

HealthGroup Strategic Review: Bestmed Medical Scheme 2026 vs 2027 Benefit & Contribution Guide

Scheme: Bestmed Medical Scheme

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1. Executive Summary & Market Context

Bestmed Medical Scheme's 2027 product launch highlights sustained operational strength and demographic stability against severe macroeconomic headwinds (persistent inflation, elevated interest rates, and record fuel shocks). Marking its **8th consecutive year of positive membership growth**, the Scheme has expanded its beneficiary base by **33% since 2019** (growing from 199 297 to 206 544 lives), while the broader open medical scheme market contracted by 4%.

The Scheme's risk profile remains resilient, characterized by an average beneficiary age of **37.4 years**, a decreasing pensioner ratio of **12.8%** (down 0.7%), and a solvency ratio of **37%** (comfortably exceeding the statutory 25% requirement and the 21% risk-based capital target). Operating as a self-administered scheme, Bestmed has reinvested more than **R62 000 000** directly back into member benefit enhancements for 2027.

Core Strategic Highlights for 2027

- **Competitive Contribution Inflation:** Average weighted increases are contained at **6.9% to 7.1%** on Beat1 and Beat2, **6.2%** on Beat3 Plus, and **7.0%** across Pace1 and Rhythm2 (for over 70% of Rhythm2 members).
- **Aggressive Child Pricing Realignment:** In response to advisor feedback, child dependant increases on Beat1, Beat2, and Beat3 have been reduced to **4.50%** (and 4.50% on Beat3 Plus), substantially improving family affordability.
- **New Option Launch ("Beat2 Traditional"):** A hybrid-gap bridging option designed to address the 31.7% contribution jump between Beat2 Network and Beat3 Network. It replaces medical savings with pooled out-of-hospital risk cover: **R5 824 for single members** and **R12 688 for families (M1+)**.
- **Introduction of "BestBucks":** An extra **R1 000 out-of-hospital allowance per family** funded from Scheme Risk. Unlocked when all adult beneficiaries complete their Tempo Lifestyle Screening, BestBucks freezes savings and pays day-to-day claims first.
- **Dedicated Separate Casualty Benefit:** Available on Beat2, Beat3, Beat3 Plus, Beat4, and all Pace options, providing **2 casualty visits per family per annum at 100% Scheme Tariff up to R3 000 per visit** for emergency active treatment.

- **Mental Health Chronic Benefit:** Major depression medicine coverage introduced on lower tiers (Beat1 at R160/month, Beat2 at R180/month, Beat3 at R200/month), with major depression added as a covered non-CDL chronic illness on Beat3 Plus.
- **Preventative Care Expansion:** Up to 17 preventative care benefits covered from Risk, including HPV vaccines extended to young males aged 9 to 26, single-dose RSV antibody immunisation (Beyfortus) for seasonal newborn protection, paediatric immunisations added to Beat1, and maternity supplements added to Beat2.
- **Uncapped Negative Pressure Wound Therapy (NPWT):** NPWT is unbundled from general wound care limits and funded directly from Scheme Risk at 100% of Tariff without an annual limit.

2. Contribution Increase Comparison (2026 vs 2027)

Option-by-Option Weighted Average Increases

Option Tier	Network Variant	2027 Weighted Average Increase (%)	Principal Member Increase (%)	Adult Dependant Increase (%)	Child Dependant Increase (%)
Beat1	Non-Network	7.1%	7.50%	7.50%	4.50%
	Network	7.0%	7.50%	7.50%	4.50%
Beat2	Non-Network	6.9%	7.50%	7.50%	4.50%
	Network	7.0%	7.50%	7.50%	4.50%
Beat3	Non-Network	7.5%	7.50%	7.50%	4.50%
	Network	7.5%	7.50%	7.50%	4.50%
Beat3 Plus	Standard	6.2%	6.50%	6.50%	4.50%
Beat4	Standard	8.5%	8.50%	8.50%	8.50%
Pace1	Standard	7.0%	7.00%	7.00%	7.00%
Pace2	Standard	8.5%	8.50%	8.50%	8.50%
Pace3	Standard	8.5%	8.50%	8.50%	8.50%
Pace4	Standard	8.5%	8.50%	8.50%	8.50%

Option Tier	Network Variant	2027 Weighted Average Increase (%)	Principal Member Increase (%)	Adult Dependant Increase (%)	Child Dependant Increase (%)
Rhythm1	Network	7.5%	Varies by bracket	Varies by bracket	Varies by bracket
Rhythm2	Income Band 1 (R0 – R5 500)	17.0% (M/A)	17.00%	17.00%	13.86%
	Income Band 2 (R5 501+)	7.0% (Overall)	7.00%	7.00%	7.00%

Rhythm2 Restructuring (Collapsed Income Bands)

Bestmed has applied to the CMS to simplify the Rhythm2 income structure, collapsing the historical middle and higher bands into a single consolidated upper band (>R5 501 pm):

Income Band	Principal Member (2027)	Adult Dependant (2027)	Child Dependant (2027)	Member Distribution
R0 – R5 500 pm	R3 214	R3 054	R1 882	338 Principal Members
> R5 501 pm	R3 762	R3 387	R1 882	845 Principal Members (777 high + 68 mid)

Over 70% of Rhythm2 members sit within the upper tier, experiencing an increase of exactly 7.00% across all beneficiary roles.

