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**FINDING CREATIVE WAYS TO IMPROVE MEMBER SATISFACTION
AND RETAIN THE 18 TO 35 YEAR OLDS
WITHIN A MEDICAL SCHEME IN SOUTH AFRICA.**

by

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**A thesis submitted in partial fulfilment of the requirements for the degree of
Masters of Philosophy**

Supervisor: Corrinne Shaw

**University of Cape Town
2007/2008**

DECLARATION

I declare that this thesis, submitted for the degree of Master of Philosophy at the University of Cape Town is my own work. It has not been submitted prior to this for any degree or examination at this or any other university.

Signature removed

Leonard Mark Deacon

4/4/2008

Date

CONFIDENTIALITY CLAUSE

I request that access to this thesis by the public only be allowed after three years as the information contained herein is sensitive to Bankmed and the way it works (Corporate Intelligence).

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GLOSSARY OF TERMS

Administrator: The administrator appointed by the medical scheme to provide administration services to the scheme from time to time.

ANC: African National Congress is the ruling political party of South Africa.

Attitudes: Mental states used by individuals to structure the way they perceive their environment and to guide their responses. A psychological construct comprised of cognitive, affective and intention components.

Baby Boomers: Can be loosely defined as the persons born between 1940 and 1960.

Bankmed: Bankmed Medical Scheme registered in terms of the Medical Schemes Act, registration number 1279.

Beneficiary: Any member and/or dependant of Bankmed who is recognised as such under the rules of the scheme.

CATI: Computer assisted telephone interviewing used in quantitative surveys. An interview is conducted via a computer programme prompting questions.

CDL: Chronic disease list is a list of drugs for 25 chronic conditions that legislation enforces all medical schemes to cover.

CPI or CPI-X: The annual weighted average of the Consumer Price Index for metropolitan and other areas, as published from time to time on STATS SA

Community rating: The removal of discriminatory pricing by age; risk profile other than income and family size.

Council: The Council for Medical Schemes established in terms of Section 3 of the Medical Schemes Act.

CRA: Customer relationship assessment tool developed by Walker Information Global Network and Markinor.

Cross-subsidisation: The use of healthy and/or young individuals' contributions to sustain the increased costs incurred by the ill and/or elderly.

Dependant: Any person who is recognised as a dependant of a member under the rules of Bankmed Medical Scheme and who is eligible for benefits under these rules.

Generation X Xers: Individuals born between 1966 and 1976.

HIV/Aids Status: Actual or perceived presence in a person's body of the Human Immunodeficiency Virus (HIV) or symptoms of Acquired Immune Deficiency Syndrome (AIDS), as well as adverse assumptions based on this status.

Managed Health Care: Clinical and financial risk assessment and management of health care, with the view to facilitating the appropriateness and cost-effectiveness of relevant health services, within the constraints of what is affordable, through the use of rules-based and clinical management-based programmes.

Medical Schemes Act: The Medical Schemes Act No. 131 of 1998, as amended, together with the Regulations promulgated there under from time to time.

Millennial Generation: Can be defined as those persons born between 1980 and 2000.

Member: Any person who has been admitted as a principal member of the Bankmed Medical Scheme or who is defined as a principal member in terms of the rules of this scheme.

New Generation: A product that makes use of a personal medical account to cover routine and primary health care benefits.

NHI: National health insurance used to spread risk over numerous population segments.

NHS: National health systems used to ensure medical cover for an entire population of a country.

Open Enrolment: A system of enrolment that prevents schemes from denying medical cover to members who are viewed as high risk or for any other reason, with the exception of conditions applicable to industry or closed medical schemes.

PHC: Primary health care is routine health care benefits covering GP consultations and medicines.

PMA: Personal medical account, a % of the member's contribution placed in a Medical Savings Account, limited to a maximum of 25% of the contribution.

Prescribed minimum benefits: Benefits which consist of the provision of the diagnosis, treatment and care costs of: a) The Diagnosis and Treatment Pairs listed in Regulations to Medical Schemes Act and b) any emergency medical condition

Traditional: a product that makes use of benefit limits to limit expenditure.

The Registrar: The Registrar of Medical Schemes appointed in terms of Section 18 of the Medical Schemes Act.

REF: Risk equalisation fund is a financial and clinical tool to equalise risk of schemes that have a different age and clinical demographic pool of members.

Restricted membership scheme: A medical scheme, the rules of which restrict the eligibility for membership by reference to –

- a) Employment or former employment or both employment or former employment in a profession, trade, industry or calling;
- b) Employment or former employment or both employment or former employment by a particular employer, or by an employer included in a particular class of employers;
- c) Membership or former membership or both membership or former membership of a particular profession, professional association or union;

SEP: Single exit price is a pricing structure introduced by Government to set the maximum price at which each drug can be sold in South Africa.

VSM: Viable systems model developed by Stafford Beer covering the various functions required in an organisation.

CHAPTER 1 – INTRODUCTION

1.1 Introduction

On the surface it would appear that the Government's intention to attract more members to medical schemes has not been as successful as hoped, with membership remaining relatively constant but with an increase shift in the age profile of most schemes. More specifically, the 18 to 35 year old population appears to be increasingly reluctant to participate in medical schemes. It has become ever more difficult to attract and retain these members and it seems that the needs of this particular segment are not being met. Due to this apparent lack of both understanding and the meeting of the needs of this segment, the outcome of an investigation into the perceptions, attitudes and needs of these members, together with what motivates these segments, requires closer analysis. The intention of this study is to improve customer loyalty within this segment.

For many years Bankmed, a South African medical scheme for the Banks and Financial services industry, has operated on the assumption that the average medical scheme members are family members and pensioners. However, over time the portion of Bankmed members who are single and/or under the age of 35 has increased significantly. These younger members have become far more demanding in terms of their specific needs. Products have been developed in the market place to entice this market segment that has a lower healthcare risk and claiming profile. These products include medical schemes that offer attractive gym memberships and other tempting benefits, such as low cost airline and movie tickets, which are thought to be important to this market segment. This development has led to a greater focus on lifestyle enhancements instead of healthcare benefits.

During late 1999 and early 2000 it became clear that the 18 to 35 year old members were not satisfied with the Bankmed medical scheme. At this stage, Bankmed did not know the reasons for this dissatisfaction nor how these issues could be resolved. The need to reveal and address these issues prompted this research study.

1.2 The Situation

As a result of the introduction of the new Medical Schemes Act in January 2000, considerable changes within the industry have taken place and will continue to take

place as the market matures. The survival of any medical scheme depends to a large extent on a sufficient and well-managed cross-subsidisation mechanism. This cross-subsidisation relies on retaining or increasing a younger membership base to sustain the ever-increasing costs, which are often incurred with an ageing membership.

Codrington and Grant-Marshall (2004) suggest that individual responses and attitudes vary towards different products based on a number of issues such as, risk, cost, type of product, gratification, type of need, past experience, lifestyle, age and stage of lifecycle. The researcher believes that the 18 to 35 year old market segment possesses certain identifiable attributes, which will make targeting and satisfying the needs of this segment easier for a medical scheme. This assumption needs to be verified and unpacked.

This field of research has not been extensively explored and there is a lack of reliable data for the 18 – 35 year old market. This research project will provide valuable insight into the nature of this unique market segment.

1.2.1 Industry Overview: Macro Environment

South Africa has a population of about 46 million people of which 7 million have private health care cover. These 7 million people spend R66 billion on health care benefits while the rest of the population of 39 million, spend R52 billion on health care benefits.

South Africa has an unemployment rate of 25 – 30% and spends 8.5% of its GDP on Health care. It has an HIV/Aids prevalence rate of 11% with 5,2 million HIV positive. Life expectancy is 49 years for males and 53 years for females. It is predicted that South Africa will have 15 million Aids orphans by 2010.

In addition South Africa has a triple burden of disease comprising non-communicable diseases, diseases of lifestyle and socio-economic factors such as violence. From this it is clear that, as a country, South Africa has big challenges to overcome in the healthcare macro environment.

Figure 1 – South African Healthcare Environment

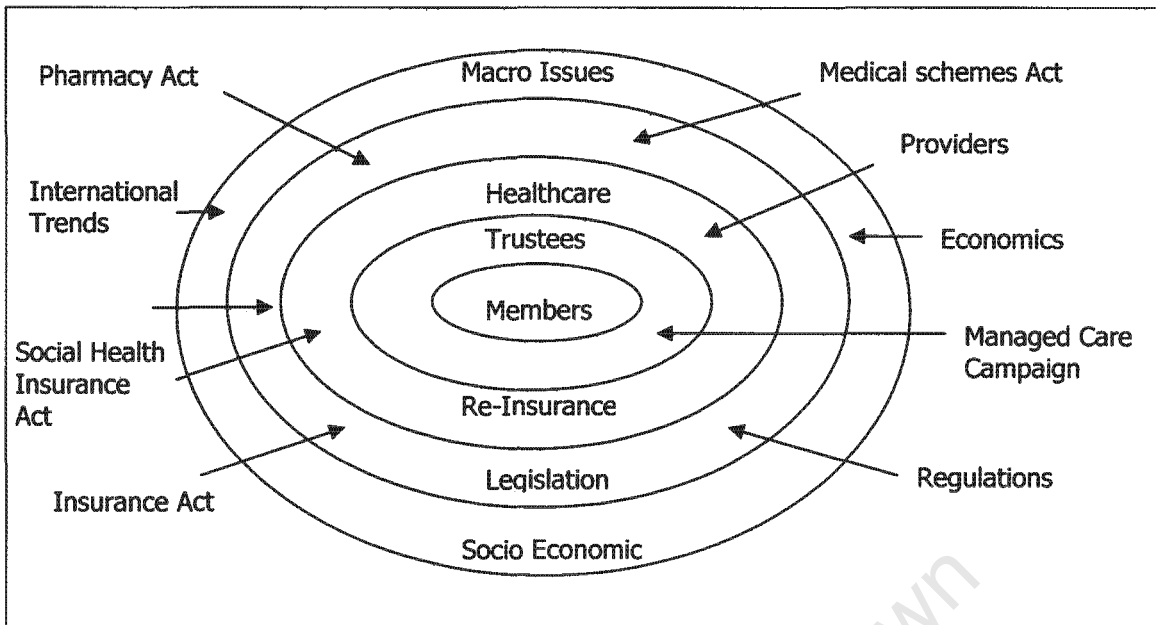


Figure 1 above shows the various levels of detail required to understand the South African healthcare environment holistically.

1.2.1.1 Health Policy of the African National Congress (ANC) (the ruling party in South Africa)

The researcher believes that providing details of the current government's health policy will help the reader better understand the macro healthcare environment of South Africa.

The African National Congress published a document in 1994 entitled "A National Health Plan for South Africa", detailing the intentions of the then new government for the development and implementation of a National Health System. The document is extensive and has far-reaching implications for the future health care environment in South Africa. The main features of this plan are:-

a) Primary Health Care (PHC)

The emphasis of the Plan is on Primary Health Care (PHC), which involves the provision of primary care facilities to rural and impoverished urban areas. Primary care includes, care of the elderly, control of communicable diseases, environmental health, HIV/Aids and sexually transmitted disease, nutrition, occupational health and traditional healers. The implication is that emphasis will no longer fall on curative care, but on preventative care. Government

spending on secondary and tertiary hospitals will be reduced and will be concentrated instead on primary care in rural areas. This emphasis is in line with the recommendations of the United Nations for the provisions of health care in developing countries.

b) *National Health System (NHS)*

A National Health System (NHS) will be created. The provision of health care would be co-ordinated by local, district, provincial and national authorities. The foundation of the NHS would be Community Health Centres (CHCs) which would provide comprehensive services including promotive, preventative, rehabilitative and curative care.

c) *Implications for medical schemes*

Although the document was fairly comprehensive in scope, the effects of the ANC's plan on the current medical scheme industry were not spelled out. It did, however, recommend that alternatives, such as the implementation of a National Health Insurance (NHI) system be examined. It is expected that a NHI system will not materially affect the medical scheme industry in the short term, because its implementation is likely to be delayed by many factors, not the least of which will be more urgent calls for public funding.

d) *Developments after coming into power*

The new ANC government declared that health care would be provided free of charge for all pregnant women, nursing mothers and children under six years of age. This stipulation has placed a strain on the resources of many already overcrowded State hospitals and clinics.

South Africa spends 8.7% (W.H.O. 2005) of gross domestic product on Health Care. The equivalent figure for other middle-income countries is about 5.7%. Of the 8.7% spending of GDP, 5.2% is expended by the private sector on about 16% of the population. The balance of 3.5% is disbursed on the public sector for more than 84% of the population.

1.2.2 Industry Overview Micro Environment – Medical Schemes

The Medical Schemes Act 131 of 1998 provided the foundation for aligning the government's policies of equity, affordability and accessibility [ANC's National Health Plan – Better health for all (1994)], with the operations of the medical schemes industry by formalizing the underlying features of open enrolment and community rating.

In addition to the above, the introduction in 2000 of the revised Medical Schemes Act of 1998, has had a considerable impact on the entire South African private healthcare industry. The purpose of this Act is to ensure that all citizens are given an equal opportunity to participate in the medical aid system without any discrimination on the basis of age and health status. This Act and the accompanying regulations were implemented from January 2000. Among other rules, the Act made it compulsory for every scheme to accept all eligible applications, called "open enrolment" and to charge contributions that were differentiated only on the bases of income and number of dependants which is called "community rating". Therefore, contributions could no longer be calculated based on the level of risk associated with the individual (known as individual health risk rating). As a result of this shift and the ageing membership, it is necessary for the medical schemes to have methods of cross-subsidisation in place, and to have a relative increase in the number of healthy and younger members. The importance of attracting the younger members is highlighted through the need for sufficient cross-subsidisation.

In addition the revised Medical Schemes Act of 1998 made it compulsory for every scheme to cover a comprehensive package of hospital related and out-patients' services, known as the Prescribed Minimum Benefits (PMB) and to provide unlimited benefit for 25 chronic diseases known as the CDL (Chronic Disease List). This minimum benefits package means that all members are eligible to receive some benefits and, therefore, need to pay for a minimum set range of benefits. This directive affects the affordability of medical schemes and hence plays into the hands of the younger members who feel that because they did not submit claims they do not receive any benefits from belonging to a medical scheme.

In addition to the above, the legislative environment is constantly changing in order to align it with the African National Congress's health policy, namely "better health for all".

In the case of open enrolment, schemes are prohibited from denying cover to members for any reason, with the exception of the member's employer or the industry in which the individual is employed, in the case of a restricted or closed scheme. Bankmed falls into this category. Community rating is aimed at minimizing discriminatory pricing, and disallows schemes from charging different prices for a specific plan, unless the variation is based on the number of dependants or the member's income level. Following on from the revised Medical Schemes Act of 1998, the Prescribed Minimum Benefits ("PMBs") were introduced in 2001, comprising a list of conditions, related treatments and medications, which must be covered by the scheme in full. These steps made some progress towards expanding the medical scheme population, as well as improving the level of healthcare cover for members, particularly those individuals that opted for lower cost, less benefit-rich cover. However, given that roughly 84% of the population is still without medical scheme cover, the current government has adopted a number of further policies with a view to instituting a Social Healthcare System. In order to achieve the objective of significantly expanding the number of households that have medical cover, and given the vast disparity between income levels, a degree of redistribution is evident in the more recent policies. Accordingly, existing members, medical schemes and the State will increasingly cross-subsidise the low-income group and those members who are less healthy.

Over the past few years, the medical scheme market has seen a considerable shift in focus. Inflation in this industry has been approximately 4 – 6 % above CPI over the past few years, partly due to the increased reserve requirements imposed on medical schemes by the revised Medical Schemes Act and the increase in fees charged by Providers. (see Table 1 on next page) The reserve requirement is that all medical schemes should have 25% of their annual contribution in a reserve fund in the scheme.

Table 1 – Inflation Medical and CPI 2002 – 2007

	CPI	Medical
June 2002	8%	12.5%
December 2002	12.4%	14.5%
June 2003	6.7%	8.5%
December 2003	0.3%	7.6%
June 2004	1.2%	8.6%
December 2004	3.4%	7.8%
June 2005	2.8%	7.5%
December 2005	3.6%	6.5%
June 2006	4.9%	6.7%
December 2006	5.8%	7.8%
June 2007	7.0%	9.1%

Source STATSSA

In addition to assimilating their share of the above-mentioned increases, medical scheme members have been faced with a number of other issues, namely:-

a) Cost Shifting

Employers have passed on an increasing proportion of health care costs to their employees (members). This is the result of cost to company employment packages and a move away from a % subsidiary for healthcare expenses. (Previously most companies offered employees a 50/50 health premium subsidy.)

b) Co-payments

Members have to finance an increasing portion of "out-of-pocket" medical costs, being the difference between the fees charged for medical services and the benefits paid by medical schemes. This is frequently referred to as the benefit gap.

c) *Low-earners*

In the case of lower-earning employees, the existing medical scheme offerings are becoming unaffordable. Claim rates of lower-paid employees are generally much lower than those of higher-paid employees, however, this is often not reflected in the contributions that they are required to pay, partly because of the Prescribed Minimum Benefits (P.M.B). Consequently, lower-paid employees often obtain health care from State facilities, partly because private health care providers are not accessible in their residential areas.

d) *Pensioners*

The costs of health care for pensioners is rapidly increasing as medical schemes remove the contribution discounts previously offered to pensioners and the average age of medical scheme members creeps up, thus increasing the contributions for all members. In addition, benefit structures and other factors listed above have increased the costs of medical benefits for all members. Finally, the move by many employers to increase the proportion of contribution paid by pensioners has put increased pressure on the pensioner members. Unfortunately, many pensioners' incomes have not kept pace with the cost of living and, as a result, many pensioners, both now and in the future, may have to terminate their membership of medical schemes because they simply cannot afford the contributions.

1.2.2.1 Medical schemes trends

There are about 7 million beneficiaries covered in both open and closed medical schemes. It is envisaged that in the foreseeable future the tax subsidies will be adjusted as well as the implementation of a risk equalisation fund to smooth the risk between medical schemes.

The open medical schemes industry reflected robust growth between 1998 and 2000, with total beneficiaries increasing by 34% to 4.7 million over this period. This was in part as a result of the move towards open enrolment, as well as the reclassification of a number of closed schemes, to an open medical scheme status. Growth in beneficiaries slowed to 2% in 2001, and subsequently, entered a negative growth phase for the next 2 years. However, positive growth was once again achieved in 2004 and 2005, when the benefits of strong economic growth and increasing employment levels fed through. By the middle of 2005, the open medical schemes industry was

c) *Low-earners*

In the case of lower-earning employees, the existing medical scheme offerings are becoming unaffordable. Claim rates of lower-paid employees are generally much lower than those of higher-paid employees, however, this is often not reflected in the contributions that they are required to pay, partly because of the Prescribed Minimum Benefits (P.M.B). Consequently, lower-paid employees often obtain health care from State facilities, partly because private health care providers are not accessible in their residential areas.

d) *Pensioners*

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responsible for 4.8 million beneficiaries, representing roughly 71% of the overall market, (C.M.S. Report 2005/6).

Between 1998 and 1999, restricted schemes recorded a loss of around 300,000 beneficiaries, to end the year at 1.7 million individuals. This was largely as a result of the aforementioned reclassifications, as well as consolidation amongst remaining closed schemes. During 2000, following the reclassification of two large schemes as restricted schemes (from their previous exempt status), the number of beneficiaries increased to 2 million individuals. Notwithstanding the marginal reductions in beneficiaries between 2002 and 2004, the level has remained within the 1.9 million to 2 million range for the past 5 years.

Following the strong performance achieved by the open medical schemes industry between 2002 and 2004, the industry recorded an underwriting deficit in 2005. The weaker underwriting performance is expected to continue in the short term, with a number of open medical schemes having recorded operating deficits for 2006 (Council for Medical Scheme Report 2006/2007). In addition to the challenge of increased competition faced by the open medical schemes industry, which will influence pricing and benefit structures, the following factors are threats to medical schemes:

- The new legislative practices are expected to require relatively intensive administrative attention, thus placing pressure on non-healthcare costs.
- The accurate pricing of supplementary benefits will be imperative to medical schemes' sustainable underwriting performance in light of the move away from risk-based pricing.
- Should the Risk Equalisation Fund (REF) be implemented on the basis of inaccurate assumptions and data, medical schemes will be exposed to erosion in reserves as a result of disproportionate net payments into the fund.
- Notwithstanding the solid contribution of investment income to the overall net result, the increased volatility in the equity markets could place pressure on the market value of medical scheme investments.
- The lower inflation in hospital costs and benefits from medicine's Single Exit Price (SEP) appear to be largely offset by increased specialist costs. This is expected to continue to place pressure on operating results, as technologically advanced medical treatments become increasingly expensive, and experienced professionals become scarcer.

Notwithstanding the challenges faced by medical schemes the overall position is one of strengthened solvency levels.

1.2.3 Industry Conclusion

Currently the young and healthy members of any medical scheme subsidise the older and/or less healthy members. Unfortunately, the concept of cross subsidisation, namely that as members get older, so their contributions relative to their claims decrease, is misunderstood by most young and healthy people. Consequently, the researcher's organisation, Bankmed, is under threat of losing its younger and healthy members who are a good risk and who cross-subsidise the older and/or less healthy members.

