

More about how Discovery Health pays prescribed medicines in 2009



This document gives you information about how Discovery Health covers prescribed medicines in 2009. It also explains the difference between generic and non-generic medicines as we pay these differently.

Prescribed medicine is paid from the day-to-day benefits

Discovery Health pays for prescribed medicines from the money available in your day-to-day benefits. This could be your Medical Savings Account or Above Threshold Benefit, if your Health Plan has one.

We pay medicines up to the Discovery Health medication rate. Claims for prescribed medicines (schedule 3 and above) count towards the yearly prescribed medicine limit.

We classify medicines into categories

We call the different medicine categories tiers. The medicine categories are:

- generic medicines
- non-generic medicines
- over-the-counter and life-style enhancing medicines
- excluded items, like contact lens solutions etc.

A summary of how we pay prescribed medicines

Type of medicine	Tier (category)	How we pay the claim from your Medical Savings Account	How we pay the claim from the Above Threshold Benefit	How we add the claim to the Annual Threshold and annual limits
Generic medicine (schedule 3 and above)	1	Up to 100% of the Discovery Health medication rate		
* Non-generic medicines (schedule 3 and above)	2	Up to 100% of the Discovery Health medication rate	Executive Plan Up to a maximum of 90% on the Discovery Health medication rate Comprehensive and **Priority Plans Up to a maximum of 75% of the Discovery Health medication rate	
Over-the-counter medicine (schedule 0, 1 and 2) and certain lifestyle enhancing medicine (schedule 2 and above)	3	Up to 100% of the Discovery Health medication rate	Not covered	Does not add up
Exclusions	5	Not covered	Not covered	Not covered

*For non-generic medicine where the claimed amount is less than 75% of the Discovery Health medication rate, 75% of the claimed amount will add up to the Annual Threshold and yearly prescribed medicine limit.

**On Priority Plans, we pay prescribed medicine up to the prescribed medication benefit or the limited Above Threshold Benefit, whichever is reached first.

Please note this structure does not apply to medicine approved for payment from the Chronic Illness Benefit.

How we pay non-generic medicines from the Above Threshold Benefit

We apply a co-payment when you claim non-generic medicines from the Above Threshold Benefit

You'll need to pay a co-payment to the pharmacy from your pocket when we pay non-generic medicines from the Above Threshold Benefit. This co-payment will apply even if the pharmacy charges below the Discovery Health medication rate.

Executive Plan

You will need to pay a 10% co-payment to the pharmacy.

Comprehensive and Priority Plans

You will need to pay a 25% co-payment to the pharmacy.

We pay prescribed medicine up to a limit

A yearly limit applies to prescribed medicines (schedule 3 and above). This limit is different depending on which Health Plan you are on and whether you are a single member or have dependants.

Yearly prescribed medicine limit

	Single member		Member with one dependant		Member with two dependants		Member with three or more dependants	
Executive Plan	R17 600		R20 550		R23 550		R26 500	
Comprehensive Series	<i>Classic</i> R14 300	<i>Essential</i> R9 250	<i>Classic</i> R16 800	<i>Essential</i> R11 200	<i>Classic</i> R19 500	<i>Essential</i> R13 500	<i>Classic</i> R22 200	<i>Essential</i> R14 750
Priority Series	<i>Classic</i> R9 250	<i>Essential</i> R6 600	<i>Classic</i> R11 200	<i>Essential</i> R7 800	<i>Classic</i> R13 500	<i>Essential</i> R9 250	<i>Classic</i> R14 750	<i>Essential</i> R11 200
Saver Series	Limited to available funds in your Medical Savings Account							
Core Series	No day-to-day benefits on Core Plans							
KeyCare Series	KeyCare Plus Acute medicine according to a medicine list as prescribed by your chosen KeyCare network GP.							

Understanding what the Discovery Health medication rate is

The Discovery Health medication rate is the amount Discovery Health has set to pay for medicines. It is the manufacturer's price for medicines (called the Single Exit Price) plus the relevant dispensing fee.

This is how we calculate the dispensing fee for pharmacies

If the Single Exit Price is less than or equal to R165	If the Single Exit Price is greater than R165
Single Exit Price + a mark-up of 36% (including VAT)	Single Exit Price + a fixed mark-up of R59.40 (including VAT)

This is how we calculate the dispensing fee for dispensing doctors

If the Single Exit Price is less than or equal to R100	If the Single Exit Price is greater than R100
Single Exit Price + a mark-up of 16% (excluding VAT)	We will pay the Single Exit Price + a fixed mark-up of R16 (excluding VAT)

Frequently asked questions about generic medicines

What is a generic medicine?

A generic medicine is an equivalent medicine (inactive ingredient, strength and dosage form) to a generally more expensive brand or original medicine. Generic medicines have the same clinical effect as the original medicine. Using generics, in consultation with your doctor or pharmacist, gives you access to affordable and effective medicines while making your money go further.

What happens if there is no generic equivalent for my medicine?

The payment and accumulation of non-generic medicines will stay the same, even if no generic equivalent exists. While there may be some medicines that have no generic equivalents, there are usually equivalent treatments with generic medicines available in the same medicine class. Together with their doctor, members are still able to choose between a generic or non-generic medicine, and an alternative treatment or generic in the same medicine class. By encouraging our members to use generic medicines as far as possible, we facilitate maximum benefit from the day-to-day benefit (ie Mediscal Savings Account and Above Threshold Benefit, if your Health Plan has one).