funeral benefits etc.
- Health Insurance may decline an applicant based on their state of health, occupation or any other reason that they consider to be high risk or may apply exclusion and waiting periods for pre-existing conditions
- Health Insurance pays a stated amount according to the limit as per the plan selected to cover specific events

We trust you find this information helpful.

Remember that Affinity Health is a Health Insurance company, NOT a medical aid provider.

The ABN Hub.