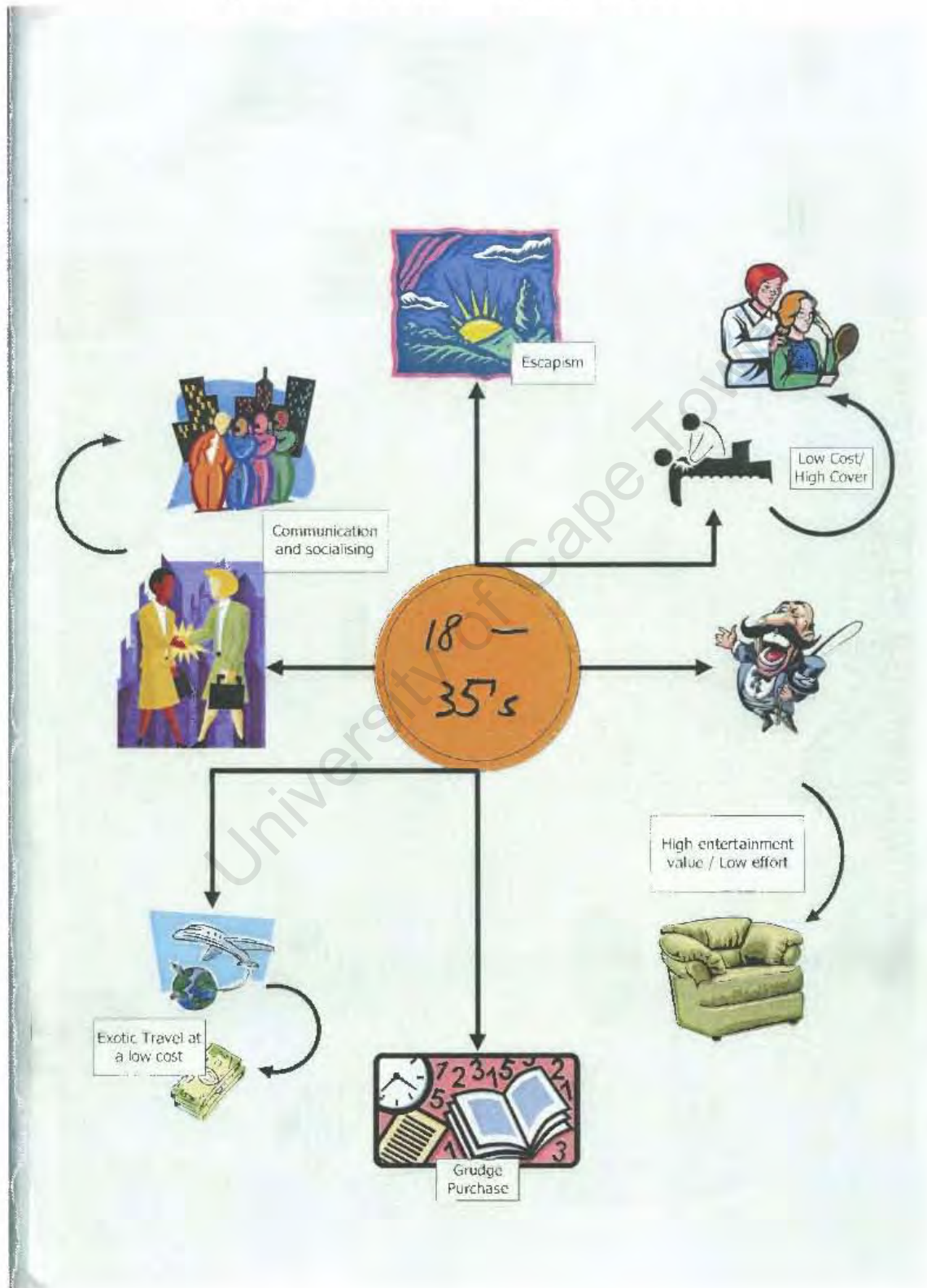
A problem currently facing the medical scheme industry is that it appears that young people see no need for a medical scheme. It is suggested that the reason behind the reluctance to purchase medical scheme cover is due partly to the attitudes, perceptions and needs of this particular market segment. Their focus is "what is in it for me?" and "what do I get for my premium?" More specifically, the 18 – 35 year olds do not consider themselves to be in a position of high risk and, therefore, see no need for medical scheme coverage. However, with the advent of HIV/Aids, this particular market segment is in the position of highest risk in terms of contracting HIV/Aids.

It is thought that the needs of the 18 to 35 year old market segment are different to that of the older members and it is necessary to evaluate where the disparities lie and interpret these results. The exact needs of this younger market segment are currently unknown, making it difficult to customise Bankmed's offering and effectively target these individuals. This research project will measure the attitudes and explore the perceptions of the 18 to 35 year olds and thus provide valuable insight into the needs of this particular market. A thorough needs analysis is required to understand the motives and purchasing behaviour of this younger market segment in relation to healthcare. However, this analysis, will not form part of this research project, but is research that should be undertaken in the future.

Figure 2 details a Rich Picture of how the 18 to 35 year olds view the world. This Rich Picture was developed in a focus group discussion involving a number of members of this age group.

A pictorial view of the South African Healthcare environment, using Bankmed as an example, can be seen in the Rich Picture (Figure 3)

Figure 2 – 18 to 35 year olds' view of the world



This research study takes the view of Easterby-Smith et al. (1991, pg 8) "that research should lead to change and, therefore, that change should be incorporated into the research process itself". This outlook represents an action research approach. It also supports the belief that the people most affected by, or involved in, implementing the changes should, as far as possible, become involved in the research process itself.

To address the question of how to improve member satisfaction and retain the 18-35 year olds within a medical scheme, the research design is outlined as follows:

1. Engage a focus group to tease out the major themes and issues.
2. Meet with Bankmed management to agree and align themes and agree on a way forward.
3. Undertake a scientific quantitative survey with representative sampling. Engage further focus groups (qualitative research) to expand the themes arising from the quantitative survey.
4. Feed back results to Bankmed management and, with business partners, brainstorm possible ideas to be actioned.
5. Implement action.
6. Repeat the cycle 3 times.

The researcher's role in each of the six steps above was that of facilitating and structuring the way forward. His position as a member of Bankmed's executive management team assisted this process because this area of Bankmed's business fell within his area of responsibility. The researcher decided to use an action research approach to assist him to take action in this area of responsibility, namely retaining the 18-35 year old members of Bankmed medical scheme.

This research project details each of the 3 cycles undertaken and the results and actions that follow from these cycles.

The researcher elected to undertake a final round of quantitative research to finalise the project and then to summarise the results and the proposed way forward. This is the best way to bring about closure for a thesis which examines a process that will continue after the thesis is written up.

For Bankmed the process initiated by this research project will continue for years to come. It is clear from the results that it is a rigorous and sound process which adds

value to the organisation by answering the major question of how to retain the 18 to 35 year olds in a medical scheme.

Twice during the 6 years of research, the researcher undertook a statistical analysis of movement in the 18 to 35 year old group according to family size in order to validate the results in reversing the loss of this market segment. This analysis was an alternative validation tool which was used to highlight the areas within this segment where members were leaving. These statistical analyses proved to be a very valuable evaluation tool to authenticate outcomes from the research process being followed.

1.3 Conclusion

For Bankmed the continued implementation of this research project is a matter of survival. Without these young members' support for the medical scheme, the organisation cannot succeed or continue into the future. Bankmed has to win the hearts and minds of this particular target group. Unfortunately, many of these young members feel trapped because their employment contracts enforce compulsory membership of Bankmed, a situation that hinders rather than encourages loyalty to Bankmed.

The primary research question the researcher seeks to answer is "How can Bankmed satisfy and find creative ways to retain its 18 to 35 year old members?" A secondary research question is "How does Bankmed involve and empower its 18 to 35 year old members?"

In summary, the researcher is studying the 18 to 35 year old members because he wants to discover how they think, what is of value to them, what their needs are (in relation to a medical scheme) in order to retain their membership in the scheme by adjusting Bankmed's offering to them, because their membership affects the financial and overall viability of the medical scheme.

It is the researcher's intention to continue the research design for years to come in Bankmed as the organisation's executive management team continues the learning journey this research project has started.

As will be unpacked in the subsequent description of this research project, the outcomes have exceeded the expectations of Bankmed, the client and the researcher. In the chapters that follow this statement will be expanded upon.

University of Cape Town

CHAPTER 2 – LITERATURE REVIEW

2.1 Introduction

As mentioned in the introduction in Chapter 1, there is a lack of reliable data and information on the 18 to 35 year old market segments. The requirements of the members of this segment, the way they make decisions and what helps them believe that a health funder is providing them with value, needs to be researched and analysed.

For Bankmed, failure to answer these questions and other related areas of concern could result in its future financial viability being threatened.

In an endeavour to find answers both to this situation and to the research question, a literature review was undertaken.

This literature review covers two areas:

- A. A review of health plans
 - i. Local SA funders – medical schemes
 - ii. International Health Plans and providers
- B. Consumer behaviour, decision making, motivation and additional literature on 18 to 35 year old market segments and their healthcare buying behaviour.

2.2 A review of Health Plans

The researcher compares the information obtained from this literature review in table 2 below. This is followed with the detailed review of health plans, including both local and international examples.

Table 2 – Comparison summary of health plans for retaining 18-35 year olds employed by other companies

Health plans for retaining members	1	2	3	4	5
Local					
Discovery Health	√	√	√		
Oxygen Medical Scheme	√	√			
CAMAF					√
Nedbank Medical Scheme					√
International					
Humana	√		√	√	√
Wellpoint Incorporated					√
Healthways Incorporated	√		√		√
LifeMasters Support Selfcare Incorporated	√			√	√
Health Dialog	√		√	√	√

Key:

- 1 = Promote and encourage wellness
- 2 = Appeal to their lifestyle (18 to 35 year olds)
- 3 = Are accessible through technology such as web enablement
- 4 = Encourage creative communication and interactive connections
(Virtual site and blogging)
- 5 = Options are cost effective, comprehensive and affordable

2.2.1 Local Healthcare Plans

This part of the literature review explores local South African healthcare plans to try and establish what mechanisms they have in place to meet the needs of the 18 to 35 year old market segment.

Plans looked at were two large open schemes, namely Discovery and Oxygen, and two restricted schemes, namely Nedbank Medical Aid and CAMAF. The selection of these schemes was based upon:-

- The open schemes because of their profiles within the South African healthcare environment.
- All four schemes have a similar profile and attract the same type of member to that desired by Bankmed.
- The restricted/closed schemes are similar to that of Bankmed.

Review of the two closed schemes CAMAF and Nedbank medical scheme revealed that, other than product design, there was nothing specific that they had on offer for the 18 to 35 year olds. These two schemes structured their product in such a way that it was more affordable for the 18 to 35 year old market but this resulted in limited health care cover. Consequently, they offered the 18 to 35 year old market segment a hospital type plan.

If one looks at the two open schemes, Discovery and Oxygen, their offering provided more detail for the 18 to 35 market segment.

Oxygen medical scheme

According to Oxygen (2004), the way in which Oxygen entices the younger members to join their medical scheme is to give them greater discounts, special offers and a number of lifestyle/leisure activities without requiring them to accumulate points to achieve these benefits. Oxygen professes that taking advantage of the leisure lifestyle and product offers from their partners that they have put together, will help their members live a better and happier life.

Oxygen's loyalty programme has two levels:-

- Standard level which is free and has special discounts and offerings on food, leisure, entertainment, education, health and security products.
- Enhanced level which, for a monthly fee, provides additional benefits e.g. discounted gym membership.

Discovery Health

According to Discovery (2002), Discovery is the largest open medical scheme in South Africa; it has an offering in the form of a wellness programme called Vitality.

Discovery's Vitality programme works on a three-step basis:-

- *Step One* - here Discovery uses a range of Vitality partners to help its members get in touch with their health needs and earn Vitality points through:-

- a) Completing a Discovery Vitality Health Risk Assessment.
 - b) Participating in a C.P.R course.
 - c) Joining one of their partner gyms (Virgin Active or Planet Fitness)
 - d) Joining and participating in one of their outdoor activities e.g. Walk for Life, National Golf Network, SA Active or 10 000 Steps programme.
 - e) Making healthy choices and losing extra kilos, stopping smoking and managing stress levels by using partners like Allan Car, Smoke Enders as well as completing an online stress management course.
 - f) Using the Vitality network which includes Pharmacies, Dieticians and Bio kinetics, by getting checked out and taking action members earn points
- *Step Two* – this involves attaining different status levels by using more of the partners and earning more Vitality points. Members can move up levels from blue, to bronze, to silver, to gold status. By improving their status, members gain enhanced access to a range of Vitality lifestyle and leisure travel and online partners.
 - *Step Three* - this involves enjoying the benefits and rewards. Discovery's philosophy is that if members have made an effort to improve their health, lifestyle and Vitality status, it is now time for them to enjoy the many rewards and benefits on offer at reduced rates. Each increased level of Vitality status comes with a higher level of discounts for Vitality lifestyle and health related partners.

Other than the benefits listed above, Discovery uses the medical savings account as a means to influence the demands side of health care spending.

2.2.2 International Healthcare Plans

The researcher decided to look at U.S.A. health plans as most of the innovation over the last decade came from the U.S.A. The following innovative organisations and U.S.A. health plans were reviewed:

- Humana
- Wellpoint Incorporated
- Health Ways Incorporated
- LifeMasters Supported Selfcare Inc.
- Health Dialog

Humana

Humana (2004) have their head-quarters in Louisville, Kentucky, USA. They are one of the USA's largest public traded health benefit companies with approximately 9 million members under cover. They have been around for 45 years. Humana (2004) offers coordinated insurance coverage and related services to employer groups, government sponsor plans and individuals. It is clear that Humana segments their business on the basis of these groups and not on the basis of different groupings within the actual membership. Humana, therefore, has products that are offered to Medicare, which is the government health plan, and the Military, which is part of the government. It also has plans which are open to Employer Groups or to individuals.

Humana (2004) focuses mainly on Employers and Doctors through the use of I.T. technology. It offers cost containment options, such as health savings accounts which are similar to the medical savings accounts that have existed in South Africa for a number of years. This aspect seems to be a new intervention that is taken place in the USA.

Humana (2004) has a password protected personal home page that allows members to view their benefits, claims and handle many health benefit transactions through this one internet website location. Members also have access to a health encyclopaedia, health library, health assessments and prescription information. There are other additional tools like the Plan Professor (assists members select the correct plan for their needs) which is comprehensive, an ongoing employee communication programme which includes newsletters, web content and specific developed health content for employers to use in educating employees to become active participants in health benefit decisions.

In addition, Humana (2004) also has a RS calculator which is a web based tool design to help members project their pharmaceutical costs and make the pharmacy benefit plan decision based on their budgetary and medical needs. Other than this, there are no other segmentation directed offerings of benefits.

If one looks closer at their health resources through their website called My Humana Health Centre, Humana (2004) has sections that cover children's' health, healthy pregnancy, men's health, seniors' health and women's health.

Under the same personalized one stop internet site, information is available to members under Humana (2004) health and wellness section which incorporates online health assessments, health centres that are information centres to help members in the areas detailed above. A condition centre which helps members answer questions on the most common conditions that they could suffer from and, in addition, helps them learn about the symptom's risk factors and the tests, together with the use of tools to learn about their condition and understand their treatment choices. There are other resources such as a health library, drug library and details on where to find discount structures on health and wellness products and offerings.

Wellpoint Incorporated (INC)

Wellpoint (2002) operates from Indianapolis in Indiana USA. Wellpoint is a national health provider, it covers approximately 30 million members nationwide and has representation in 14 states in the USA (being California, Colorado, Connecticut, George, Indiana, Kentucky, Maine, Missouri, Nevada, New Hampshire, New York, Ohio, Virginia and Wisconsin). Wellpoint (2002) is a traditional player in the health care market and has segmented itself in the following way.

- National account customer segment – which includes employers of more than five thousand employees.
- Large group customer segment - which includes employer groups with 51 to less than 5000 employees.
- An individual and small group customer segment - which includes individuals and small group customers who have less than 15 employees.
- Seniors, in which they provide Wellpoint's numerous offerings to the Medicare sector of the market as a Medicare supplementary plans
- The last area is state sponsored programmes, the largest of which is Medicaid which is a supplemented government programme, and in some cases Wellpoint assist and run base line programmes (Wellpoint, 2005)

According to Wellpoint (2005) the other area of specialty over and above their normal product range is health care services which include facilities such as pharmaceutical management, long-term care, dental care, life and disability insurance. Wellpoint is starting to get involved in behavioural health and medical savings accounts, which it calls flexible spending accounts. There seems to be no direct offering targeting the 18 to 35 year olds.

Healthways Incorporated

Healthways (2003) is based in Nashville, Tennessee. The same range of basic benefit packages are offered to the market. Some of the additional services that Healthways provides are health and care support programmes that educate, motivate, and support participants to achieve better health outcomes. These are:-

- Health guides and tools that help members educate themselves on their medical conditions
- Quarterly Health newsletters that give information on the latest medical breakthroughs and remind members about important examinations and lifestyle changes that could make a difference to them
- Nursing support available from highly trained nurse managers who help members evaluate their health status, discuss their conditions and suggest possible lifestyle changes.

The way that Healthways (2003) delivers the above services is by developing an integrated and comprehensive model for health care delivery. This model includes behaviour changes to produce improvements on health promotion and disease management programmes that address the high risk lifestyle choices and behaviours of their members. This process incorporates the following tools:-

- An offering called Pro-Change (Prochaska). This is an intervention that helps identify members with high risks before they develop a chronic condition and helps members to design the next level of behaviour changes they need. It works on the principle of willingness to change (Prochaska).
- Members have access to Health Wise evidence-based health related information and tools. It is an online consumer knowledge-based decision making tool that supports members and their quest for information.

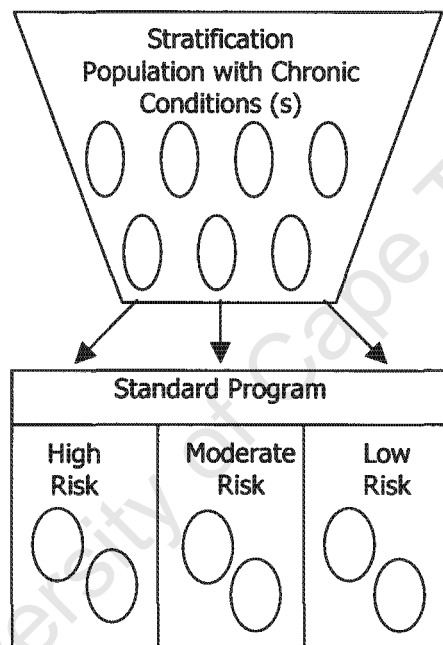
Again there are no interventions, which are directly focused on 18 to 35 year olds. However; there are a number of offerings, such as the Prochaska stages of the change model, which could be of benefit to Bankmed.

LifeMasters Supported Selfcare Inc

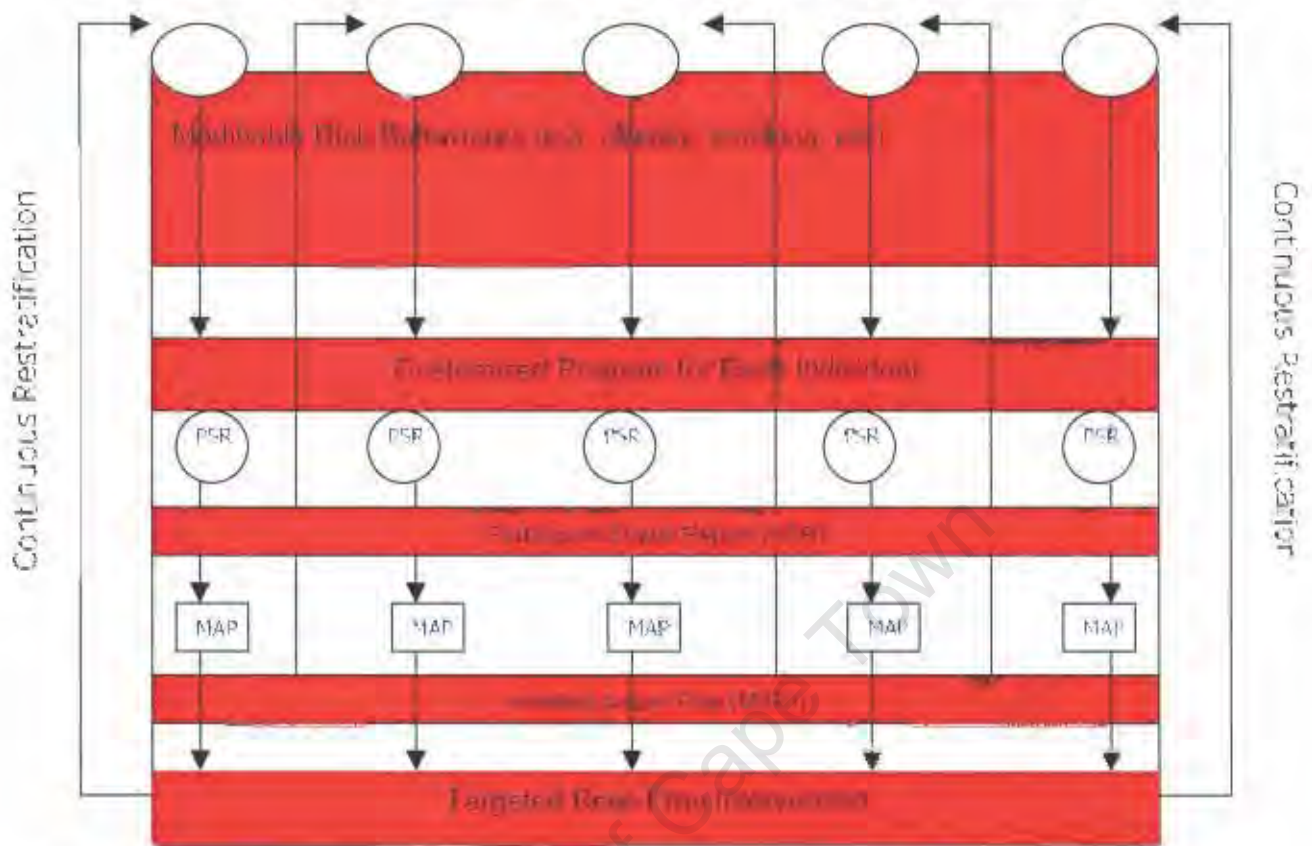
LifeMasters (2005) is based in San Francisco, California, USA. This company focuses on disease management and is looking at expanding into wellness by using the same tools that it has developed in the disease management arena. LifeMasters is looking at

using its disease management partnerships to improve clinical outcomes and increase member satisfaction. This is achieved through a process call the active intervention model. This model identifies and stratifies risks which are then selected for intervention. LifeMasters (2005) take the traditional disease management process of stratification into standard programmes based on high risk, moderate risk and low risk (Figure 4) and then move from this to the empowered disease management of individuals (Figure 5).

