

Your 2025 Guide to Understanding Underwriting & Late Joiner Penalty

DISCOVER THE
BRILLIANCE
OF
GEMS

Understanding Underwriting and Late Joiner Penalty

1. What is “underwriting”?

Underwriting refers to the assessment of a new member or their beneficiaries' medical history, as well as previous medical aid cover, to determine their risk profile to the Scheme. GEMS may apply waiting periods before a member can claim healthcare services, to reduce the Scheme's exposure to anti-selective behaviour*.

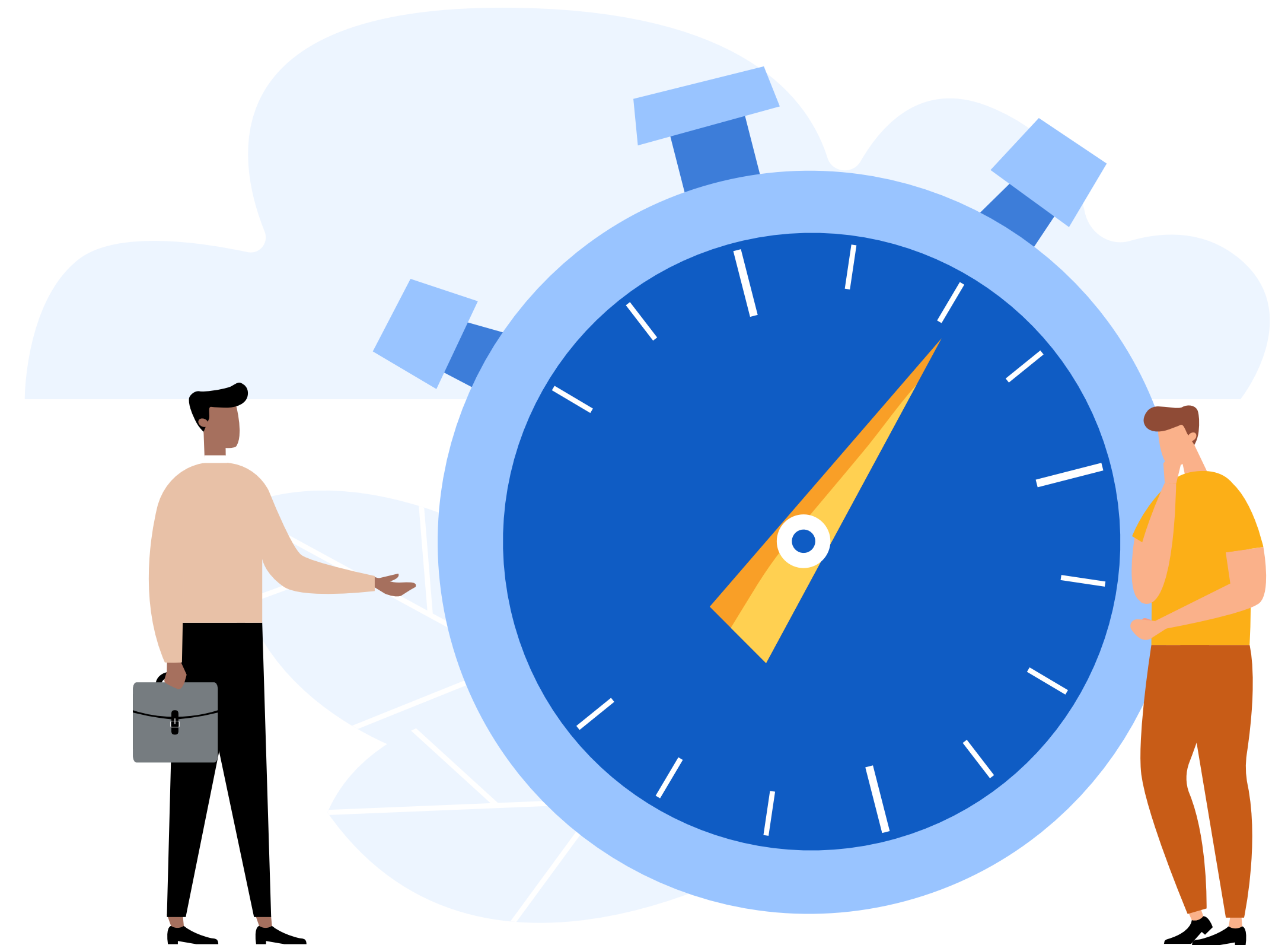
*Such behaviour includes but is not limited to purposefully joining GEMS, claiming for elective procedures and then leaving the Scheme after such procedures are conducted.



