

HOW DOES THE PROPOSED ROAD ACCIDENT FUND AMENDMENT BILL, 2023, IMPACT YOU?



On 8 September 2023, the Department of Transport published a proposal of the Road Accident Fund Amendment Bill 2023.

PUBLIC COMMENTS CLOSE ON 6 OCTOBER 2023

Here's an example of how it could impact the average medical aid member should the draft Bill become law.

1

50,000 members belong to MY MEDICAL SCHEME, each contributing R2,500 monthly from their after-tax salaries. MY MEDICAL SCHEME keeps the R125 million contributions received per month safe and pays eligible medical treatment claims.

2

John is a member of MY MEDICAL SCHEME and is involved in a serious road accident while commuting in a taxi. His leg is broken, and he suffers a serious head injury.

3

John is transported by ambulance, treated at MY BEST HOSPITAL, and discharged after three weeks. MY MEDICAL SCHEME pays R400,000 towards John's treatment.

4

John knows the scheme rules for MY MEDICAL SCHEME. He asks his attorney to include the R400,000 paid by his scheme in his claim against the Road Accident Fund (RAF).



CURRENT IMPACT

5

After four years, John's RAF claim is settled. He recovered the full R400,000 paid by MY MEDICAL SCHEME and duly paid it back, contributing to the stability and healthy reserves to benefit all MY MEDICAL SCHEME members.

6

Annual contribution increases align with inflation, and MY MEDICAL SCHEME continues to pay for accident-related claims.

PROPOSED IMPACT

5

After four years, John's RAF claim is settled. He recovers R0 in respect of past medical expenses, which were paid by MY MEDICAL SCHEME. John is not the only one – MY MEDICAL SCHEME incurs R100 million annually due to road accident-related injuries.

6

MY MEDICAL SCHEME has less and less available reserves to pay all medical-related expenses and has no choice but to increase monthly contributions and reduce certain benefits.

7

Treatment relating to accidents sustained in motor vehicle accidents is limited to emergency treatment only.

8

John now must pay more per month as his contribution to MY MEDICAL SCHEME and a separate insurance policy to cover his treatment for any future motor vehicle accident-related treatment.

CONCLUSION

If the proposed changes are implemented, you and John, as Medical Scheme Members will not be in the best position. Why? The direct results of amending the Road Accident Fund Act will be an increase in care costs and premiums, whilst your medical scheme basket is reduced. The changes will be detrimental to your Medical Schemes and their sustainability. To voice out your concerns and prevent these proposed changes from being implemented, go to <https://medicalschemes-raf-act.co.za> to have your say.