Figure 4 – Risk Stratification Model (LifeMasters) Traditional Disease Management (Old) (reference website Lifemasters)



**Figure 5 – Risk Stratification Model (LifeMasters) Empowered
Disease management – individuals (New)(reference website Lifemasters)**



Again there were no individual offerings for 18 to 35 year olds and all members are treated in a similar fashion based upon their risk stratification.

Health Dialog

Health Dialog (2003) is based in Boston, Massachusetts, USA. Health Dialog is a health improvement company. It was formed with a view to improving the state of the US health care system which, at the time of their incorporation, was running into double digits inflation. As an organisation it looks at ways to improve the populations' health care by helping individuals better understand their medical issues and become more engaged in their healthcare with their physicians. Health Dialog (2003) has a very strong physician focus. There are no individual programmes by different markets segments such as the 18 to 35 year olds. However, Health Dialog does look at very good analytical tools and solutions and addresses issues like unwarranted variation in healthcare spending and assists both practitioners and physicians in informed medical decision making. In addition to this, Health Dialog has an offering to members which is called shared decision making in which members engage with material and dialogue with their provider before undergoing certain operations, thereby, making sure they are making the right decision. This process is shared by members, their physicians and

their funder for appropriateness and cost effectiveness and also medical outcomes. It is the health facilitator who works with individuals, using the share decision-making approach, which encourages members to work more closely with their physician. Health Dialog care management programmes provide individuals with information about their chronic conditions, which is presented in an unbiased way. In addition, individuals can access a number of educational tools and resources such as a library of videos, members' website and an audio library. The decision support videos are on topics such as knee replacements, back pain, prostate cancer, breast cancer and many more similar medical problems. Again there is no segmentation by age grouping and there is a strong focus on chronic medication.

2.2.3 Summary

In summary it is clear from the health funder/plan literature review of other organisations, operating both locally and internationally in the healthcare arenas that not one of these healthcare funders' plans focuses on the 18 to 35 year old market segments. However, it is clear that each of them offer different services that could be of value to this particular market segment. It is these various services that are dispersed amongst all these various role players, together with some others that Bankmed has been considering for a number of years that will be part of this action research learning project.

2.3 A review on consumer's decision making and motivation.

This is a review that will cover areas of consumer behaviour theory, including generation theory, consumer decision making models and consumer motivation.

2.3.1 Generation Theory

At the "Mind the Gap" Conference the researcher attended on 10 November 2005, Codrington (2005) said "Every human being is an individual with a unique set of values, attitudes and opinions, and, while grouping these individuals into categories dependent on their birth dates, may at first appear grossly unjust, it later emerges as a valuable marketing tool." The researcher attended this conference to gain a deeper understanding of the 18 to 35 years old market segment.

According to du Plessis et al. (1994), the importance of truly understanding the various market segments a marketer wishes to target cannot be over emphasised. The emphasis of this research project is primarily on a particular age segment, namely the 18 to 35 year old market, which is more broadly defined as Generation X or Xers.

Each generation has a distinct personality and certain characteristics/behavioural traits that should be considered (Codrington and Grant-Marshall, 2004). Generation X can loosely be defined as those individuals born between 1966 and 1976, or aged between 24 and 35 in the year 2000. They are the children of the 'Baby Boomers' and one of the most diverse generations to grow up in human history. Understanding how this generation operates is one of the hardest obstacles a marketer has to overcome as they are generally referred to as 'hard to reach.' Knowing how this generation operates and what they want from a medical scheme will be a fundamental consideration in the marketing approach adopted by a medical scheme such as Bankmed.

The challenges facing Bankmed organisation are that the 18 to 35 year olds, known as the Millennial Generation and Generation X(Xers), (Codrington and Grant-Marshall, 2004) find medical schemes unattractive and a grudge purchase (see Rich Picture Figure 2).

Some of the 18 to 35 year olds, and in particular those above the age of 30, could be classified in the Xer Generation. However, the majority of these members, according to Codrington and Grant-Marshall (2004), fall into the Millennial Generation. Some of the attitudes of these members are that they want to make the world a better place. They enjoy shopping, labels, family, friends, environment and technology (Codrington and Grant-Marshall, 2004).

Members that fall into the Xers from a health perspective often feel that they will fix their health problems themselves and consider alternative therapies in particular. People living in the Millennial, however, will be obsessed with keeping healthy. Some of the health issues that defined the Xers was HIV/Aids and the Millennial generation will be obesity. Both the Xers and Millennials are obsessed with imagine and glamour and with being slim and beautiful.

"Generation X is a handy term that cannot begin to describe the true diversity of a generation that is still resistant to be being manipulated by the media, advertising and

politicians. Generation X isn't about to sit still and let anyone on TV tell them who they are, what they think, or what they should buy" (Wesson, 2002).

"Generation X is probably the most talked about and criticised generation to date." (Rottier, 2001). According to Susan Spargo of Cebano (2002), their influences on society are significantly different from any of the older generations, such as the 'baby boomers' or 'silent generation.' This group tends to ignore authority, live by computers and in cyberspace and expect everything to be laid on a golden platter, unlike their older counterparts who adapted to situations and had respect. Spargo (2002) in an article in the Marketing Mix journal, states that "this generation has grown up with rapid change and experiencing the information age", which further illustrates this idea and shows that "this is a generation that expects immediacy. They want it all, and they want it now. And if that's not enough, they want it tailored to their individual tastes." (Spargo, 2002). The implication of these statements is that the medical scheme industry must ensure that it reaches this target market by means of technology and electronic media. A customised approach may also be essential in serving this market segment. The 18 to 35 year olds want to be reached through a means that is both suitable and convenient for them. Frank Feather (2000:189) states that in 'the future, the patient – not the doctor – drives the system. ... Tomorrow's patients will routinely go online to download their health information, get e-diagnoses from doctors and other care-givers, review their charts, track their treatment plans – and buy health and beauty products.

Members of Generation X want individualisation and freedom, they want to do things their way and not want conform to the 'norms' of society. They want to do things in their own time and like the idea of flexitime, and as a result they are often criticised for their work ethic, attitude and attention span, (Rottier, 2001). Some research shows that Generation X wants to feel a sense of ownership. They want to manage and drive their future, wealth and retirement, (Grimm, 2002:48). This could mean that they want to control their own money and resources and do not want other people doing it for them. This idea is further substantiated by Graeme Codrington (1999), who describes this generation as "not allowing you to have any influence on their lives." Medical schemes must be aware of this need for control and the Generation X's attitude that 'nothing will happen to them'. The need for ownership has considerable effects on the offerings provided to this generation and, as far as possible, a sense of control over their medical schemes account must be given.

According to Anthony Liebenberg (2002), 'Gen Xers want to acquire new skills and create added value to what they do. As a result of this need, companies that attempt to serve this market should aim to provide added value services that will appeal to this generation. The tendency to be self-sufficient may play a significant role in determining the needs of this market and, more specifically, the need or the lack thereof, for medical scheme coverage. The desire to be self-sufficient may be a factor contributing to the apparent disinterest in becoming a member of a medical scheme. It is thought that this generation is primarily concerned with image. This image consciousness may lead to the need to both create a good corporate image, as well as encouraging a healthy self-image the promotion of health.

A very significant trend surrounding the Gen Xers' is that they are marrying older and have no other responsibilities beside themselves, (Rottier, 2001). "As insurance goes, Generation X is a relative void, simply because it's entering such stages for the first time, and later in life than previous generations," (Grimm, 2002:48). According to a life insurance industry association report, in 1998, by LIMRA International, Generation Xers' average investments in savings accounts, IRAs, mutual funds and stocks all stood at around half the amounts of the older generation known as 'Baby Boomers'. (Grimm, 2002:48) This information clearly shows that members of Generation X are not investing their money like the older generations, but are rather spending it as they receive it or saving for enjoyment at a later date.

It has been argued that Generation X grew up fast and experienced a lot of instability, and as a result its members require a sense of belonging and seek a healthy balance between home and work, (Ritchie, 1995). It is likely that Generation X people will continue to feel the burden of economic uncertainty for the rest of their lives. Childhood disappointments, such as parents' divorcing, apartheid, unemployment, HIV/Aids, uncontrollable violence and educational requirements have made their mark and given this generation a general lack of confidence in the long-term ability of business and government. (Ritchie, 1995). Generation X has been described as being "the survivors of what the adult world have left behind". (Codrington, 2002) They will always be cautious consumers, cost-conscious shoppers and sceptical audiences for advertising. They have low expectations for the future and this will have implications for their behaviour as a consumer. This markets' scepticism could have a severely negative effect on the medical schemes. These people will be very wary of what companies have to offer them and it could take a lot of convincing to prove to the 18 to 35 year old market that the product or service is, in fact, worth their while and of benefit to them.

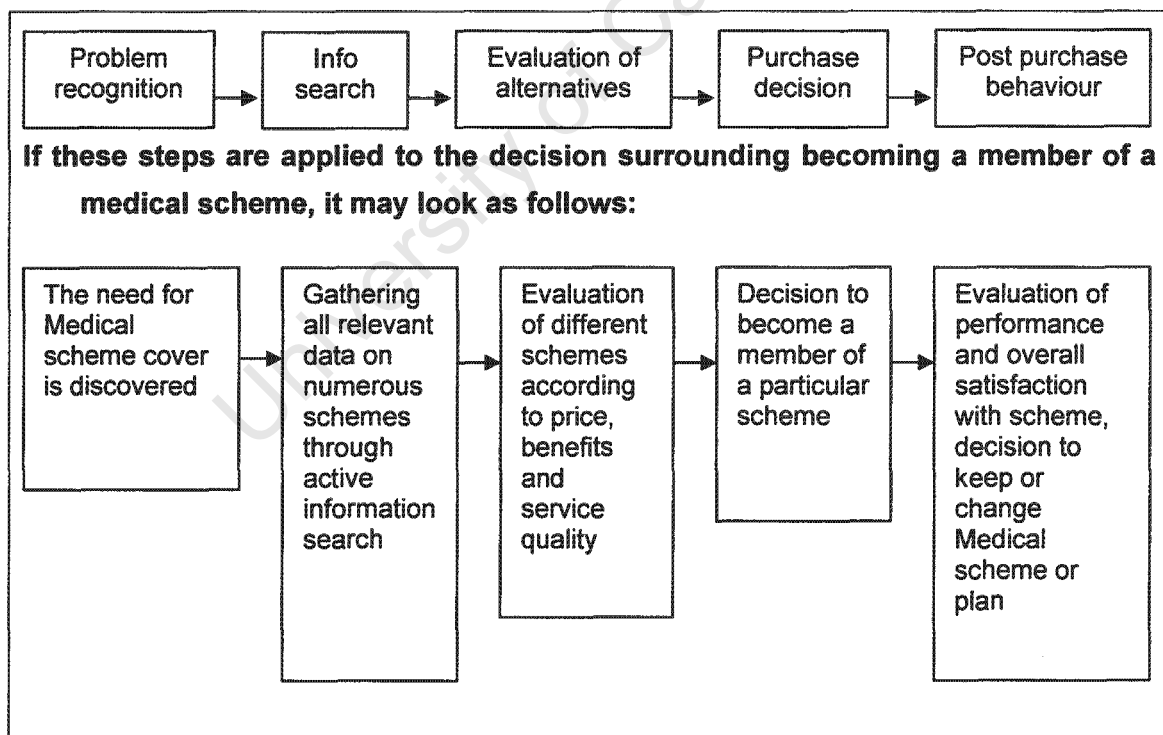
According to Brownell (2002), members of Generation X approach situations in a relaxed and informal manner and value family and friends. An implication of these unique attributes for medical schemes lies with the fact that these individuals should be approached in an informal manner and a relaxed environment should be fostered. Brownell (2002) further goes on to say that one should “let them ask questions, seek information and show that you have nothing to hide and use technology to demonstrate your product and services.”

2.3.2 Consumer Decision Making Models

Kotler (1997) and Schiffman & Kanuk (2000) have identified two contrasting consumer decision making models. These are:

(a) According to Kotler (1997:192), there are 5 steps in the buyer decision-making process. These steps are set out in the diagram below (Figure 6):

Figure 6 – Consumer Decision Making Process – Kotler 1997



(b) Schiffman & Kanuk (2000:443) have a slightly different model, which consists primarily of three stages/components:-

1. Input
2. Process
3. Output

Input

The input component is concerned with external influences. Such influences serve as sources of information and influence a consumer's attitudes, behaviour and product-related values. Within the input component there are two sub-components, the marketing component and the socio-cultural component. The Marketing component includes the firm's marketing effort and focuses on the marketing mix (product, price, promotion, place [4Ps]). According to George (2001:273) the extended services marketing mix consists of processes, people and physical evidence of activities. At this stage, individuals formulate perceptions and an attitude toward a product. The marketing efforts of the medical schemes are, therefore, very important in persuading and informing potential members. The Socio-cultural inputs are non-commercial influences. The influence of family, social class, culture and informal sources are extremely high in this part of the input stage. When someone considers becoming a member of a medical scheme, it is likely that sources relating to social class and culture play a significantly influential role. Individuals will use reference groups and rely on past experience of other members and their satisfaction with their particular medical schemes. Word-of-mouth becomes an important consideration at this point and can be either potentially beneficial or detrimental to any medical aid scheme.

Process

The Process component centres on how consumers actually make decisions. There are three major categories within this component: Need recognition, Pre-purchase search and Evaluation of alternatives. This component can be likened to Kotler's (1997) first 3 stages in the decision making process. Within this component, psychological issues such as motivation, perception, learning, personality and attitude come into play. It is thought that service buyers are generally deprived of objective and independent sources of reference, as opposed to purchasing tangible goods; therefore prospective consumers attempt to obtain information from the service providers themselves. As a result, the consumer may seek and rely to a greater extent on personal sources. Services, by virtue of their nature, are difficult to evaluate. Based on the lack of objective evaluation criteria, service consumers may substitute criteria such as, price for quality or may make use of location and convenience as determining factors. To a large extent, the experience of others is relied upon to reduce the perceived risk; however the satisfaction levels of consumers vary from individual to individual. Clues on which to evaluate a service are minimal and as a result, price is often used as a "tangible" clue to signal the quality, (du Plessis et al., 1994:291).

Output

Finally the output component consists of two subcategories, namely: The actual purchase and the post-purchase evaluation, which can be compared to the last two stages of Kotler's (1997) decision-making process. There are many influences that may come to bear on a potential member as to whether to become a member of a medical scheme at all and if so, which one. This complex decision can be influenced by a number of underlying issues, which will be explored in more detail when the dynamics of consumer behaviour are explored.

2.3.3 The Consumer Decision-making Unit

In many instances, the consumer is referred to as an individual, however many people may take part in the decision making process and play differing roles. The implication of this is that it is important to reach all necessary members with the correct message that will positively influence their decision.

The major roles that can be performed according to Engel et al (1990:30) and Kotler (1997:190) are as follows:

- Initiator – an initiator of the buying process
- Influencer – an individual whose opinions weigh heavily in the options that are evaluated and chosen
- Decider – one with the financial authority or power to dictate the final choice
- Buyer – the purchasing agent
- User – the actual consumer

It is further thought that husband-wife decision-making is of great interest to many marketers. A large shift in the consumption pattern in terms of dominant husband and wife roles has emerged over the past years, with a movement towards largely joint decisions being made. In earlier years, medical scheme insurance may have been predominantly husband dominant but a significant shift to a joint decision on such a purchase is observable. This thought is backed by du Plessis et al. (1994:84), which places life insurance and other insurance in the husband dominant territory. This has significant implications for the medical scheme industry when appealing to a certain member. The needs of the spouse should be born in mind and perhaps highlighted. Within the 18 to 35 year old age group, many individuals are either single or recently married, thus impacting on the targeting of these individuals.

Within the medical scheme industry, it may be the case that the incorrect individuals or decision making units are being targeted, thus resulting in an apparent lack of interest or actual membership. It is vitally important to define the decision-making unit correctly and to distinguish between buyer and user as the needs and expectation of the two parties may vary significantly.

2.3.4 Consumer Motivation – Needs & Wants

The core of this research project is to understand the medical scheme needs of the 18 to 35 year old market segment. The importance of such an investigation is highlighted by Schiffman & Kanuk (2000:63) who state that “a need is the essence of the marketing concept.” It is further stated that the key to success in terms of profitability, growth and survival in a highly competitive marketing environment, is a product’s ability to identify and satisfy unfulfilled consumer needs.

When a need is unfulfilled, a state of tension results, which motivates an individual to behave in a particular manner. Motivation can be defined as: “The driving force within individuals that impels them to action. This driving force is produced by a state of tension, which exists as the result of an unfulfilled need” (Schiffman & Kanuk, 2000:63).

Dr Maslow, a clinical psychologist, conceived a widely accepted theory of motivation. This theory identifies five basic levels of human need. The needs can be conceptualised in a pyramidal shape starting from the most basic need at the base of the pyramid and moving to the higher-level needs. The theory states that individuals seek to satisfy lower level needs before higher-level needs are satisfied or become important. The five levels are as follows: (du Plessis et al., 1994:78)

- *Physiological needs* – food, water, shelter, air, sex
- *Safety and Security needs* – protection, order, stability
- *Social needs* – affection, friendship, belonging, affiliation
- *Ego needs* – prestige, success, status, esteem
- *Self Actualisation* – self-fulfilment

The need for a medical scheme, fulfils the safety need or rather, the need for safety is satisfied by the purchase of medical scheme coverage. The need for safety has been identified as being the first of the psychological requirements and primarily concerns personal safety. According to Maslow theory, safety encompasses a wide variety of

both physical and service products, including hospital care, insurance, bank services, retirement plans and safety belts.

Based on this theory, medical scheme coverage appears to satisfy to varying extents, the need for safety and should, theoretically, be a primary need for most individuals. However, Maslow further explains that, perception of the safety products could be assured through the identification of the right time and place when a consumer's need for safety will be at its peak (du Plessis, et al. 1994:79). This argument could link to the apparent lack of need for medical scheme coverage by the younger market because they perceive themselves as low risk individuals.

2.4 Conclusion

It is clear from the literature review that this market segments' healthcare buying behaviour and thinking is not the same as other mature and traditional market segments of medical scheme members. Bankmed must find new, creative and innovative ways to address this market segment which can and should be viewed as a separate and important grouping of members.

CHAPTER 3 – PHILOSOPHICAL BASIS FOR THE FRAMEWORK OF INQUIRY AND RESEARCH METHODOLOGY

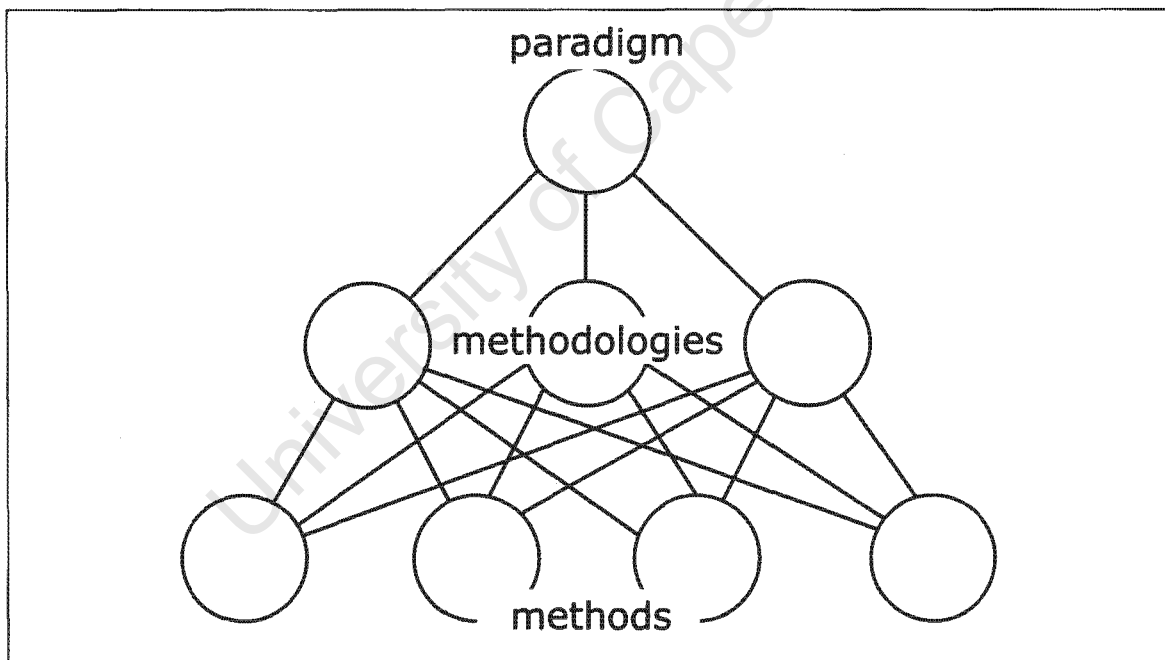
3.1 Introduction

A literature review has been detailed in the previous chapter which helped to frame the actions that are to be taken. The details will be documented in chapters 4 to 9.