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2. What is a “waiting period”?

A waiting period is a period during which a beneficiary may not have access to all or some of his/her benefits, but during which you (the principal member) will be expected to pay his/her full monthly contributions. The waiting period may be three (3) months, 12 months, or the balance of a waiting period that the member comes into GEMS with from another Scheme.



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3. What are the **GEMS Rules** governing waiting periods?

GEMS Rules 8.3 and 8.3.4 provide for the application of waiting periods by the Scheme. These rules mirror Section 29A(1), (2) and (3) of the Act 131 of 1998, thereby ensuring the Scheme’s compliance with the Medical Scheme’s Act 131 of 1998.

[Click here to view the GEMS Rules](#)

Underwriting acronyms & terminology:	
UWP	Underwriting Potential
GWP	General Waiting Period
CSWP	Condition-Specific Waiting Period
PMB	Prescribed Minimum Benefits



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4. How will underwriting be applied?

Starting 1 January 2025, GEMS applies waiting periods to all new applications, as permitted by current regulations.

Below are the business rules that outline how GEMS will apply waiting periods:

	WAITING PERIODS	General Waiting Period (GWP)	Conditions Specific waiting period (CSWP)	Prescribed Minimum Benefit (PMB)
1	<p>A medical scheme may impose the following conditions on a person in respect of whom application is made for membership or for admission as a dependant, and who has not been a beneficiary of a medical scheme for a period of at least 90 days preceding the date of the application:</p> <ul style="list-style-type: none">• A General Waiting Period of up to three (3) months, where applicable.• A Condition-Specific Waiting Period of up to 12 months, where applicable.• The exclusion of Prescribed Minimum Benefits during any such waiting periods.	GWP (3 months)	CSWP (12 months)	PMB (not covered)

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	WAITING PERIODS	General Waiting Period (GWP)	Conditions Specific waiting period (CSWP)	Prescribed Minimum Benefit (PMB)
2	<p>A medical scheme may impose the following on a person in respect of whom an application is made for membership or admission as a dependant, and who was previously a beneficiary of a medical scheme for a continuous period of up to 24 months, terminating less than 90 days immediately before the date of application to the Scheme:</p> <ul style="list-style-type: none">• A Condition-Specific Waiting Period of up to 12 months, except in respect of any treatment or diagnostic procedures covered within the Prescribed Minimum Benefits.• In respect of any person addressed in terms of Rule 8.3.2, if the previous medical scheme had imposed a General Waiting Period or a Condition-Specific Waiting Period, the unexpired waiting period will apply for the remaining duration of the waiting period set by the former scheme.	Unexpired GWP applies	<p>CSWP (12 months)</p> <p>OR</p> <p>Unexpired CSWP applies</p>	PMBs covered

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	WAITING PERIODS	General Waiting Period (GWP)	Conditions Specific waiting period (CSWP)	Prescribed Minimum Benefit (PMB)
3	<p>The Scheme may impose the following on a person in respect of whom application is made for membership or for admission as a dependant, and who previously was a beneficiary of a medical scheme for a continuous period of more than 24 months terminating less than 90 days immediately to the date of application to the Scheme:</p> <ul style="list-style-type: none">A General Waiting Period of up to three (3) months, except in respect of any treatment or diagnostic procedures covered within the Prescribed Minimum Benefits.	GWP (3 months) applies		PMBs covered
No waiting periods may be imposed on:				
4	<ul style="list-style-type: none">A person in respect of whom application is made for membership or admission as a dependant, and who was previously a beneficiary of a medical scheme, terminating less than 90 days immediately prior to the date of the application, where the transfer of membership is required as a result of:change of employment;	Unexpired GWP applies – Carry over waiting period	Unexpired CSWP applies – Carry over waiting period	