New Option Pricing: Beat2 Traditional (Submitted to CMS)

The newly engineered Beat2 Traditional option introduces pooled day-to-day risk funding at two competitive price points:

Beneficiary Role	Beat2 Traditional (Non-Network)	Beat2 Traditional Network (EDO)	Monthly Network Saving
Principal Member	R3 759	R3 385	R374 pm
Adult Dependant	R3 514	R3 157	R357 pm
Child Dependant	R1 469	R1 318	R151 pm

3. Annual Day-to-Day Pools, Savings & Value-Add Enhancements

Beat2 Traditional vs Beat2 vs Beat3 Structural Matrix

Feature	Beat2 Traditional (New)	Beat2 (Established)	Beat3 (Established)
Option Structure	Traditional / Risk-Only	Hospital + Savings	Hospital + Savings
Medical Savings Account	None (Pure Risk)	16% of annual contribution	15% of annual contribution
Day-to-Day Funding Model	Pooled Risk Limit: • Member: R5 824 • Family (M1+): R12 688 <i>(Category sub-limits apply)</i>	Individual Medical Savings Account	Savings Account + Limited Risk Pool
Out-of-Hospital Categories Covered	GP & specialist consults, acute/OTC meds, basic pathology, basic X-rays/ultrasounds, auxiliary, basic dentistry.	Subject to available savings.	Subject to available savings and threshold/risk limits.
Chronic Disease Cover	CDL / PMB (26 conditions)	CDL / PMB (26 conditions)	CDL / PMB + 5 non-CDL conditions
Major Depression Medication	R180 per month (Formulary)	R180 per month (Formulary)	R200 per month (Formulary)
Hospital Cover	100% Scheme Tariff (Any hospital or EDO network)	100% Scheme Tariff (Any hospital or Network)	100% Scheme Tariff (Any hospital or Network)

Value-Add Day-to-Day Enhancements

- **BestBucks (R1 000 Family Risk Buffer):** Unlocked on Beat2, Beat3, Beat3 Plus, Beat4, and all Pace options. When all adult beneficiaries complete their annual 15-minute Tempo Lifestyle Screening (blood pressure, cholesterol, glucose, height/weight), the Scheme injects **R1 000 into a BestBucks wallet**. BestBucks pays out-of-hospital doctor, medicine, and diagnostic claims first, freezing the member's medical savings account until the R1 000 is exhausted.
- **Over-the-Counter (OTC) Medicine Growth:** The OTC sub-limit increases by **15.0%** on Beat4 and across Pace1, Pace2, and Pace3. OTC claims fund scheduled medicines, vitamins, minerals, and sunscreens directly from savings without creating an artificial self-payment gap.
- **Take-Out Medicine (TTO) Sub-Limit Upgrades:** In-hospital discharge medication increases to **R7 000** on Pace1 (+27.2%) and reflects a +16.7% increase across Pace2 and Pace3.
- **Orthopaedic & Medical Appliances:** Upgraded across upper tiers: **+14.7%** on Beat4 and Pace1, **+21.0%** on Pace2 and Pace3, and **+27.5%** on Pace4.

4. Key Benefit Enhancements & Clinical Adjustments

Emergency Casualty Room Cover (Beat2–4 & Pace1–4)

- **Dedicated Separate Casualty Pool:** Bestmed introduces a standalone emergency casualty benefit providing **2 casualty visits per family per annum at 100% Scheme Tariff up to R3 000 per visit.**
- **What Is Covered:** Covers facility fees, doctor consultations, emergency pathology, basic diagnostic imaging, and active medicines administered during the emergency room event.
- **Eligibility:** Fully funded from Scheme Risk across Beat2, Beat3, Beat3 Plus, Beat4, Pace1, Pace2, Pace3, and Pace4.

Comprehensive Mental Health Support

- **Out-of-Hospital Antidepressant Medicine:** Major depression medicine is introduced on lower-tier formularies to support outpatient psychiatric care:
 - **Beat1 & Beat1 Network:** R160 per beneficiary per month.
 - **Beat2, Beat2 Network & Beat2 Traditional:** R180 per beneficiary per month.
 - **Beat3 & Beat3 Network:** R200 per beneficiary per month.
- **Chronic Disease Extension (Beat3 Plus):** Major depression is added as an approved **non-CDL chronic disease**, granting comprehensive ongoing chronic medicine access.
- **Gout Added to Non-CDL (Pace1):** Gout is formally included as an approved chronic condition on Pace1.