This research project is grounded in the reality of the researcher's employment and the job function and responsibility that he has which is related to marketing and meeting the needs of Bankmed's medical schemes' different market segments. The concerns raised in this research project are real concerns for Bankmed.

This diagram (Figure 7) depicts the philosophical framework used in this chapter.

Figure 7 – Philosophical Framework (Dick, B. 2002 & 2006)



According to Dick (2002 & 2006), within each paradigm of research there are several methodologies and each draw on a number of methods for data collection and interpretation.

This chapter presents the philosophical motivation for management research as the paradigm using an action research approach and describes the research design, methods and techniques for addressing the question.

The primary research methods and techniques will be quantitative and statistical in nature, supported by some qualitative data and analysis.

In the final analysis this research project seeks to find workable solutions to meet the needs of this market segment (18 to 35 years old) and to retain their medical schemes membership.

3.2 Approaches to philosophy

According to Easterby-Smith et al. (1991) there are at least three reasons why an understanding of philosophical issues is very useful.

Firstly, philosophy is helpful to clarify research designs, namely the methods describing how data is collected and analysed. The research design needs to demarcate how the research project is structured; what evidence is gathered from where and how the gathered data is interpreted in order to provide answers to the research question.

Secondly, knowledge of philosophy will help a researcher evaluate and recognise which research designs will best work. This information will highlight the limitations of certain approaches and, in so doing, prevent the researcher wasting time by moving in a wrong direction.

Thirdly, knowledge of philosophy assists the researcher to identify and create research designs outside his current and past experience which will enable him to adapt his research design accordingly.

According to Butler (1957:13) the three great problems of philosophy are the problems of reality, knowledge, and value as delineated below:

1. The problem of reality is this: What is the nature of the universe in which we live? What is real? The branch of philosophy which deals with this great problem is named metaphysics.
2. The problem of knowledge is this: How does a man know what is real? That is to say, how do we come by our knowledge and how can we be sure it is real, not error or illusion? The area of philosophy which is devoted to solving this problem is named epistemology.
3. A third great problem, the problem of value, is this: What are the important values which are to be desired in living? Are these values rooted in reality? And

how can they be realised in our experience. The branch of philosophy dealing with such questions as these is named axiology.

In addition to above three branches of philosophy, and closely related to epistemology, is the branch of philosophy which deals with the extracting ideas. This area of philosophy is known as the science of logic (Butler, 1957:13).

This research project draws on all the above in an endeavour to extract ideas, develop value for the 18 to 35 year old market segment rooted in their reality and thereby creating knowledge.

3.3 Research paradigm

Easterby-Smith et al. (1991) identifies two extreme philosophies (paradigms) from which methodologies and methods can be derived, namely positivism and phenomenology (Table 3). Positivism assumes that the world and its 'reality' are external and objective and that knowledge is only significant if it is based on observations of this external objective world.

Phenomenology, on the other hand, assumes that the world and 'reality' are socially constructed and given meaning by people, rather than objectively determined.

These two extreme views of the world and 'reality' serve as the basis for understanding philosophical assumptions, which determine how researchers make sense of different situations and, ultimately, what their actions are based on, (Easterby-Smith et al., 1991).

Table 3 – Key features of positivist and phenomenological paradigms (Easterby-Smith, 1991, pg 27)

	Positivist paradigm	Phenomenological paradigm
Basic beliefs:	The world is external and objective	The world is socially constructed and subjective
	Observer is independent	Observer is part of what is observed
	Science is value-free	Science is driven by human interests
Researcher should:	Focus on facts	Focus on meanings
	Look for casualty and fundamental laws	Try to understand what is happening
	Reduce phenomena to simplest elements	Look at the totality of each situation
	Formulate hypothesis and then test them	Develop ideas through induction from data
Preferred methods include:	Operationalising concepts so that they can be measured	Using multiple methods to establish different views of phenomena
	Taking large samples	Small samples investigated in depth or over time

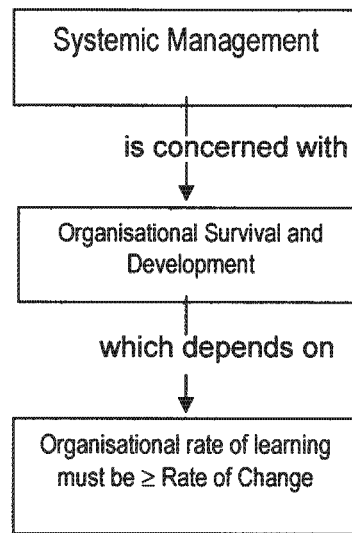
This management research project starts from predominantly a phenomenology paradigm which uses an action research approach with multiple methods.

3.3.1 Viable medical scheme/business (Viable systems model – VSM.)

The researcher uses viable systems thinking as part of the basis of systemic management model to bring business viability aspect into this research project (Figure 8 and 9).

Why is this issue of such importance to Bankmed, the researcher's organisation? It is about sustainability and viability of the business. From a systems thinking view, organisations survive, grow and develop if their rate of learning is greater than, or equal to, the environmental rate of change (Figure 8).

Figure 8 – Systemic Management Model (High Level)



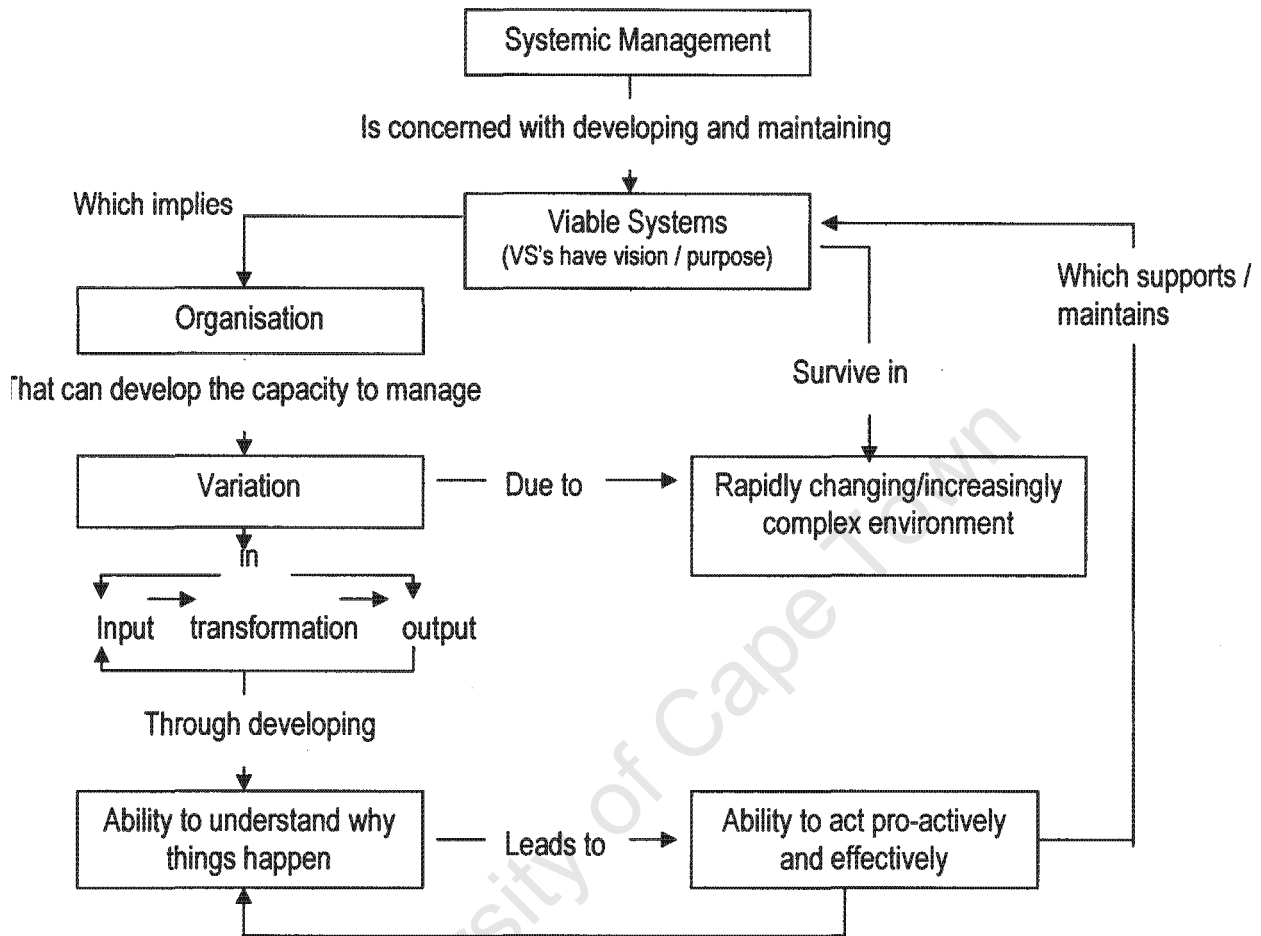
In addition to the above, Systemic Management is concerned with developing a viable system (Figure 8). Viable systems have vision and purpose, which implies that the organisation can develop and has the capacity for variation. Viable systems survive in a rapidly changing and complex environment. Variation causes this complexity.

According to Beer (1984), if a researcher's perception of input, transformation and output is based on an ability to understand why things happen, this will enable him to act proactively and effectively and, in so doing, support and maintain viable systems.

This matches the environmental challenges that face Bankmed. Bankmed operates in a rapidly changing healthcare environment. Much of this and the many complex and varying challenges faced by Bankmed and the South African healthcare environment are highlighted is detailed in chapter 1.

The researcher uses Stafford Beer's viable systems model as he believes it helps Bankmed understand the various functional elements and systems within an organisation for it to be viable and therefore sustainable overtime.

Figure 9 – Systemic Management Model incorporating viable systems (detailed level)



The bottleneck is the rate at which people can change themselves to adapt to new circumstances, which is a serious challenge in business today. Bankmed could be perceived as not adjusting and transforming to this rapidly changing and complex environment.

The Viable Systems Model (VSM) is an arrangement of 5 functional elements that are interconnected through a complex system of information and control loops. The principle of recursion inherent in cybernetics allows this model to be used to investigate all levels of the organisation and any aspects that may affect its administration.

A close examination of Bankmed and, in particular, the 18 to 35 years old market segment, indicates that the environment is becoming extremely complex and the demands and products available to this market segment is diverse. This complexity is

heightened by some of the competitors in the market place that have value add-on benefits that are attractive this to market segment.

The challenge for Bankmed is to design and develop an organisation and offerings that can reach the needs of the 18 to 35 years old market segment. The aim is to develop an organisation that will satisfy the following criteria:

1. Continuously meets (within reason) the needs of the 18 to 35 years old market segment
2. Learns and adapts rapidly
3. Maintains itself by learning and adapting (Maintains its ability to learn and adapt)

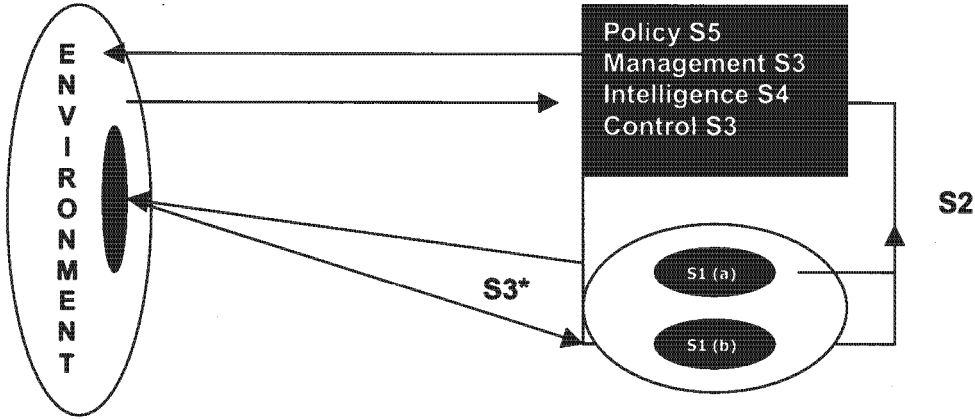
Stafford Beer's Viable Systems Model for an organisation was developed to satisfy all the above criteria by simulating the human nervous system. Beer defines cybernetics as "the science of effected organisation" and his Viable Systems Model strongly observes the cybernetic laws. In Appendix 9 is a detailed breakdown of Beers viable systems model. The researcher has used the viable systems model to bring understanding to the way organisations function and policy affects meeting the needs of the 18 to 35 year olds.

To summarise viable systems thinking in perspective, if Bankmed's to remain viable, the organisation needs to have the following five systems in operation within the business:

- System One (S1) - (Operations)
- Systems Two (S2) – (Co-ordination – enabling process of true management)
- System Three (S3 + S3*) – (Control and Regulation plus auditing)
- System 4 (S4) – (Intelligence)
- System 5 (S5) – (Policy)

The researcher has summarised the abovementioned five systems below (Figure 10).

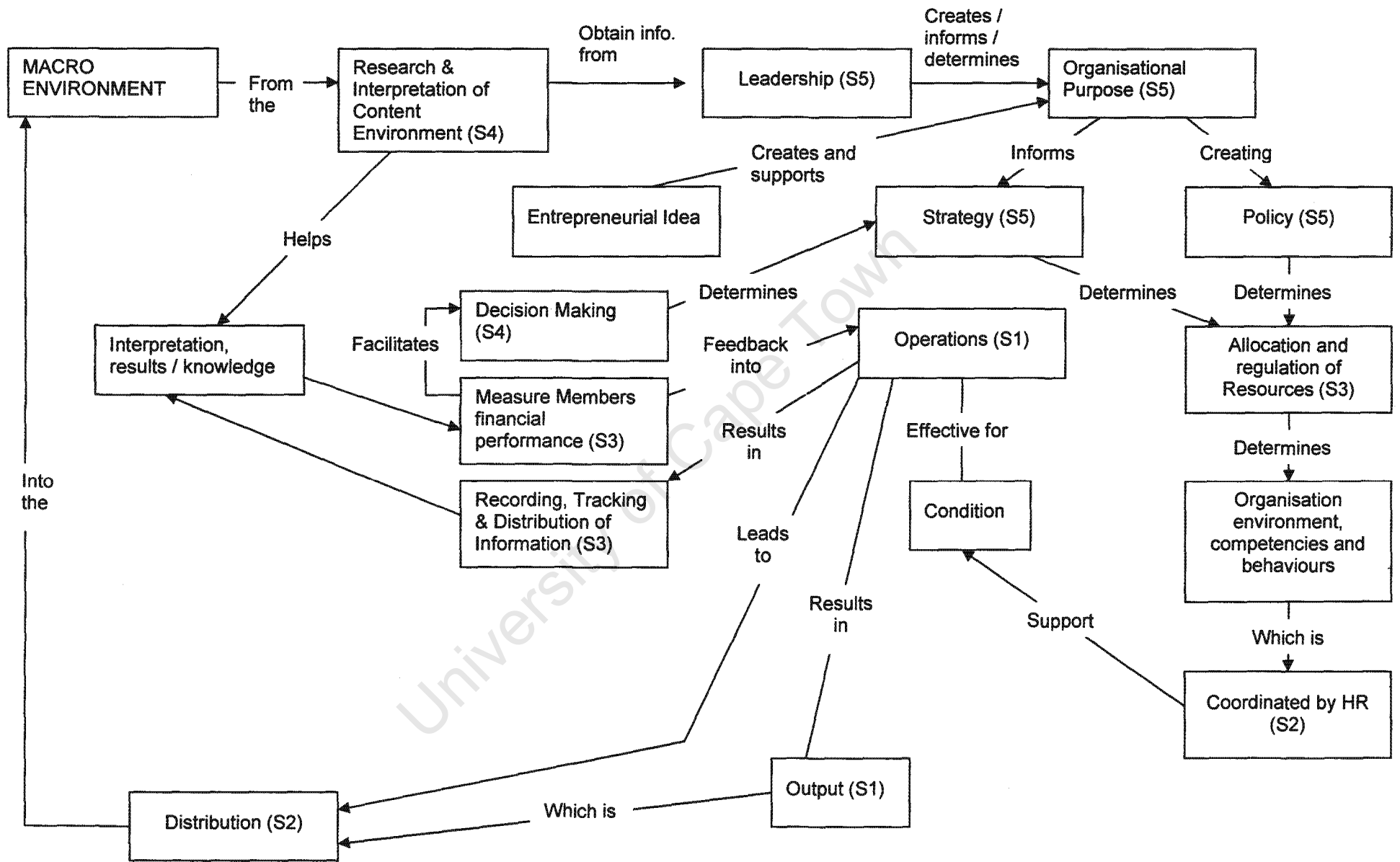
Figure 10 – High Level Viable System Model (Beer)



A flow diagram showing the various systems interrelating to each other is detailed in Figure 11 below.

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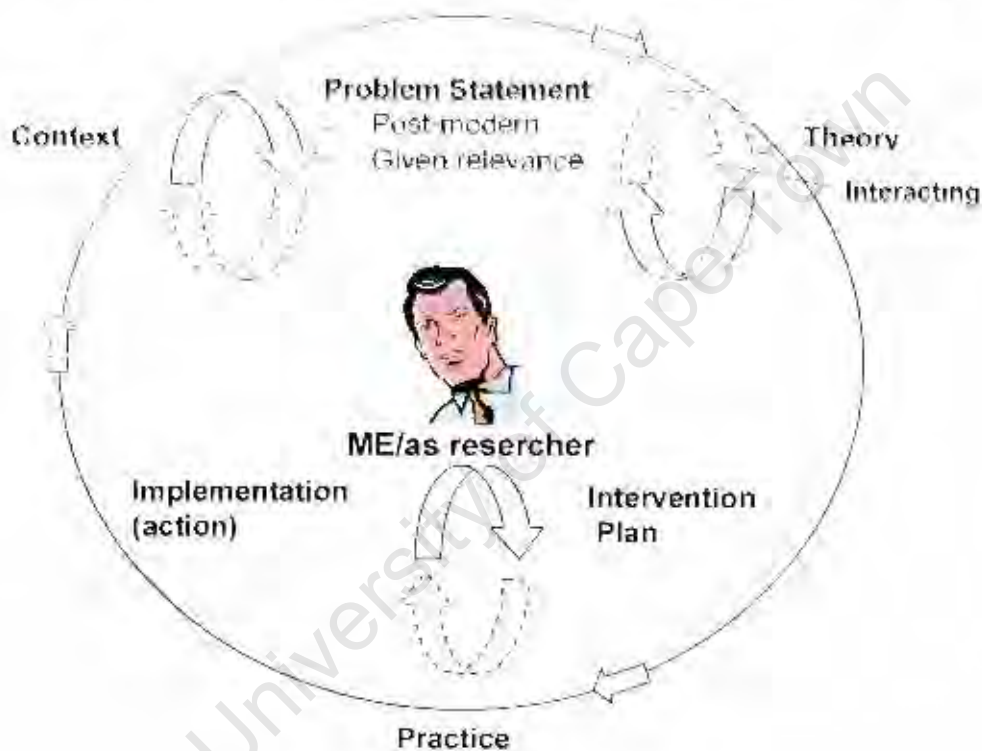
Figure 11 – The Viable Systems Model – flow diagram for Bankmed



3.4 Approach to research – Action research

The purpose of action research is to learn from your experience and apply that learning to bring about change. Kolb (1984) developed the concept of action research by considering cycles of action and research made up of phases of planning, acting, observing and reflecting. The detailed summary below (Figure 12) is a conceptual diagram of Kolb's Model of the research process as used in this study.

Figure 12 Adaption of Experiential Learning Model (Kolb 1984)



In accordance with Kolb's Model of Action Learning, the research begins with the first data set which is analysed to produce a theory of the problem situation, the literature is used to challenge or support the findings, which inform planning and implementation for the next round. This cycle is repeated by extracting a new data set.

While the researcher has used quantitative research, there is a substantial number of responses to participative activities in the extracted data. The cycles are repeated 3 times. The learning model cycle starts with reflection in which the researcher considers both the problem situation and the individual human elements. He also examines the mental models in relation to the espoused theories.

Baskerville & Wood-Harper (1996) identify the following three characteristics of action research, which they consider key to an ideal action research domain:

- Researcher needs to be actively involved, with expected benefit for both researcher and organisation.
- Since the researcher is perceived as an active participant, the knowledge obtained can be immediately applied.
- The research is cyclical, linking theory and practise.