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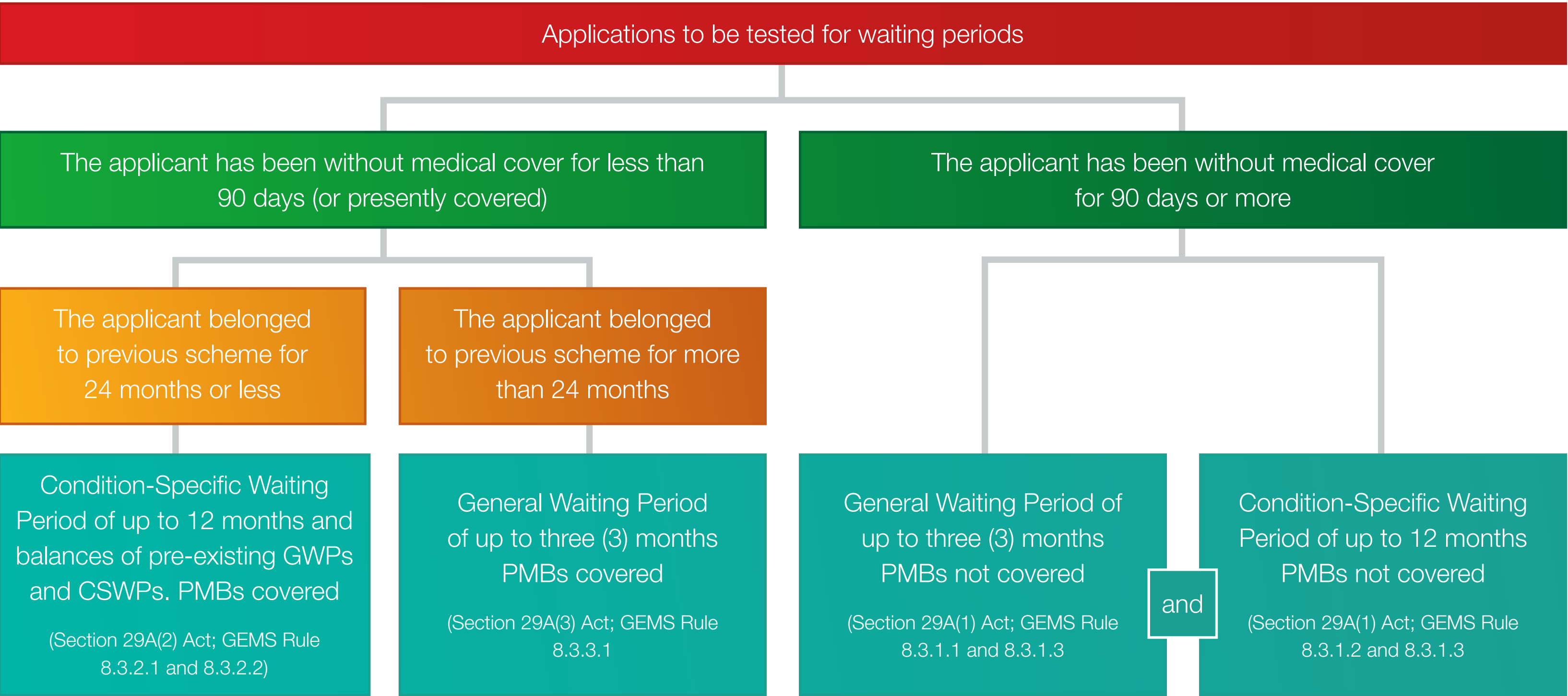


	WAITING PERIODS	General Waiting Period (GWP)	Conditions Specific waiting period (CSWP)	Prescribed Minimum Benefit (PMB)
	<ul style="list-style-type: none">an employer changing or terminating the medical scheme of its employees, in which case such transfer shall occur at the beginning of the financial year, or a reasonable notice must have been furnished to the scheme to which an application is made for such transfer to occur at the beginning of the financial year; and/ora Beneficiary who changes from one benefit option to another within the Scheme, unless that beneficiary is subject to a waiting period on the current option, in which case the remaining period may be applied.			
5	A Member's child born or adopted during the period of membership subject to Rule 7.6.2	N/A	N/A	N/A
6	If members of a medical scheme who are members of that medical scheme by virtue of their employment by a particular employer, terminate their membership with that medical scheme with the object of obtaining membership of GEMS, the Scheme shall admit them as members, without any waiting periods.	N/A	N/A	N/A

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5. If I am subjected to underwriting, which waiting period will apply?