Preventative, Paediatric & Maternity Care

- **HPV Immunisation for Young Men:** Coverage is extended to **male beneficiaries aged 9 to 26 years** across all options (excluding Rhythm1), standardising cervical and penile cancer preventative care.
- **Beyfortus (RSV Prophylaxis):** Single-dose monoclonal antibody immunisation funded from preventative benefits for infants born between January and May to prevent seasonal Respiratory Syncytial Virus complications.
- **Post-Natal Consultations:** All Beat (Beat1–4) and Pace options now provide **2 post-natal consultations** with a GP, gynaecologist, or registered midwife. Rhythm2 adds 1 consultation.
- **Paediatric Vaccines on Beat1:** Comprehensive childhood immunisations are now included under Beat1 preventative benefits.
- **Maternity Supplements on Beat2:** Added at **R151 per month** from scheme preventative risk.
- **Corneal Cross-Linking:** Funded as a standalone clinical benefit at 100% Scheme Tariff from Risk across Beat1, Beat2, Rhythm1, and Rhythm2.

5. Procedure Co-Payments & Hospital Policy Rules

- **Abolition of In-Hospital Co-Payments Maintained:** Procedure-specific hospital co-payments and specialised diagnostic scan (MRI/CT) deductibles remain **completely abolished across all Bestmed options.**
- **Only Two Co-Payments Apply Scheme-Wide:**
 1. **Voluntary Non-Network Hospital Admissions:** Applied only when a member on a Network/EDO option voluntarily admits to a non-network facility (waived in life-threatening emergencies).
 2. **Day Procedures in Acute Hospitals:** Applied when a member elects to undergo a designated day-surgery procedure in an acute private hospital rather than a contracted day-hospital facility.
- **Managed Care Strategic Alignment:** Hospital networks remain unchanged for 2027. Managed care networks remain contracted to premier national partners: **ICON (Oncology)**, **DBC (Back & Neck)**, and **LifeSense (HIV/AIDS).**

6. Preventative Care & Tempo Wellness Ecosystem

Bestmed provides one of the industry's most extensive preventative risk frameworks, spanning up to **17 clinical preventative benefits** without drawing from medical savings:

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Clinical Preventative Measure	Beat1	Beat2	Beat3 & 3 Plus	Beat4	Pace1 to Pace4	Rhythm1	Rhythm2
Paediatric Immunisations	Covered	Covered	Covered	Covered	Covered	Covered	Covered
Preventative Basic Dentistry	-	Covered	Covered	Covered	Covered	-	-
PSA Screening (Prostate)	Covered	Covered	Covered	Covered	Covered	Covered	Covered
Bone Densitometry (Females 45+)	-	-	-	-	Covered	-	-
Glaucoma Screening	-	-	-	-	Covered (excl Pace1)	-	-
Colon Cancer & HIV Screening	Covered	Covered	Covered	Covered	Covered	Covered	Covered

Tempo Wellness Consultations (Included on All Options)

Completing the Tempo screening unlocks comprehensive lifestyle support funded from Risk:

- **Nutrition Care:** 2 consultations per beneficiary with a Tempo network dietitian (1 comprehensive face-to-face assessment and 1 personalised eating plan follow-up).
- **Fitness & Rehabilitation:** 2 consultations per beneficiary with a Tempo network biokineticist (1 physical fitness evaluation and 1 customized exercise plan follow-up).
- **Mental Wellbeing:** Access to monthly themed interactive mental health and wellbeing workshops.

7. HealthGroup Advisory & Year-End Recommendations

- **Examine Beat2 Traditional for Day-to-Day Stability:** Members on Beat2 who run out of savings before year-end should evaluate upgrading to **Beat2 Traditional** (at R3 759 pm non-network or R3 385 pm EDO) to access **R12 688 in pooled family day-to-day risk funding**.

- **Complete Tempo Screenings Early in January:** Every adult member should complete their Tempo health check immediately at the start of the benefit year to unlock **R1 000 in BestBucks** and preserve medical savings.
- **Family Cost Advantages:** With child increases kept at **4.50%** across Beat1, Beat2, Beat3, and Beat3 Plus, growing families enjoy enhanced value relative to open-market competitors.
- **Essential Gap Cover Integration:** While Bestmed eliminates internal hospital procedure co-payments, in-hospital specialists on all Beat options are reimbursed at **100% of Scheme Tariff**. Because private surgeons and anaesthetists routinely charge 300% to 600%, maintaining a comprehensive Gap Cover policy (e.g. Turnberry, Western Gap, or Dis-Chem Gap) remains non-negotiable to protect against specialist balance-billing shortfalls. Please contact us for assistance if you do not have a gap policy in place.

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