Action research and the researcher both need to be seen as part of the change process which occurs in an organisation as a result of the research project.. The following two features are normally part of action research projects (Easterby-Smith et al., 1991, pg 34):

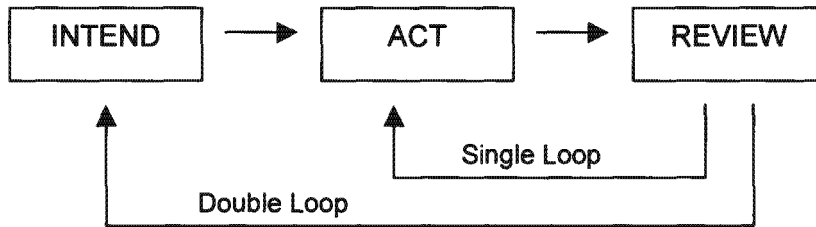
1. a belief that the best way of learning about an organisation or social system is through attempting to change it, and this change, therefore, should to some extent be the objective of the action researcher;
2. the belief that those people most likely to be affective by, or involved in implementing, these changes should as far as possible become involved in the research process itself.

Because of the above points, the researcher will be involved in the change process and generate theories to be tested by using methods such as quantitative and qualitative surveys.

Throughout the research process the researchers role entailed the following: critical scrutiny of the research methodology, adapting approach, providing input towards the development of the measurement tool, reviewing outcomes and where required changing the questionnaire and discussion guide.

The researcher's role as the researcher, investigator, management coordinator and member of Bankmed can be seen as an extension of the work of Argyris and Schön (1974) which is related to double loop learning. Detailed below is a visual diagram to show what is meant by double vs single loop learning.

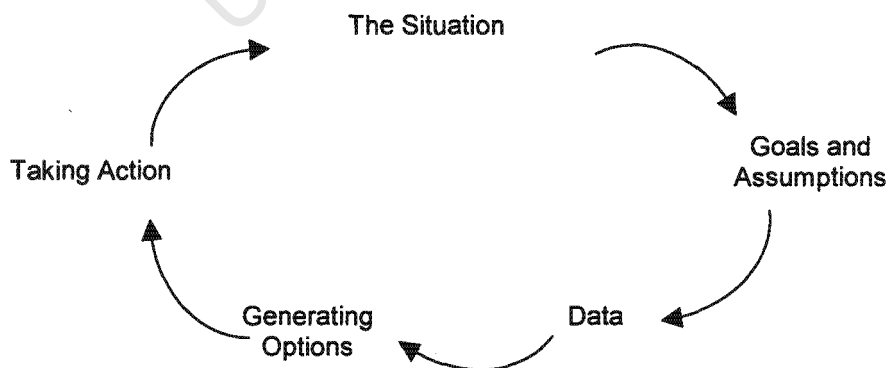
Figure 13 – Learning Model (Argyris and Schön)



The aspect of the above Learning Model (Figure 13) which is of particular importance to the research conducted into Bankmed's performance is the phenomenon of double loop learning in which the review has an impact on the intent, which, in turn, results in the act which is then reviewed again. This double loop learning process reflects that which occurred as a result of the researcher conducting a series of three inter-related surveys.

In essence the action learning process is inductive. The researcher will start with the problem, examine it from many perspectives, build a conceptual model and possible solution, implement it and then evaluate the impact of the solution on the organisation. This process is constantly reinforced through the implementation of quantitative research which is followed up by qualitative research in the form of focus groups. The stages of action research model the researcher used are detailed in the diagram below (Figure 14).

**Figure 14 – The main stages of Action Research
[Bennett R.D.and Oliver J.(1998)]**



In Figure 14 action research is depicted as a circular process. This does not mean that it never ends. In this research project, the researcher completed the circular process three times. Each section of this circular process is described below:

3.4.1 The situation

This refers to the organisational issues, problem or opportunity that the researcher chose to study, namely: How to retain the 18 to 35 years old members within Bankmed. To get clarification on this matter he consulted with management within Bankmed. This was done informally by bringing the management team together to unpack perceptions of the situation and then to extract their ideas on it. The first phase of the research project is an exploratory phase in which the researcher attempts to assess and record the situation.

3.4.2 Goals and assumptions

Before starting to collect any data, the researcher identified the purpose of the research, namely:

- What aspect of their business did Bankmed want to improve?
- Where did the Bankmed Executive Management team want the company to be in eighteen months to two years time?
- Where did the researcher, (a member of the Executive Management Team) want to be in eighteen months to two years time?

The researcher also identified the assumptions he needed to make, namely:

- He would still be employed in his current position at Bankmed in eighteen months to two years time.
- Bankmed's current organisational structure and management policy would still be the same in eighteen months to two years time, subject to some small strategic adjustments arising from the research being conducted on viable systems methods.

The researcher checked the above goals and assumptions against the perceptions of the Bankmed Executive Management Team to assure alignment.

3.4.4 Data

This is an important aspect of this research project. The researcher collected data to help identify the real problems or issues facing Bankmed as well as the opportunities, possible solutions and actions that might exist. The method the researcher used to collect the data is a function of both the data he needed and the goals and objectives of his research project. Data was collected through questionnaires, interviews and discussion groups. In collecting data, care was taken to ensure that the right questions were asked and the information needed was obtained (see Appendix Nos. 1 to 6.). As seen in the literature review (Chapter 2) several sources, including other organisations proposed solutions, were used to make sure Bankmed are really focusing on one key point of the research (triangulation). The data obtained through research was analysed with the assistance of statisticians. Each feedback cycle included a session with the Bankmed Executive Management Team to ensure organisational alignment. At times these discussions were also held with outsource partners namely representatives from Metropolitan Health Group, Energi and Qualsa (steering committee).

3.4.5 Generating options

Action research clearly is about useful, meaningful and valid action to improve performance. This leg of the research process is supported by a number of key stakeholders, including external consultants, employees of Bankmed, the Bankmed Management Team and a data analysing support team. From these support teams ideas and options are generated.

3.4.6 Taking action

This is the focal point of the research project. As well as adding to the field of knowledge, the researched wants his research project to be a useful catalyst for improving performance, creating necessary change and resolving problems and research issues. The researcher, therefore, with the help of members of the Bankmed Executive Steering Committee, will select and implement the most appropriate action from the options generated in the previous research cycle. The researcher will also need to monitor and evaluate whether the situation at Bankmed is being changed, for the better, by the actions being implemented. The three cycles in the research project will enable such an evaluation to be conducted.

In each of the five stages of the circular action research process, the researcher needs to work with other people in the organisation, Bankmed. This goal was achieved as follows:

- A steering group was formed comprised of members of Bankmed Management Team, Markinor (South African research company) and outsource partners.
- This group was used to brainstorm ideas; to test data; to generate, discuss and/or implement proposed actions; and to provide the researcher with methods for uncovering alternative options.

3.5 Research method and techniques

One of the most important areas for an action research project is the collection of data/research. This section describes the methods selected.

In his dictionary Webster (1998) defines the term 'methodology' as 'the study of methods or systems' and 'method' as the 'orderly procedure or way of doing investigation, techniques used in the field of knowledge'

Research designs are about organising research activity, including the collection of data, in ways that are most likely to achieve the research aim.

Table 4 – Key choices of research design (Easterby-Smith, 1991, pg 33)

Quantitative		Qualitative
Researcher is independent	vs	Researcher is involved
Large samples	vs	Small numbers
Testing theories	vs	Generating theories
Experimental design	vs	Fieldwork methods
Verification	vs	Falsification

During the course of this chapter the researcher will describe the research methods he will deploy during his research project. A comparison between these descriptions and the information provided in the above table (Table 4) offers proof that the researcher has used both quantitative and qualitative research methods which, together with the separate statistical analysis he also employed, represents a multi-method approach to research.

The Bankmed Executive Management Team discussed ways of collecting data that would identify the real problems and issues related to Bankmed's largest market segment, the 18 to 35 years old members. They decided to utilise a combination of quantitative and qualitative research together with other techniques such as statistical analysis.

3.5.1 Objectives of survey

The overall objective of the survey is to gather relevant information to establish Bankmed as the number one choice medical provider in the financial sector. This research project is a subsection focused on the 18 to 35 years old market segment within Bankmed. In order to achieve this goal, the following issues were addressed in this survey:

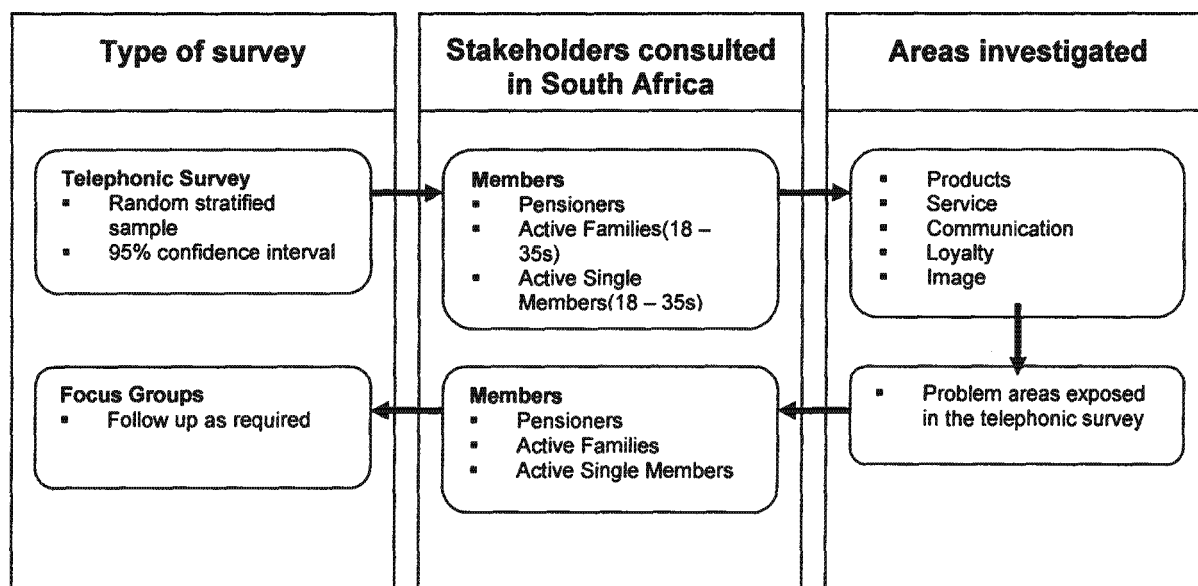
- Assess the service and products of Bankmed;
- Assess the image of Bankmed;
- Gather information relevant to product design;
- Evaluate communication strategy.

3.5.2 Research Approach for each of the three action research cycles

The three main stakeholder groups – employer groups, employees (current Bankmed members) and potential Bankmed members were identified.

After investigating various research houses to partner with Bankmed on the project, Markinor (South African research organisation) was selected. Markinor was guided by Bankmed's needs and assisted in developing the scientific process detailed in diagram below (Figure 15).

Figure 15 – Overall research process flow



3.5.3 Quantitative research methods

3.5.3.1 Introduction

Most research undertaken in business today is quantitative. Quantitative research normally involves collecting data from a large number of individuals with the intention of projecting the results onto a wider group of people (segment) (Martins et.al., 1996, p 125).

The Bankmed Management Team agreed to use the customer relationship assessment (CRA) research instrument developed by Walker International and Markinor. It was felt that having the flexibility to adapt this assessment analysis tool to Bankmed's requirements would be advantageous. In addition, the Bankmed Executive Steering Committee decided to broaden the research to cover the organisations three market segments, namely:-

- 18 to 35 years age group membership
- 35 to 54 years age group membership
- 55+ years age group membership (Pensioners)

The main focus of this research project would be the 18 to 35 years age group member segment. The research team also included a smaller survey to track changes in the Employer group decision maker areas, but that will not be included in the scope of this research project .

3.5.3.2 Customer relationship assessment research instrument

The Customer Relationship Assessment Programme (Walker Information Global Network) was designed to identify both a company's relative strengths and weaknesses and also critical areas that affect service quality in the eyes of the customer (Figure 16).

The major advantages of CRA over traditional instruments are:

- the way in which importance is measured
- its extension into impact analysis, which enables management to allocate and prioritise resources.

The CRA model implies that past experience with (and perceptions of) Bankmed's products and services shapes the members' cognition, which drives attitudinal evaluation and, ultimately, determines behaviour. Based on their evaluation of specific service and product

attributes. Bankmed members make summary judgements as to whether their expectations of the process were met or not. Such judgements, in turn, influence the members' evaluation of service, product and process quality.

A unique feature of CRA is the Key Driver Analysis. This involves the judging of the importance of a member's requirements by the extent to which performance on that requirement directly impacts on overall member attitudes and/or behaviour. By using multiple regression techniques, a correlation is determined between the performance ratings given at each level in the model. The stronger the correlation, the more impact the process or attribute currently has on Bankmed members' relationships.

The power of this analysis lies in identifying aspects of service that have the greatest effect on overall member opinion, which, in turn, can be used in determining the more efficient allocation of resources.

Figure 16 – CRA Model (Walker Information Global Network)



3.5.3.3 The questionnaire

The satisfaction framework was customised to capture Bankmed's unique set of members' requirements. The questionnaire was finalised after a workshop, coordinated and managed by the researcher, during which representatives of the different departments (member contact points) had an opportunity to offer their input, thus ensuring that the most relevant aspects were measured. The questionnaire design followed the following guidelines and took the following aspects into consideration:

A. Relational outcomes:

1. Recommending Bankmed
2. Resisting alternative offers
3. Limiting search for alternative schemes
4. Upgrading to a more comprehensive plan
5. Paying extra for optional benefits

B. Perceptions in respect of Bankmed being:

1. Ethical
2. Innovative
3. A Leader in the Industry
4. Financially Sound
5. Trustworthy

C. Overall attitudes in respect of:

1. Bankmed's Contribution Rates
2. Quality of Products and Service
3. The Bankmed Brand
4. Bankmed's overall reputation
5. Bankmed's customer focus

D. Member contact points:

1. Operations
 - Membership
 - Claims
 - Member Services (Call Centre)
2. Communication
 - Operational Communication
 - Marketing Communication
3. Benefits/Products
 - Degree of Choice
 - PMA Benefits
 - Insured Benefits
4. Prohealth

- Medicine Management Programme
- Disease Management Programme
- Hospital Utilization Management
- Lifestyle Programmes
- HIV/Aids Programme

3.5.3.4 Analysis and Interpretation

Throughout the questionnaire, respondents (members) were asked to give ratings using a 5-point scale. The scores on this scale are used to derive the following measures to assist with management decision-making

Performance Scores: These are calculated by adding the two top boxes together and excluding those who answered 'don't know'. (Figure 18)

Impact Indices: These indices are calculated by considering simultaneously all the ratings given by a respondent, using a statistical method, i.e. structural equations with multiple regression analysis. This is a measure of either the influence a process area has on service quality or the influence a process attribute has on a process area (Figure 17).

Correlations: Correlation scores are used to indicate, within each process area, to what extent a specific attribute relates to the overall process area.

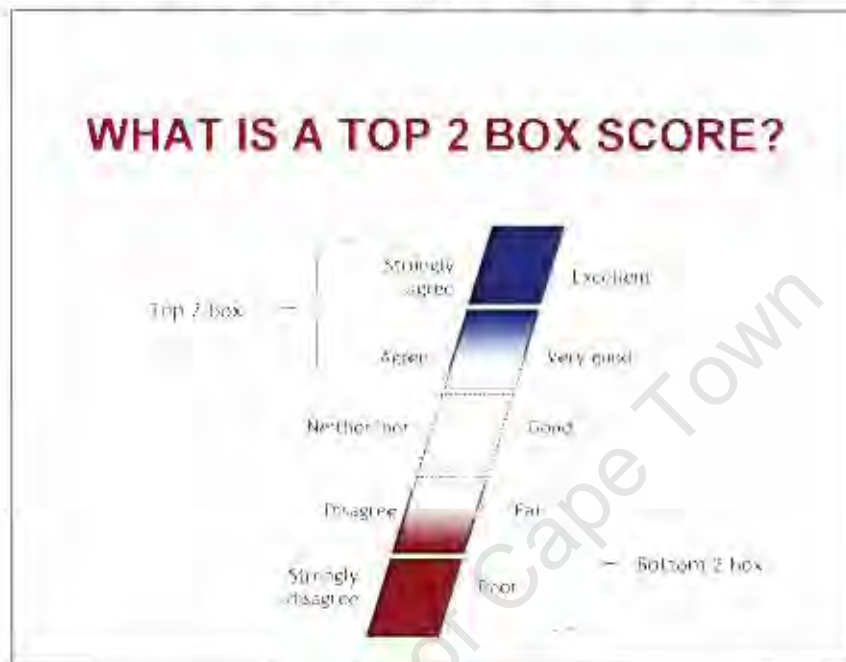
Figure 17 – CRA outcome scale (Markinor Report)



3.5.3.5 Implementation of actions following on from the results

The best place to start to contemplate the implementation process is the process area. Many of the process areas used the scoring scale detailed below (Figure 18)

Figure 18 – CRA scoring scale (Markinor Report)



On the 5-point scale, the midpoint 'good' is an indication of on norm performance. Therefore the top 2-box score of 'excellent' and 'very good' is an indication of the degree to which a company exceeds expectations and in doing so delight their customers.

By studying the Improvement Matrix (Figure 19) for each area, the researcher acquires a good overview of the relative importance of various Process Areas and the attributes within these Process Areas.

Figure 19 – CRA Improvement Matrix (Markinor Report)



Additional workshops were held in Bankmed to assist with the deployment of the results and the construction of relevant action plans based on the results. An action learning process method was followed and this research tool depicted in Figure 19 above is part of the data, generating option and measuring results phase.

3.5.3.6 Interviewing Method

The survey method used for interviewing the employer groups and employees (Bankmed members) in the survey was telephone interviews using a CATI (Computer-Assisted Telephone Interviewing) system, during which the interview was programmed and conducted via a computer.

When using the CATI system, the interviewer sits in front of a computer and makes calls. The interviewer, wearing a headset and microphone, calls a specific respondent and reads the question for that respondent from a computer screen and then enters the respondent's answer via the keyboard. Once the interviewer enters the answer, the computer shows the next question on the screen (Appendix 1 to 3).

CATI speeds the interviewing process and reduces interviewer errors. It also eliminates the separate step of entering information into a computer and, consequently, hastens data processing. CATI is valuable for contingency questions because the computer can show

questions appropriate for a specific respondent; interviewers do not have to turn pages looking for the next question. In addition the computer can check an answer immediately after the interviewer enters it.

Highly trained interviewers who are experienced in conducting interviews of this nature conducted the CATI interviews for the Bankmed research project. These interviewers worked under the supervision of a Field Manager, trained and briefed by the researcher and Markinor staff. The researcher was involved in the training of interviewers to ensure the correct questions were asked and that the interviewers understood the situational/ contextual issues of the research project.

Potential Bankmed members were also interviewed telephonically but using paper questionnaires because the small sample size of this segment did not warrant the generation of a separate CATI script.

The CATI questionnaire was translated into Afrikaans and the interview was conducted in the preferred language of the respondent, namely English or Afrikaans. (Only English questionnaires are provided in appendix.)

Strict quality checks were administered to ensure that all interviewing was conducted in accordance with Markinor's quality standards and ISO 9001 requirements.

Timing

Fieldwork was conducted during November 1999 and February 2000, June and August 2001, February and March 2003, July and August 2004 and May and June 2005.

Universe (population from which sampling would be drawn)

The universe of the quantitative research phases comprised employer groups, employees and prospective members of Bankmed. Bankmed supplied lists containing the names and contact numbers of respondents within each stakeholder group. These lists covered all members of Bankmed.

Sampling Procedure

A random sample was selected from the lists provided by Bankmed. The sample was stratified according to the various major banks in order to ensure weighted representation.

Sample Structure

In the quantitative survey, a approximately 1200 interviews were conducted with members of Bankmed. The following table contains more detailed information regarding the number of interviews conducted within each stakeholder group:

Table 5 – 2000 to 2005 Surveyed interviewed grid

FEBRUARY 2000	NUMBER OF INTERVIEWS
BANKMED MEMBERS – Member Status	
Single membership – Younger than 35 years	349
Single membership – 35 to 54 years	213
Multiple membership – Younger than 35 years	552
Pensioner membership – 55+	271
TOTAL NUMBER OF INTERVIEWS	1 385

AUGUST 2001	NUMBER OF INTERVIEWS
BANKMED MEMBERS – Member Status	
Single membership – Younger than 35 years	312
Single membership – 35 to 54 years	192
Multiple membership – Younger than 35 years	501
Pensioner membership – 55+	200
TOTAL NUMBER OF INTERVIEWS	1205

MARCH 2003	NUMBER OF INTERVIEWS
BANKMED MEMBERS – Member Status	
Single membership – Younger than 35 years	300
Single membership – 35 to 54 years	200
Multiple membership – Younger than 35 years	501
Pensioner membership – 55+	200
TOTAL NUMBER OF INTERVIEWS	1201

AUGUST 2004	NUMBER OF INTERVIEWS
BANKMED MEMBERS – Member Status	
Single membership – Younger than 35 years	522
Single membership – 35 to 54 years	183
Multiple membership – Younger than 35 years	327
Pensioner membership – 55+	168
TOTAL NUMBER OF INTERVIEWS	1200

JUNE 2005	NUMBER OF INTERVIEWS
BANKMED MEMBERS – Member Status	
Single membership – Younger than 35 years	515
Single membership – 35 to 54 years	374
Multiple membership – Younger than 35 years	324
Pensioner membership – 55+	105
TOTAL NUMBER OF INTERVIEWS	1318

Validity and reliability (margin of error)

All sample surveys are subject to a probable margin of error. The statistical reliability of a survey, where probability sampling was used, can be determined and is dependent upon the size of the samples used and the unanimity of the response.