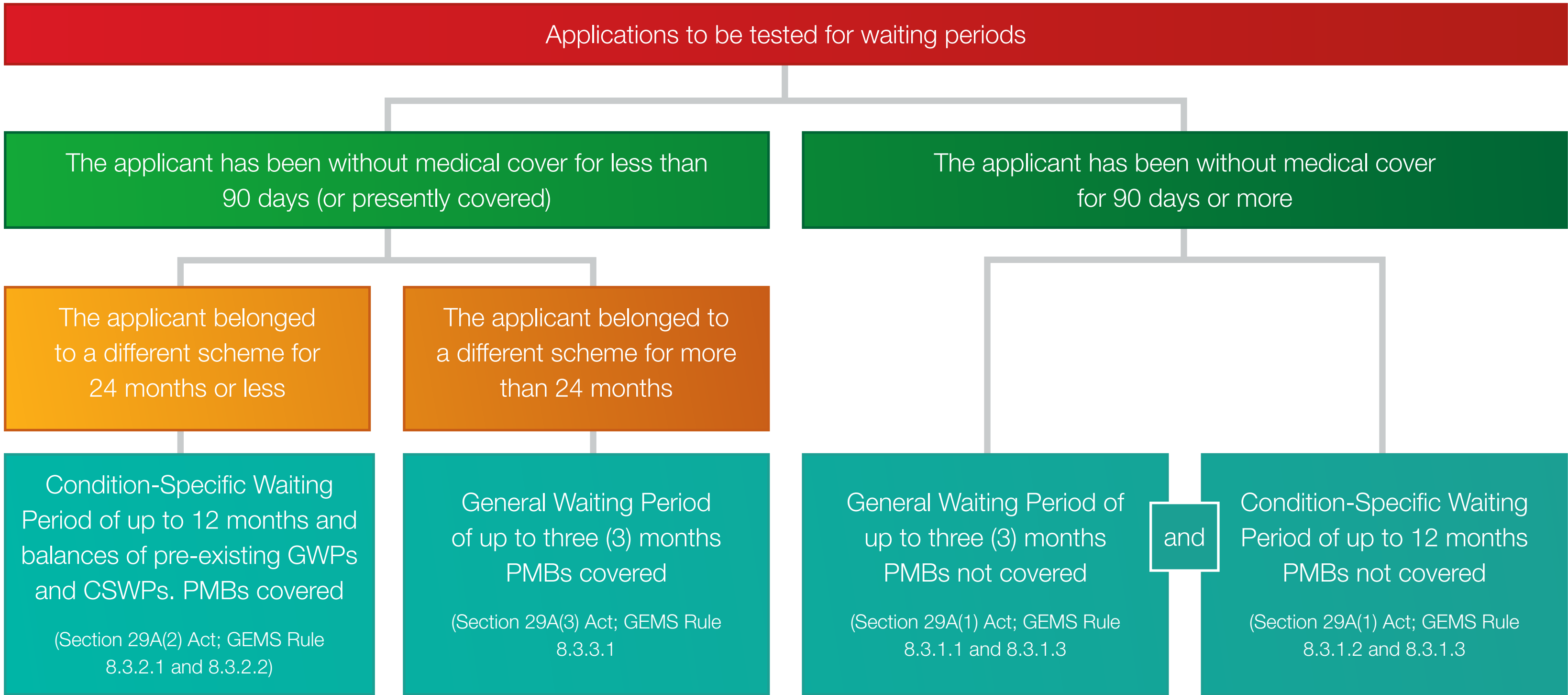


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6. Will my Prescribed Minimum Benefits (PMBs) be affected by my waiting period?

If you are subjected to a waiting period because you were not a beneficiary of a medical scheme for a period of at least 90 days before the date of your application for membership with the Scheme, your Prescribed Minimum Benefits (PMBs) will be affected.



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7. What are PMBs and which conditions are classified as PMBs?

Prescribed Minimum Benefits (PMBs) are the basic benefits that GEMS provides for certain medical conditions, such as asthma and hypertension, as mandated by the Medical Schemes Act.

Prescribed Minimum Benefits (PMBs) are a set of defined benefits to ensure that all medical scheme members have access to certain minimum health services, regardless of the benefit option they have selected. These include:

1. Any emergency medical condition;
2. A limited set of 271 medical conditions (defined in the Diagnosis Treatment Pairs); and
3. 26 chronic conditions (defined in the Chronic Disease List).



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8. What conditions should be treated as a PMB?

The specific conditions treated as PMB are defined in the diagnostic treatment pairs (DTPs) and on the chronic disease list (CDL). Also, any emergency* medical condition should be considered a PMB.

CLICK HERE
to see the list of all PMB conditions

* An emergency medical condition means the sudden and, at the time, unexpected onset of a health condition that requires immediate medical treatment and/or an operation.