A sample survey deals with a microcosm of the total population and it is impossible to discover the exact proportion of people who act in a certain way. However, by determining the standard error of the sample, it is possible to say, within a predetermined degree of accuracy, that the true proportions fall within certain limits. For example, if 1 500 randomly selected people are interviewed and 35% of them claim to use a certain product, then the probable margin of error, in 95 cases out of 100, would be within plus or minus 2,4% of this figure. In other words, the true figure would lie somewhere between 32,6% (35% - 2,4%) and 37,4% (35% + 2,4%).

The following table gives the percentages that have to be added to or subtracted from any survey finding to establish the range within which the true proportion of the population will fall, in 95 cases out of 100 (at the 2-sigma level).

Table 6 – Margin of error – probability samples
MARGIN OF ERROR FOR DIFFERENT SAMPLE SIZES AND RESPONSE RATES
- PROBABILITY SAMPLES -

SAMPLE SIZE (N)	PERCENTAGE RESPONSE RATE									
	5% or 95%	10% or 90%	15% or 85%	20% or 80%	25% or 75%	30% or 70%	35% or 65%	40% or 60%	45% or 55%	50%
100	4.3	5.9	7	7.9	8.5	9	9.4	9.7	9.8	9.8
200	3	4.2	5	5.6	6	6.4	6.6	6.8	6.9	6.9
300	2.5	3.4	4	4.5	4.9	5.2	5.4	5.6	5.6	5.7
400	2.1	2.9	3.5	3.9	4.2	4.5	4.7	4.8	4.9	4.9
500	1.9	2.6	3.1	3.5	3.8	4	4.2	4.3	4.4	4.4
600	1.7	2.4	2.9	3.2	3.5	3.7	3.8	3.9	4	4
700	1.6	2.2	2.6	3	3.2	3.4	3.5	3.6	3.7	3.7
800	1.5	2.1	2.5	2.8	3	3.2	3.3	3.4	3.4	3.5
900	1.4	2	2.3	2.6	2.8	3	3.1	3.2	3.3	3.3
1 000	1.4	1.9	2.2	2.5	2.7	2.8	3	3	3.1	3.1
1 100	1.3	1.8	2.1	2.4	2.6	2.7	2.8	2.9	2.9	3
1 200	1.2	1.7	2	2.3	2.5	2.6	2.7	2.8	2.8	2.8
1 300	1.2	1.6	1.9	2.2	2.4	2.5	2.6	2.7	2.7	2.7
1 400	1.1	1.6	1.9	2.1	2.3	2.4	2.5	2.6	2.6	2.6
1 500	1.1	1.5	1.8	2	2.2	2.3	2.4	2.5	2.5	2.5
1 600	1.1	1.5	1.8	2	2.1	2.2	2.3	2.4	2.4	2.5
1 700	1	1.4	1.7	1.9	2.1	2.2	2.3	2.3	2.4	2.4
1 800	1	1.4	1.7	1.8	2	2.1	2.2	2.3	2.3	2.3
1 900	1	1.3	1.6	1.8	1.9	2.1	2.1	2.2	2.2	2.2
2 000	1	1.3	1.6	1.8	1.9	2	2.1	2.1	2.2	2.2
2 500	0.9	1.2	1.4	1.6	1.7	1.8	1.9	1.9	2	2
3 000	0.8	1.1	1.3	1.4	1.5	1.6	1.7	1.8	1.8	1.8
4 000	0.7	0.9	1.1	1.2	1.3	1.4	1.5	1.5	1.5	1.5
6 000	0.6	0.8	0.2	1	1.1	1.2	1.2	1.2	1.3	1.3

Results will fall within these limits in 95 out of 100 cases.

3.5.4 Qualitative research methods

3.5.4.1 Introduction

The quantitative research was undertaken on the total Bankmed membership base. Once the quantitative survey results were available, a number of questions were highlighted, based on areas of concern, for further analysis through qualitative research. After the qualitative survey results were received, changes were implemented. The research was then repeated to verify if these changes had resulted in improvements to the loyalty of the members of Bankmed.

3.5.4.2 Interviewing method

The qualitative phase was conducted by means of qualitative focus groups. Experienced moderators facilitated the group discussions, using a discussion guide to ensure that all points of interest were covered. A copy of the discussion guides is appended (Appendix 4, 5 and 6).

The group discussions were tape-recorded and the verbatim transcriptions formed the basis of reporting. Sections were extracted as input into workshops that were facilitated by the researcher and members of Bankmed Management team and its outsourced partners. This information was recorded in the next implementation phase for future assessment via the next round of quantitative surveys.

3.5.4.3 Focus group interviews

Focus group interviews are group interviews which are frequently used in market research (K Vale, 1996).

The main aim of the focused group discussions was to provide additional and more detailed information on standardised questions listed in the quantitative survey (see Appendix 1 – 3).

The names of respondents to be invited to the focus group discussions were supplied by Bankmed.

Participants were invited to discuss topics and issues identified from the quantitative survey (see Appendix 4 to 6). Each focus group lasted one and a half to two hours. The sessions

were moderated by external consultants and the researcher was present on the other side of one way mirror so that he could observe, make notes and issue prompt questions arising from the live debate. The inclusion of these additional questions occurred near the end of the focus group session after the moderator had consulted with the researcher prior to concluding the focus group. All focus groups were recorded and highlights extracted in a report which was reviewed prior to the start of the next cycle of action research.

Focus group participants were structured as follows:

1 x Bankmed staff group (CT.)

4 x Bankmed members group - currently employed by a financial institution (CT + JHB)

1 x Bankmed members group – pensioners (JHB)

1 x competitive medical scheme members group. (JHB)

3.6 Conclusion

During the six years the Bankmed research project has run, the researcher adjusted the questionnaire and focus group guidelines slightly to take account of new developments, (Appendix 1 – 6). However, to ensure he could track results more accurately from year to year, the questionnaire remained 90% the same in its structure. During the final stages the sample size and segmentation areas were increased to incorporate the product changes implemented and to include comparisons between the different employer groups.

In this chapter the researcher detailed the development of the theoretical framework of inquiry he used to help understand and resolve the following problem situation: How can Bankmed satisfy and retain the 18 to 35 years old members within a medical scheme in South Africa? This research question embodies the theoretical context for this thesis, which outlines the researcher's paradigm, approach to research methodology and the actual methods implemented.

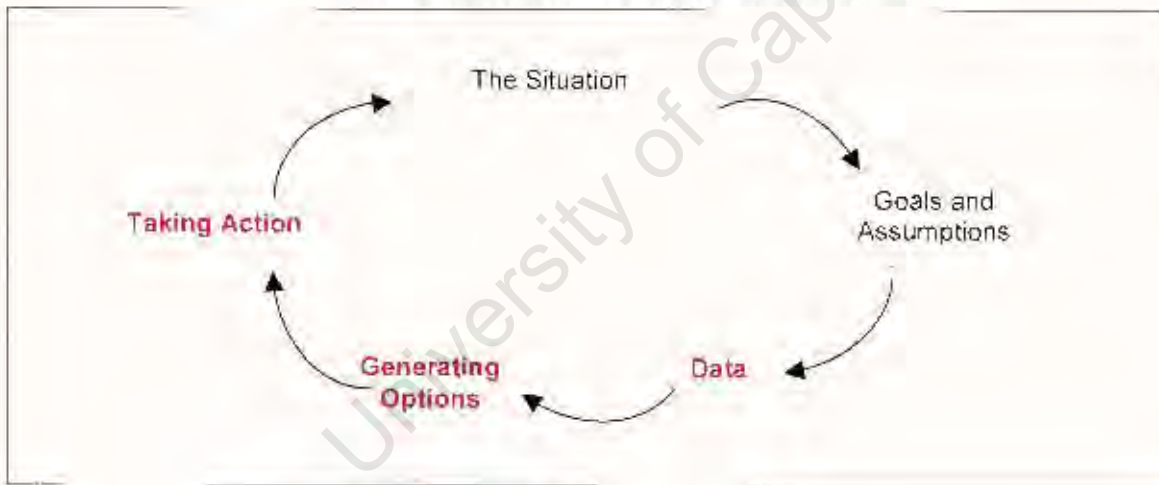
Action research looks at action as a means of bringing about change in an organisation. The reason for using an action research approach in this research project is to increase understanding on the part of the researcher and the organisation. Participation by other role players is included in this research project and detailed where relevant.

CHAPTER 4 – FIRST CYCLE OF APPLICATION, DESIGN AND ACTION TAKEN

4.1 Introduction

As discussed in the previous chapters, this chapter firstly looks at the current situation and data from the initial quantitative survey. The purpose for this is to understand where Bankmed members find themselves in the area of operations, (VSM's - S1) being a product and call centre. The researcher has detailed all the critical improvement areas to focus on, and also the areas that Bankmed will look at going forward (Generate options). The initial quantitative survey was undertaken during late 1999 and early 2000. The final reporting of findings was concluded in April 2000. The researcher used this data to generate the options for action. This chapter describes the results from the initial phase of the research project. Detailed below (Figure 20), in red, are the areas to be reported on in this chapter.

Figure 20 – The main stages of Action Research
[Bennett R.D.and Oliver J.(1998)]



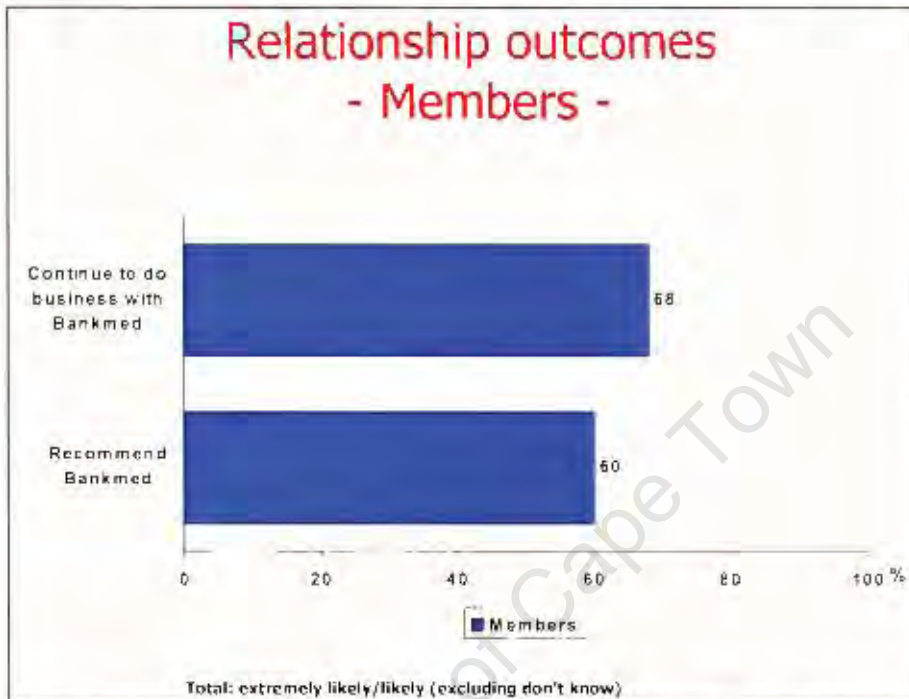
4.2 Results from initial quantitative survey

Detailed below are the results of the initial survey at Bankmed documented in April 2000 (CRA Model).

The overall model measures the quality of Bankmed's relationship with its members. This relationship is measured in terms of members' willingness to recommend Bankmed, their continued usage of Bankmed product offerings and members' intention to use additional services.

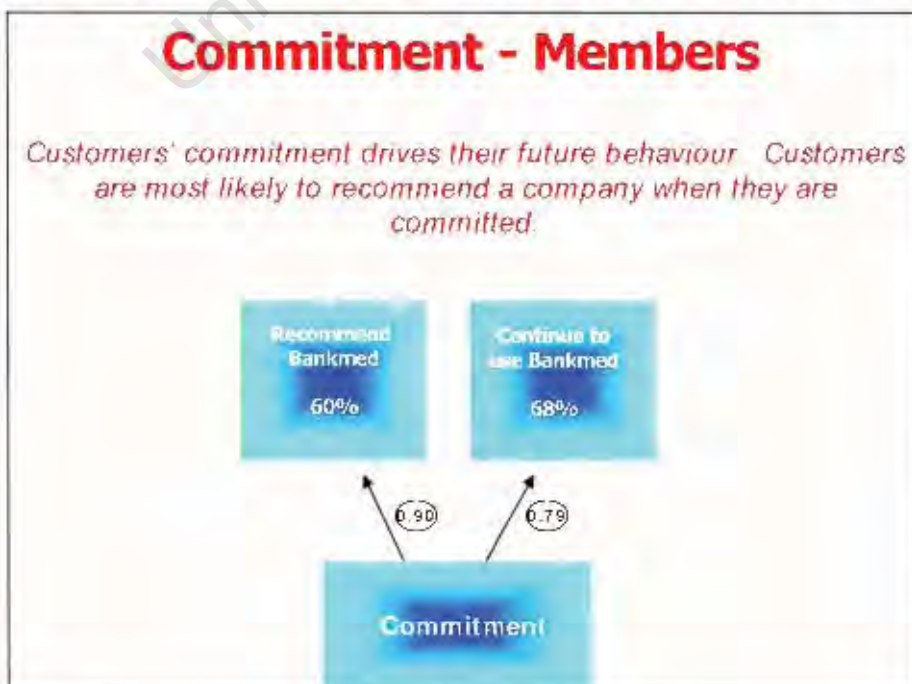
The "relational outcomes" are dependent upon the extent to which members feel they are obtaining value for money from Bankmed. A major component of value for money is quality of service. Members' opinions of quality of service are a result of their points of contact with Bankmed (VSM - S1). These points of contact are known as "process areas" (VSM - S1).

Figure 21 – Relationship outcomes member – 2000 (Markinor Report)



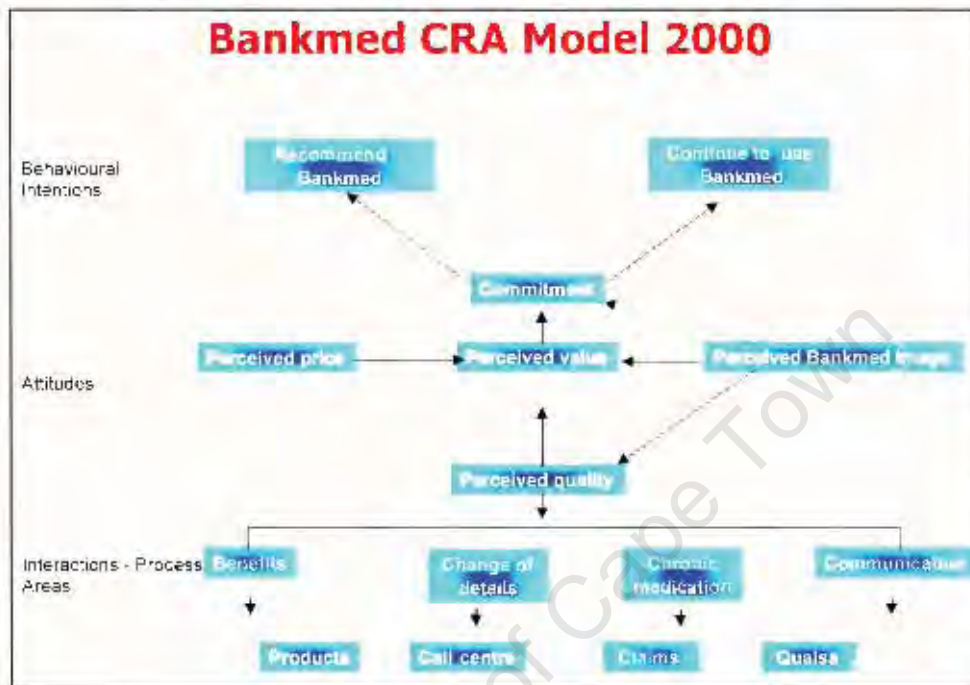
A high level of commitment exists amongst Bankmed members, with almost 7 out of every 10 members likely to continue doing business with Bankmed. 60% of Bankmed members are willing to recommend Bankmed to someone they know (Figure 21 and 23).

Figure 22 – Commitment members – 2000 (Markinor Report)



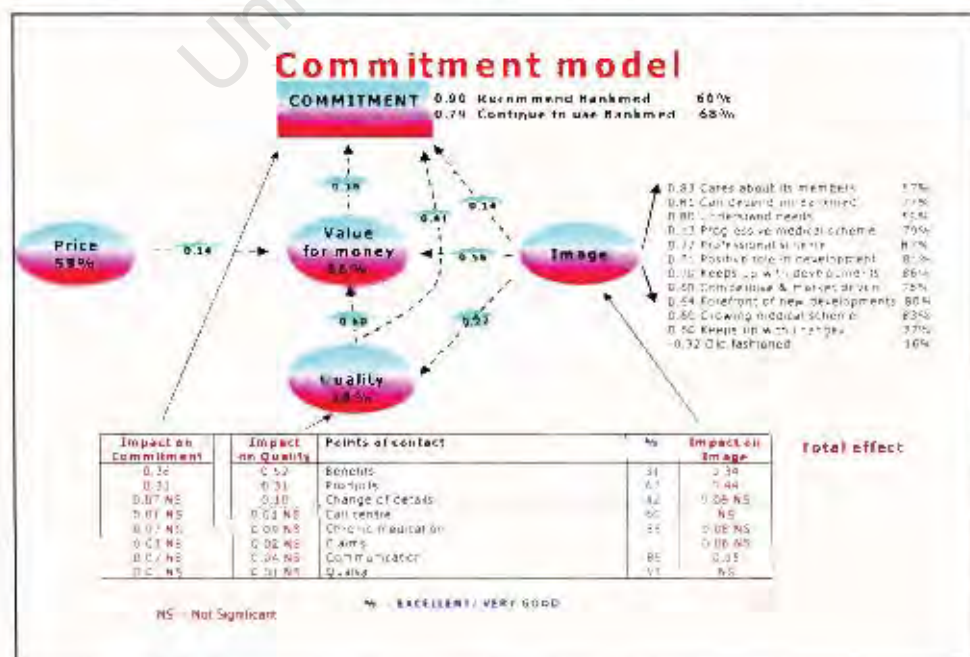
These relationship outcomes, and the scores obtained for the various process areas where members have direct contact with Bankmed, as well as existing perceptions of, and attitudes towards, Bankmed's image, all contribute towards members' overall feelings of commitment towards Bankmed. This is illustrated as follows in figure 23.

Figure 23 – CRA Model – 2000 (Markinor Report)



The scores for the relational outcomes, process areas and image attributes influenced the model for the Bankmed members as follows: (this data is statistically determined by the model developed with Markinor)(Figure 24)

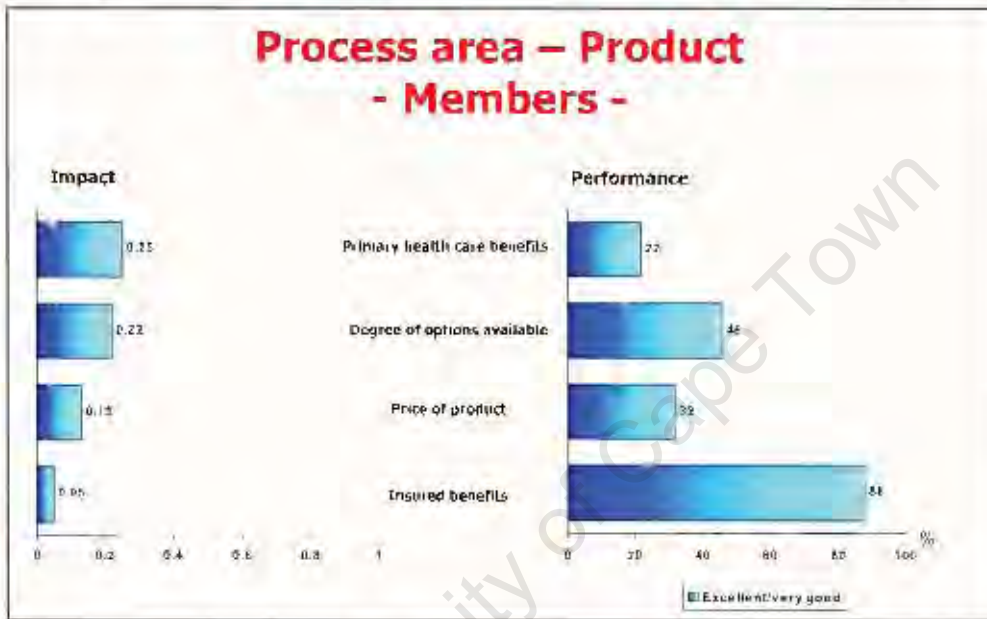
Figure 24 – Commitment model – 2000 (Markinor Report)



4.2.1 Process area – Product

The aspect of Bankmed's product, with the highest impact on commitment amongst members, was primary health care benefits and degree of options available (Figure 25). However, these aspects were rated lowest in terms of performance. In contrast insured benefits, although performing very well, had the least impact on commitment.

Figure 25 – Product Process areas – members (Markinor Report)



The information provided in the above diagram gives rise to the following action schedule which highlights those aspects of Bankmed's product that required attention and action. The Boston consulting company developed a matrix tool in which two important areas could be compared and documented to establish areas of focus. It was originally used to determine business positions around return and market growth. Together with Markinor, the researcher developed it as a tool to determine Bankmed's areas to focus on (action schedule).

The BCG (Boston Consulting Grid) matrix is scientifically calculated by using the two major outcomes of impact and performance. (Figure 26 – Outcome scale).

The majority of members were willing to contribute more provided that they received greater benefits (limits were raised). Bankmed should negotiate a deal with preferred providers in return for more members' benefits.

During the focus group general consensus was reached that Health Check bulletins and circulars are not being read and the following reasons were quoted: "*articles not interesting*", "*articles not relevant*", "*more Q & A type articles*".

Participants felt that communication via the electronic media was not viable due to limited access and suggested the following alternative electronic communication media: SMS and the Intranet of banks. In addition, as far as access to Internet and e-mail is concerned, participants felt that they had limited use only, due to security at banks and limited access at home.

Overall Bankmed was seen as a '*good name*' and a '*quick payer*'. It was felt that Bankmed should 'black list' doctors who do not successfully diagnose and treat patients (failure to do so was regarded as being equal to fraud).

A suggestion was made for the introduction of dedicated agents for specific groups (pensioners or members with surnames within the A-G range), because in this way relationships could be established. Another participant suggested a telephone exchange with a pre-coded routing system. There was an overall feeling that the telephone holding time is too long.

When PMA (Personal Medical Account) limit is exceeded the account/fee charged should not be bounced back to the provider - "*feels like an RD cheque*". Participants feel that members should be informed and requested to take action. There should be a constant monitoring of treatment to prevent abuse. Costs should be controlled ("*Keep doctors on their toes*"). The participants mentioned that their membership card should work like a credit card and that they should be able to swipe it to check limits, etc.

It was clear from the comments received from the focus group that the product changes that were brought into effect in 1999 (when the product range changed from a traditional product to new generation product with a savings account) were not well accepted by the membership

To summarise the qualitative survey, the following issues still need attention:

- developing more options that focus on pensioners and members in the lower income group);
- primary care benefits, price vs. benefit equation;
- improved service in Call Centre (shorten telephone holding time);
- contents of Health Check bulletins should be more relevant to Bankmed's product, processes and more interesting.

The identified strengths are that Bankmed has the image of a professional scheme and is a financially secure company. Overall participants were positive that Bankmed would act on information raised in the focus group.

4.4 Conclusion (Way forward design)

In both the quantitative and qualitative (focus group) surveys, the members believe that additional options should be introduced into Bankmed's medical scheme, particularly for pensioners and low income earners, and that the primary care routine benefits needs to be improved.

The researcher facilitated a feedback workshop with Bankmed management, staff and several outsourced partners and it was decided that a new product must be introduced namely Prime Health. This product sought to satisfy the needs of members in accordance with their requests by providing a) an alternative to the new generation product with more primary health care benefits and b) better priced product to help members in the lower income bracket. The new product would be contracted to Prime Cure (a network of doctors) and made available to members at designated Prime Cure Medi Centres, where members could obtain routine care with unlimited consultations and routine medicine for their families at no additional costs. The area in which the new product Prime Health did not meet the request of the members is the resulting limited freedom of choice because members would have to obtain the listed services at the designated Prime Cure Medi Centres. (These changes and access restrictions would enable Bankmed to reduce the cost of the product.)

In addition Bankmed would improve the content and distribution of Health Check bulletins and also introduce a regular member communiqué. The regular member communiqués are planned to assist members understand the technical processes and procedures of Bankmed. Bankmed would also put pressure on its outsourced administrator (M.H.G.) to improve

service at the Call centre. The product changes would be Bankmed's primary improvement focus area for the first cycle of this research product.

Bankmed's executive management team has set itself a goal to meet the needs of the members. This was done by actually looking at the situation and taking cognizance of the results of the quantitative and qualitative surveys of 2000. In order to meet the identified goal, Bankmed was forced to plan and implement certain actions. In the next chapter, the researcher reviews the outcome/results of these actions.

Finally, research is necessary to establish a comprehensive understanding of the specific needs of Bankmed's members'. A more thorough understanding of needs, leads to a more efficient and effective way of serving the target market. This improved competency will, in turn, lead to further satisfaction and, ultimately, to an increased market share and member satisfaction and loyalty. With more knowledge of both the target market needs and the product offerings best suited to this market segment, improved resources and more efficient services and customer care can be facilitated.

CHAPTER 5 – RESULTS CYCLE 1

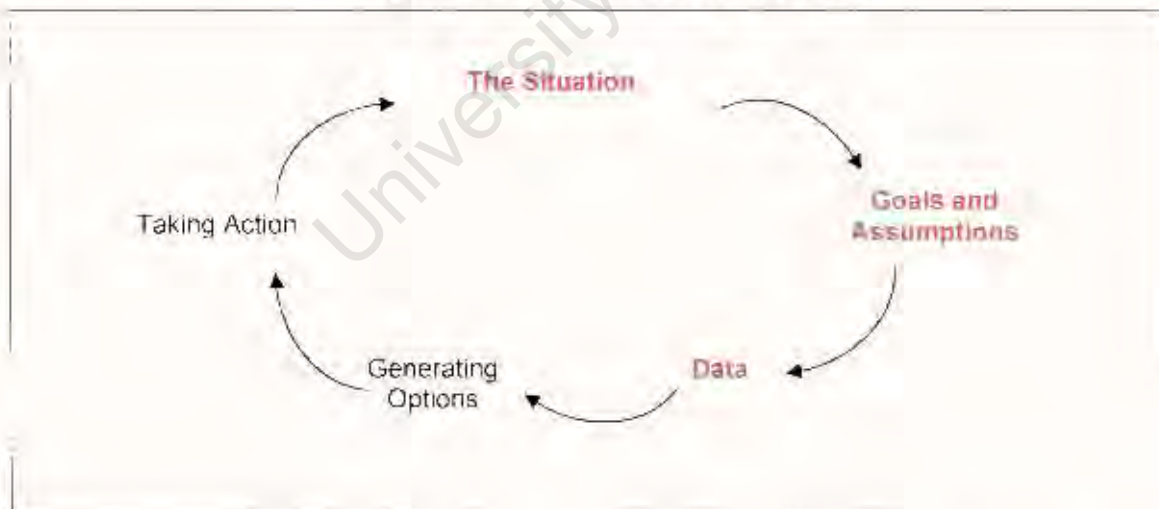
5.1 Introduction

In this chapter the results after the first cycle will be discussed. In addition, the researcher will review the statistical analysis of these results. The researcher will detail the identified process area results together with a new measurement that was developed from these results, namely loyalty matrix. The researcher will compare this matrix with international norms for benchmarking purposes.

5.2 Results cycle 1

The results and outcome of the second quantitative survey which were completed in October 2001 are detailed below. The areas to be reported on in this chapter are detailed in red in figure 30 below. In addition the researcher analysed the statistical movement of 18 to 35 year old members between plans up to July 2001. A limited number of members joined the newly introduced medical plan, which was known as Prime Health Plan.

Figure 30 – The main stages of Action Research
[Bennett, R.D. and Oliver, J.(1998)]



From the quantitative survey the researcher was able to develop two relationship models, one for employers and the other for members, the latter one is detailed below. The same modelling and survey questionnaires used in the 2000 survey were again used in 2001 to enable the researcher to track movements between the two years.

The overall CRA model measures the quality of Bankmed's relationship with its members. This relationship is measured in terms of members' willingness to recommend Bankmed, their continued usage thereof and intention to use additional services.

These 'relational outcomes' are dependent upon the extent to which members feel they are obtaining value for money from Bankmed. A major component of value for money is quality of service. Members' opinions of quality of service are a result of their points of contact with Bankmed. These points of contact are known as "process areas".

Bankmed's 2001 relationship with its members can be illustrated as follows (Figure 31):

Figure 31 – Relationship Outcomes – Members 2001 (Markinor Report)

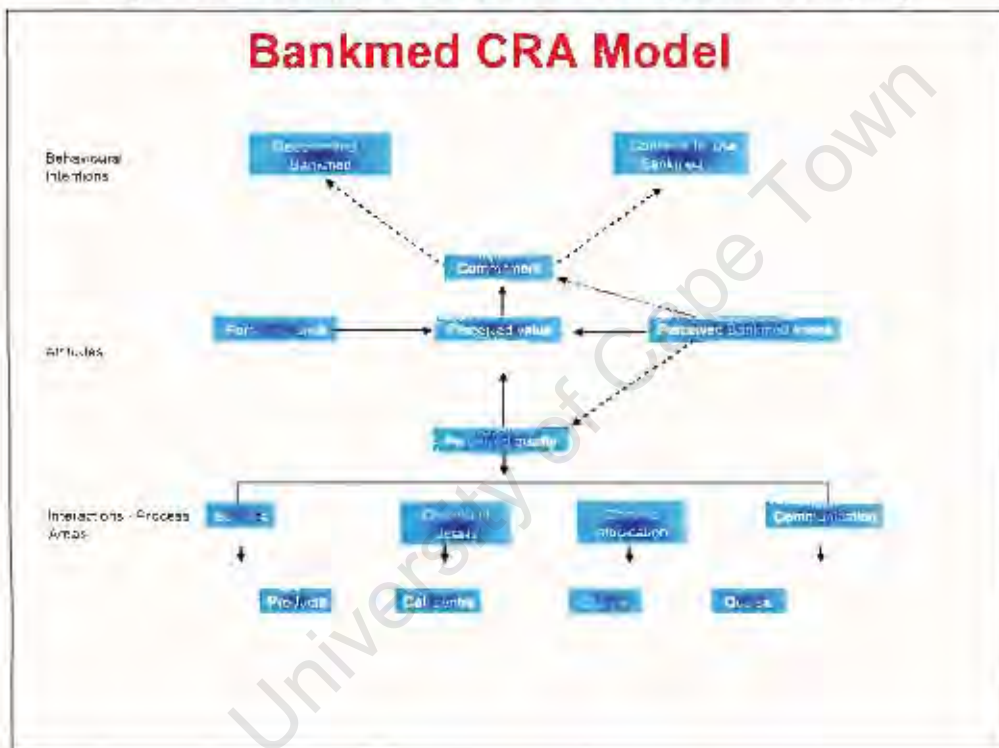


There was a slight increase in the number of Bankmed members who would like to continue doing business with Bankmed and recommend Bankmed to others. The level of commitment has, therefore, shown a slight increase. A new dimension was added in the 2001 survey, namely the likelihood to enhance current benefit option. The purpose of this addition was to facilitate the tracking of the product changes made. The number of members willing to change was low, with only 4 in every 10 respondents/members indicating that they would like

to enhance or increase their current Bankmed option. This low score is in contradiction with subsequent indications that there is a strong desire to improve on current Bankmed benefits.

The relational outcomes are the main factors influencing long-term commitment towards Bankmed. These relationship outcomes and scores were obtained for the various process areas where members have direct contact with Bankmed, together with existing perceptions of, and attitudes towards, Bankmed's image, all of which contribute towards members' overall feelings of commitment towards Bankmed. This is illustrated as follows (Figure 32):

Figure 32 – Bankmed CRA model – 2001 (Markinor Report)



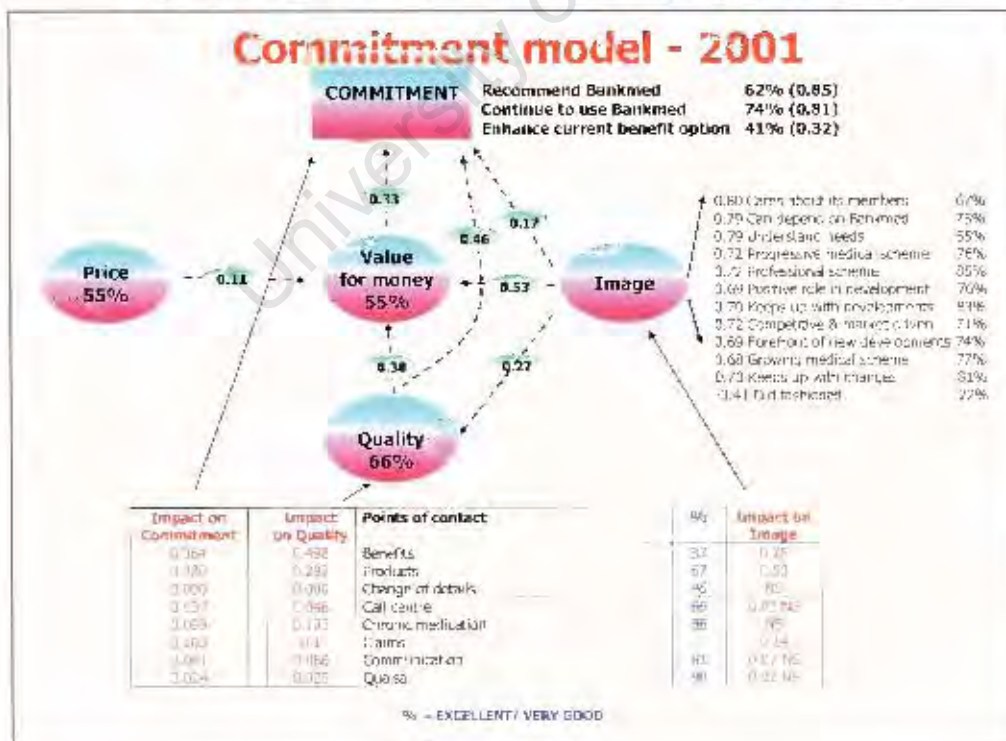
The scores for the relational outcomes, process areas and image attributes influenced the model for Bankmed members. This data was translated into Bankmed's Commitment Model which incorporates all areas identified in the survey (Figure 33).

Figure 33 – Commitment members – 2001 (Markinor Report)



The commitment model for the Bankmed members in 2001 is as follows (Figure 34):

Figure 34 – Commitment Model – 2001 (Markinor Report)



The results, which had the greatest impact on commitment, image and quality, were analysed further.

5.2.1 Process area – Call Centre

The areas requiring attention as per the 2000 and 2001 surveys are listed in the attached BCG Diagram (Boston Consultation Grid) (Figure 35 and 36).

Figure 35 – Call Centre action schedule members – 2000 (Markinor Report)

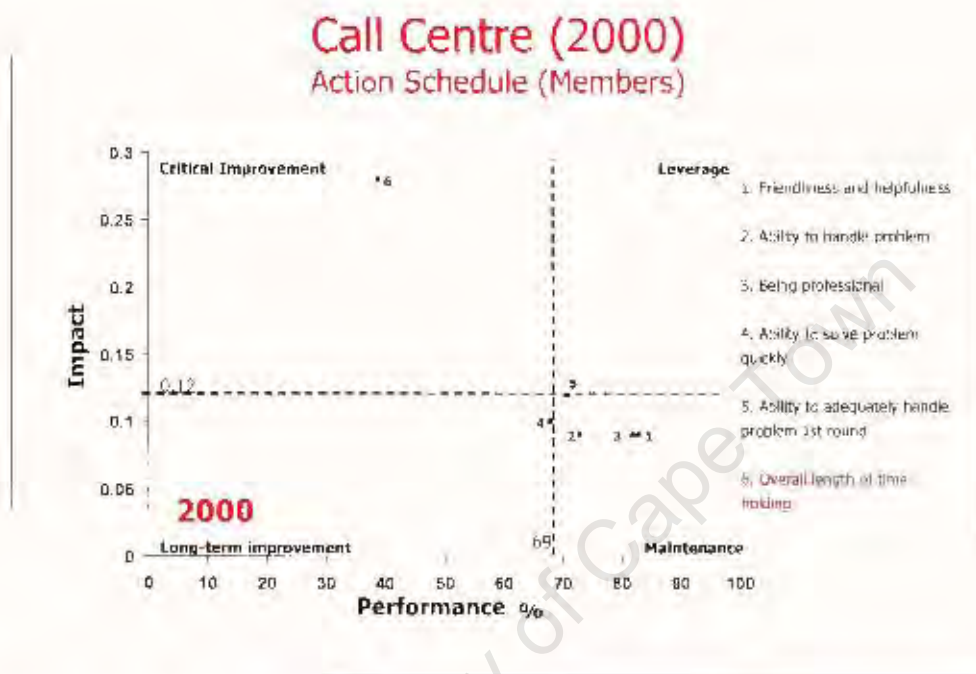
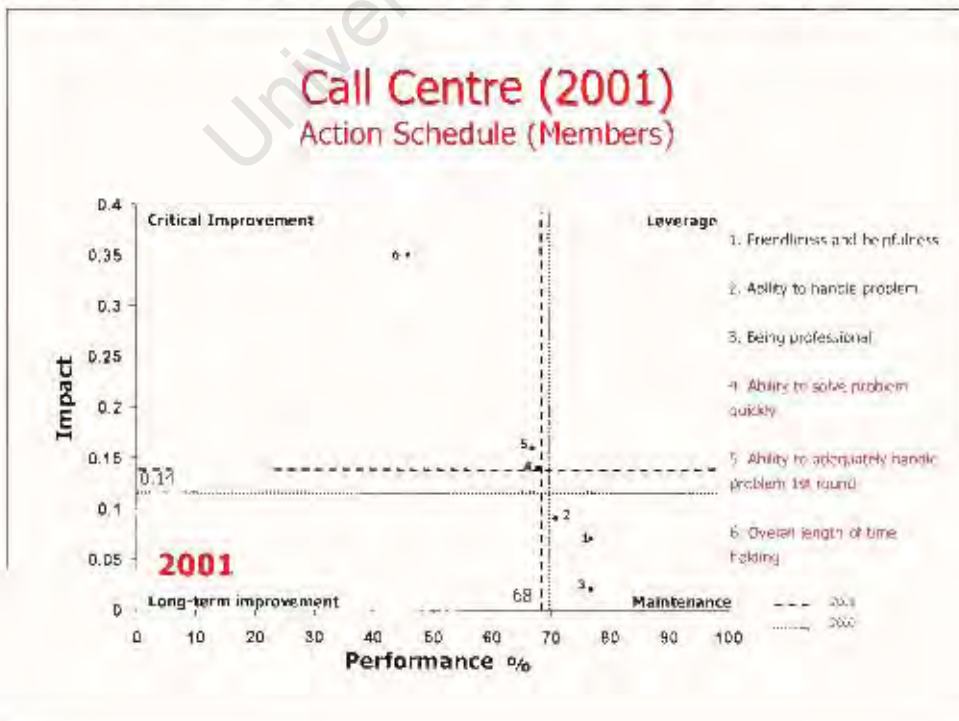


Figure 36 – Call Centre action schedule members – 2001 (Markinor Report)

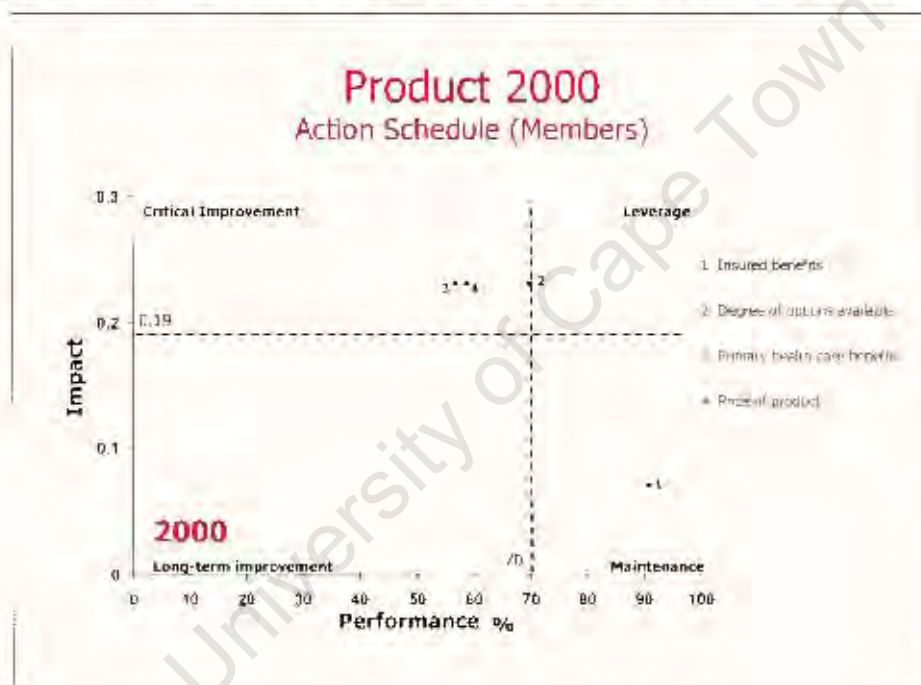


As in the 2000 survey the main area of impact among Bankmed members is the "overall length of time holding" It is clear that the Call Centre situation had worsened over the year and requires more focussed action. There were three critical improvement areas which needed to be addressed in the next cycle action programme, namely:

- Ability to solve problem quickly
- Ability to adequately handle problem 1st time
- Overall length of time holding

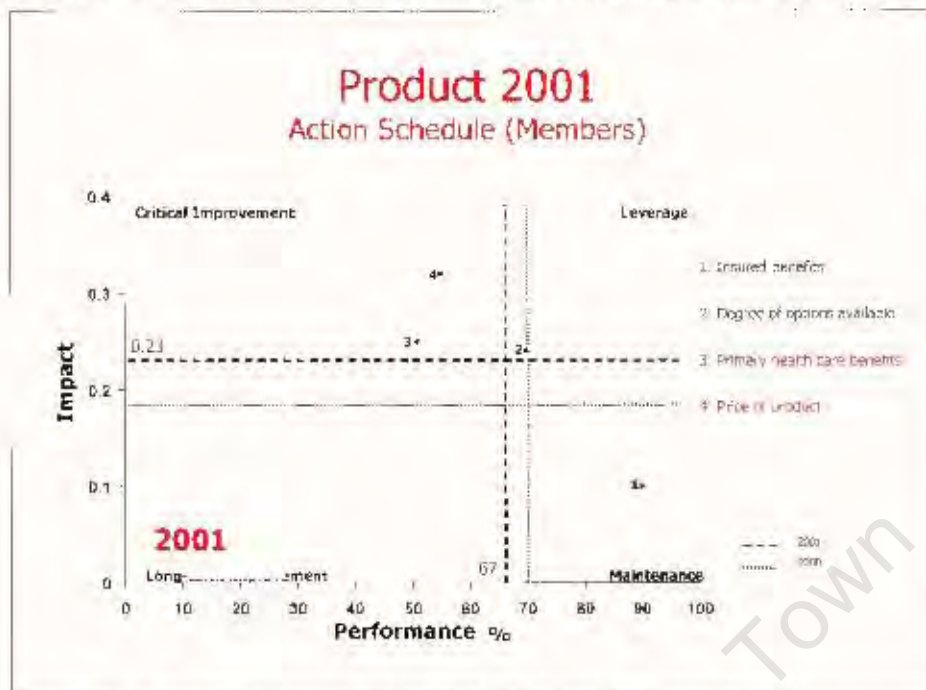
5.2.2 Process area – Product

Figure 37 – Product action schedule members – 2000 (Markinor Report)



Detailed above (Figure 37) is the outcome of the 2000 survey covering the Product area. If this outcome is compared to the 2001 action schedule it can be seen that the outcomes relating to the degree of options available to members has improved. However primary health care benefits and price of product have become an even more pressing critical area for improvement.