If the treatment is not available, the emergency could result in weakened bodily functions, serious and lasting damage to organs, limbs or other body parts, or even death.

In an emergency it is not always possible to diagnose the condition before admitting the patient for treatment. However, if doctors suspect that the patient suffers from a condition that is covered by PMBs, the medical scheme has to approve treatment.

Schemes may request that the diagnosis be confirmed with supporting evidence within a reasonable period of time.



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9. How will I be notified if I am subjected to a waiting period?

The Scheme will send you an underwriting acceptance letter which details the waiting periods for you or your dependants. This letter must be signed and returned within seven (7) days in order for your application process to be finalised. **You can also use the USSD functionality by dialing *134*20018# and follow the prompts to accept underwriting and/or late joiner penalty.**

Your waiting period(s) will reflect on your GEMS welcome letter and membership certificate, which will be sent to you upon your successful registration with the Scheme.



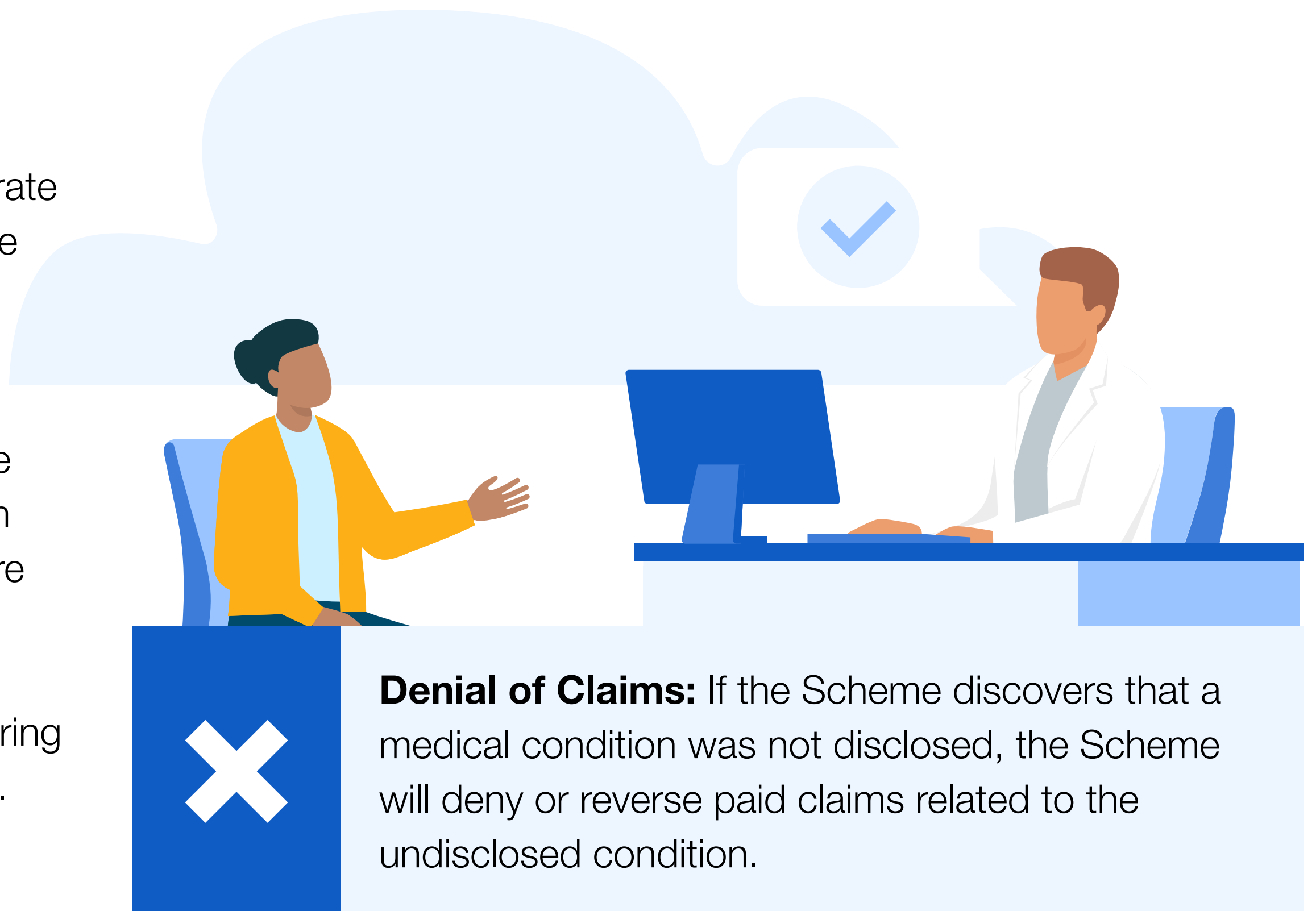
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10. What happens if I do not disclose a pre-existing medical condition?

A pre-existing condition is any condition for which medical advice, diagnosis, care, or treatment was recommended or received prior to joining GEMS.

Non-disclosure occurs when an applicant fails to provide complete and accurate information regarding their health and medical history on application to join the Scheme. This can be identified via claims, authorisation request for chronic medication and hospital treatment.

If non-disclosure of a pre-existing medical condition is confirmed, the Scheme will impose underwriting and the resulting waiting periods retrospectively, from your date of registration. Accordingly, the Scheme may not fund the healthcare costs associated with your pre-existing medical condition, unless it is a Prescribed Minimum Benefit (PMB) condition, in which case PMBs will apply. This is provided that you were a member of a medical scheme at any time during the 89 days immediately preceding your GEMS membership application date.



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11. If I am subjected to a waiting period, how will my claims be processed?

If you are subjected to a 3-month General Waiting Period or a 12-month Condition Specific Waiting Period, claims will not be funded depending on the waiting period imposed.

The Scheme will not fund any healthcare costs associated with your pre-existing medical conditions unless it is a Prescribed Minimum Benefit (PMB) condition, in which case PMBs will apply. This is provided you were a member of a medical scheme at any time during the 90 days immediately before your GEMS membership application date.

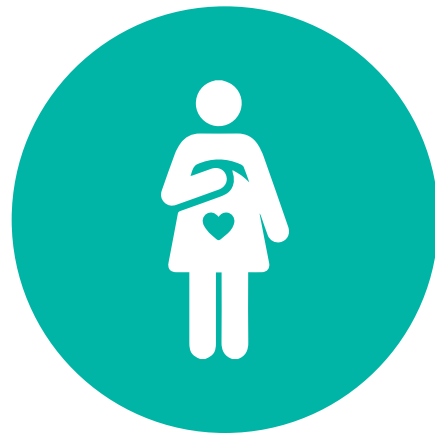


In the instances above, where healthcare costs are not funded by the Scheme, you will receive a claims statement, showing your rejected claims and the reasons for the rejection. You will be required to fund your claims until the waiting period has expired.

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12. Will my pregnancy be covered during a waiting period?



If a **member falls pregnant after joining GEMS**, then the pregnancy will be covered as no waiting period will be applied.



If the member did not disclose a pregnancy prior to joining GEMS and the information is received after joining, a non-disclosure investigation will be conducted. If confirmation is received that **the pregnancy is pre-existing, then a waiting period will be applied** for the remainder of the pregnancy. If the non-disclosure is identified, the claims will be rejected or reversed.

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13. What is a Late Joiner?

An applicant or the adult dependant of an applicant who, at the date of application for membership or admission as a dependant, as the case may be, is 35 years of age or older. This excludes any beneficiaries who have enjoyed coverage with one or more medical schemes from a date preceding 1 April 2001, provided there has not been a break in coverage of more than three consecutive months since 1 April 2001.

How is LJP calculated?	
Penalty Bands	Maximum Penalty
1 - 4 years	0.05 x contribution
5 - 14 years	0.25 x contribution
15 - 24 years	0.50 x contribution
25+ years	0.75 x contribution








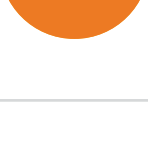
Get in touch

Monday – Friday: 08h00 – 17h00
Saturday: 08h00 – 12h00
Closed on Sundays and public holidays

Member **Call centre**

-  **GEMS member call centre**
0800 004 367 (toll-free)
-  **Fax**
0861 00 4367
-  **Web**
www.gems.gov.za
-  **Email**
enquiries@gems.gov.za
-  **Postal address**
GEMS, Private Bag X782,
Cape Town, 8000

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-  **YOUTUBE**
@GEMSMEDICALAID1
-  **USSD to accept underwriting**
Dial *134*20018# and follow the prompts



Make use of the multi-function GEMS Member App to interact with the Scheme at home or on the go to make your life easier.

Use the QR Code to download the GEMS Member App, or download it from your Play or App Store.