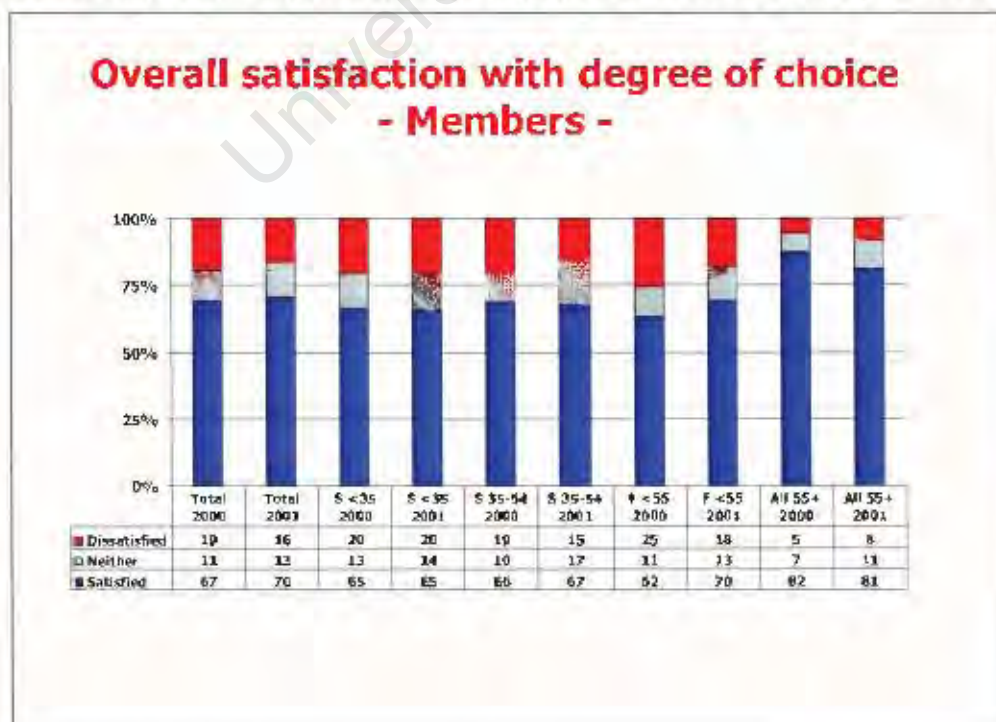
Figure 38 – Product Action schedule members - 2001 (Markinor Report)



The grid (Figure 38) helped us identify our best leveragability result areas.

In the next figure (Figure 39) the researcher details the member's satisfaction levels for the scheme as a whole, that is, every market segment not just the 18 to 35 years olds. There seems to have been an overall improvement in member's satisfaction. However in the 18 to 35 year old group that improvement is very small.

Figure 39 – member satisfaction in degree of choice – 2000 vs 2001 (Markinor Report)



5.2.3 Summary of results of cycle 1

A summary of the areas of critical improvement and long-term improvement areas are identified were as follows (Figure 40).

Figure 40 – Overall process area summary (Markinor Report)

PROCESS AREAS OVERALL 2001 - MEMBERS -	
Critical Improvement	Long-term Improvement Areas
Product: - Primary healthcare benefits - Price of product	
Chronic medication: - Information received before joining	- Ease with which form was completed
Claims:	- Speed of problems solving - Speed of payment
Call Centre: - Overall length of time holding - Ability to solve problem quickly - Ability to adequately solve problem 1 st time around	
Communications:	- Regularity of Health Check

It is encouraging to note that communication, which in 2000, had two critical and three long term improvement areas. In 2001 only one long term improvement area is indicated. It is clear that the actions that were taken have resulted in the above improvements. The same can be said of the "degree of options" critical improvements area in the product side. However "Price of the product" and "Primary Health benefit" are two critical improvement areas.

The Call Centre area has deteriorated dramatically in the 2001 survey. There are now two additional improvement areas where remedial action must be taken.

In some areas the score dropped e.g. the Bankmed offering value for money and price. However the overall result and commitment has improved.

During the Focus groups that were held, three main areas of concern were identified namely:-

1. Bankmed members display a high level of apathy

2. Members would like to see the PMA benefits extended or moved to Insured benefits
3. The Call Centre remains a major area of concern.

Areas that members felt positive about in the qualitative focus groups are:-

1. Z – card's usefulness
2. Health Check's information was useful
3. ProHealth Disease Management Programme for Chronic users adds value
4. Addition of new options/plans

The members reported a dramatic improvement in communication style, usefulness and detail in the various communication mediums.

5.3 Customer loyalty

An additional measurement was introduced in the 2001 Survey. This will be used as a benchmark going forward in future surveys.

The loyalty of Bankmed members was measured by means of a Loyalty Analysis matrix. Four distinct categories of members were identified. They are:-

- Loyal members – members who want to make use of Bankmed and will continue to do so. These members will be most likely to continue their membership even when it is no longer compulsory to remain as part of their employment contract. The current relationship with these members must be maintained and, where possible, improved upon.
- Accessible members – members who are currently Bankmed members and have positive impressions of the medical scheme, but for some or other reason are not utilising this relationship to its full potential. By identifying those factors inhibiting their behaviour and addressing their specific needs, they can easily be encouraged to become truly loyal members. These members might be at risk when Bankmed membership is no longer compulsory, unless the problematic issues are addressed.
- Trapped members – members who do not really want to utilise the services and products of Bankmed, but are compelled to do so. Limited choice very often creates a negative perception. In addressing these negative perceptions, Bankmed could transform some of these members into loyal members. Market and/or other factors often create an inevitable segment of

trapped members, but the relative size of the segment should be managed. These members will leave when Bankmed membership is no longer compulsory, but they have not found an alternative option yet.

- Risk members – members who are marginally loyal and at risk of terminating their Bankmed membership once the membership is no longer compulsory.

Bankmed's loyalty matrix is as follows (Figure 41):

The matrix shows that just over half the number of Bankmed members are loyal or accessible (52%) and roughly the same number (48%) is at risk to switch to another medical scheme if they have the opportunity to do so. If steps are not taken to move them from the bottom 2 quarters to the top 2 quarters of the matrix.

Figure 41 – Member Loyalty Matrix (Markinor Report)



5.4 International Norms

A search was conducted via the Internet to establish how the Bankmed results compared with the results of CRA surveys of other companies on an international scale within the healthcare sector who use the same measuring tool structure.

Industries included in the search were as follows:-

- Medical service and health insurance
- Accident and health insurance
- Hospital and medical service plans
- Pension, health and welfare funds

Results for the 10 questions listed below were obtained:-

*Top-2-box scores as used in the Bankmed CRA survey tool

** Scores in brackets refer to scores of the 2000 survey

Based on what you have seen or heard, how would you rate the overall quality of general customer communications?

International Average Score %*	International High Score %	Bankmed Members Score %
57	76	81 (85)**

What is the likelihood that you will continue to use Member?

International Average Score %	International High Score %	Bankmed Members Score %
79	88	70 (68)

Member is innovative/up-to-date/new

International Average Score %	International High Score %	Bankmed Members Score %
62	80	83 (86)

Member is an industry leader

International Average Score %	International High Score %	Bankmed Members Score %
60	84	74 (80)

Member is stable/secure/solid/sound

International Average Score %	International High Score %	Bankmed Members Score %
76	94	75 (77)

Member meets/understands/responsive to needs

International Average Score %	International High Score %	Bankmed Members Score %
74	85	55 (58)

Based on your experience or what you may have seen or heard, how would you describe the overall price?

International Average Score %	International High Score	Bankmed Members Score %
82	96	55 (26)

How would you rate the overall quality of products and services of Member?

International Average Score %	International High Score %	Bankmed Score %
75	58	67 (67)

What is your likelihood that you would recommend Member?

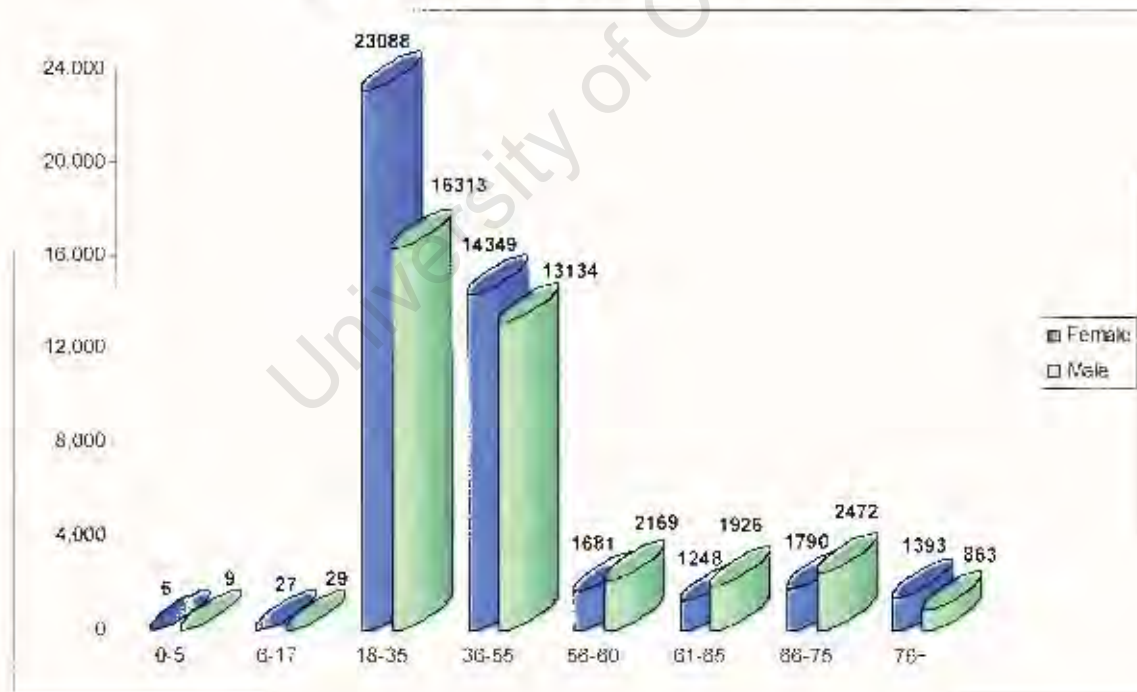
International Average Score %	International High Score %	Bankmed Members Score %
71	81	62 (60)

Considering the overall quality in relation to the cost of its product/service, would you say the member offers excellent value for money, very good ...

International Average Score %	International High Score %	Bankmed Members Score %
46	62	55 (56)

Detailed below is the demographic profile of the Bankmed scheme as at 31 December 2001 (Figure 42).

Figure 42 – Demographic profile – end 2001



From this it is clear that the majority of our members are 18 to 35 years old. They are also the members we are at risk of losing. The researcher has undertaken a statistical analysis to understand this market segment and to see how the members have responded to our product changes and if, and where, we are losing members.

Table 8 – All members – 19 to 24 by PMA level

Maximum 14,040

	1996	1997	1998	1999	2000
High PMA	13%	11%	8%	8%	9%
Medium PMA	67%	72%	62%	57%	45%
Low PMA	16%	18%	17%	17%	13%
No PMA				1%	
Out		Base	13%	4%	15%
Cum out		Year	13%	17%	33%

Table 9 – All members – 25 to 35 by PMA level

Maximum 33,091

	1996	1997	1998	1999	2000
High PMA	25%	24%	20%	19%	22%
Medium PMA	51%	61%	63%	61%	55%
Low PMA	13%	15%	16%	16%	15%
No PMA	0%	0%	0%	2%	2%
Out			Base	1%	6%
Cum out			Year	0%	6%

5.5.2 Interpreting the table

The maximum figure shows the membership in its peak year, which is highlighted in bold. All membership is shown as a percentage of this figure.

Thus in the 25 to 35 years old table the greatest membership was 33,091 principal members in 1998.

The following initial conclusions are very clear:-

The under 19 group is insignificantly too small to be analysed on its own, and it should be assumed that whatever is done for the 19 to 24 years old group will have similar effects on this group as well.

In the 19 to 24 years old group there was a small increase of members in 1999 while the losses for the 2 years where there were defections totalled around 10% in both cases (some 2 000 members out of a scheme total of some 4 500 losses for this age band. As the proportion of losses here are relatively low there are obviously some major defections elsewhere).

The 25 to 35 year olds show no net losses at all, with 2000 being the peak year!

The split of members between the various saving levels remains constant in the younger group, with a small downward migration in the older groups.

Table 12 – Married members with no children – 19 to 24 by PMA level
Maximum 2 736

	1996	1997	1998	1999	2000
High PMA	15%	10%	7%	4%	2%
Medium PMA	71%	60%	38%	22%	8%
Low PMA	14%	13%	9%	5%	2%
No PMA				1%	4%
Out		16%	28%	24%	17%
Cum out		16%	44%	68%	85%

Table 13 – Married members with no children – 25 to 35 by PMA level
Maximum 3 753

	1996	1997	1998	1999	2000
High PMA	25%	22%	16%	13%	9%
Medium PMA	58%	61%	54%	38%	20%
Low PMA	16%	17%	14%	10%	6%
No PMA	0%	0%	0%	2%	1%
Out			16%	21%	26%
Cum out			16%	37%	63%

Here the situation is markedly different with a wholesale bale-out of childless couples in both groups. Additionally the 15% remaining percentage in the 19 to 24 age band have migrated

sharply downwards in the spread between the saving levels. The following table shows the spread between the levels for each year:-

Table 14 – Year % spread by PMA level

	1996	1997	1998	1999	2000
High PMA	15%	13%	12%	12%	12%
Medium PMA	71%	72%	69%	69%	49%
Low PMA	14%	15%	15%	15%	10%
No PMA			4%	5%	29%

The highest level remains reasonably constant, dropping to 12% from an early stage, while the medium level drops substantially, primarily in 2000, matched by a huge increase in the no savings level.

While the 25 to 35 years old group also reduces substantially in numbers, the distribution between the saving levels remains fairly constant.

Table 15 – Married members with 1 child – 19 to 24 by PMA level

Maximum 1,092

	1996	1997	1998	1999	2000
High PMA	12%	10%	8%	6%	8%
Medium PMA	45%	52%	46%	37%	20%
Low PMA	32%	38%	40%	41%	31%
No PMA	1%	1%	0%	7%	6%
Out			6%	3%	27%
Cum out			6%	9%	35%

Table 16 – Married members with 1 child – 25 to 35 by PMA level**Maximum 4,239**

	1996	1997	1998	1999	2000
High PMA	27%	25%	21%	19%	21%
Medium PMA	55%	63%	64%	56%	43%
Low PMA	9%	11%	12%	12%	9%
No PMA	0%	0%	0%	2%	2%
Out			3%	8%	14%
Cum out			3%	11%	25%

Among couples with one child the situation is similar to that of childless couples, only somewhat milder, that is, there is a higher dropout rate in the younger group and a migration to lower saving levels, while the older group shows a relatively lower dropout rate with a steady distribution between saving levels.

The number of younger members in this category is also far less significant.

Table 17 – Married members with children – 19 to 24 by PMA level**Maximum 368**

	1996	1997	1998	1999	2000
High PMA	20%	19%	15%	16%	16%
Medium PMA	52%	74%	76%	63%	48%
Low PMA	0%	7%	7%	7%	5%
No PMA	0%	0%	0%	1%	1%
Out			3%	10%	17%
Cum out			3%	13%	31%

Table 18 – Married members with children – 25 to 35 by PMA level

Maximum 8,408

	1996	1997	1998	1999	2000
High PMA	33%	33%	29%	27%	32%
Medium PMA	49%	58%	63%	60%	48%
Low PMA	6%	7%	9%	9%	8%
No PMA	0%	0%	0%	2%	1%
Out				3%	8%
Cum out				3%	11%

Understandably, there are hardly any younger age band families in this category, but those that are have a dropout rate similar to the 1 child families. However there is no significant drop in the saving levels.

This is a very significant category for the older families, and it seems relatively stable, with a modest dropout rate and no movement between saving levels.

5.5.3 Summary

We can summarise the dropout rates, and change in saving levels for the two groups by family size as follows:-

Table 19 – Summary of member dropout/savings level by PMA level

19 – 24			25 – 35	
	Drop-out	Savings	Drop-out	Savings
Single	19%	semi-constant	0%	Modest drop
Married childless	85%	Strong drop	63%	constant
Married 1 child	35%	Strong drop	25%	constant
Married children	31%	constant	11%	constant

It is clear from this that we have a problem with members leaving the scheme in this age group.

5.6 Conclusions

Overall, there has been only a slight improvement in customer satisfaction amongst Bankmed members despite an increase in input and activity by Bankmed to improve its service to members. However, the increased activity has resulted in a higher awareness of the products and services offered by Bankmed which, in turn, has led to an increase in expectancy in terms of service excellence and products. It is expected that more significant increases in customer satisfaction will become evident in the cycle. Given a longer period for the improvements to take effect, it will possibly be easier then to determine the impact of the improved service on members' attitudes to and opinions of Bankmed.

Bankmed's product is showing a growing performance, with performance and impact scores at close correlation.

The call centre continues to perform below customer expectations, with areas of high impact requiring attention. It has shown a deterioration overall.

The performance of aspects of communication has shown an improvement.

Bankmed's loyalty matrix needs to be interpreted against a backdrop of compulsory membership, which means employees of member companies/banks have to join Bankmed because it is a condition of their employment. The high proportion of "trapped" and "high risk" members could be attributed to the fact that membership to Bankmed is compulsory and real exposure to other medical schemes is limited. However, time and effort spent to increase the truly loyal and accessible segments to its full potential, will reap rewards if ever, at some future time, membership to Bankmed is no longer compulsory.

The outcomes of the cycle will be taken into account when we design the next cycle of interventions.

CHAPTER 6 - SECOND CYCLE OF APPLICATION DESIGN AND ACTION TAKEN

6.1 Introduction

The results from the first cycle of application design and action taken that are detailed in the previous chapter are summarised below.

Critical areas that needed to be looked at were:-

a) *Product*

- Primary health care benefits
- Price of the product

It would seem that Bankmed has met its objective with regards to the degree of options available to members; this is very encouraging.

b) *Call Centre(Client Services)*

The Call Centre was again a problem with the following critical improvement areas:-

- Overall length of time holding
- Ability to solve problems the first time
- Ability to adequately resolve problems the first time round

6.2 Design and action to be implemented

The actions taken in the second cycle of application and design were as follows:-

The researcher decided to look at the particular problems applicable to the critical improvement areas going forward. The Bankmed executive steering committee the researcher chaired discussed the results before coming to this decision.

6.2.1 Product

On the product offering, in addition to the previous introduction of the population base model, Bankmed incorporated its Health Risk Assessment. The executive steering committee decided to develop and institute a concept called Health Cells, it also developed a Health Portal called Health Cybrarian. The health portal focuses on the younger members namely the 18 to 35 years old group. To reduce the price of the product it was decided to capitate

services on the Prime Health Plan and change its name to Core. This ensured that our members obtain, for the same price, unlimited GP consultations, medicines and chronic medication; but access was limited to a particular list of medicines and doctors (network). This particular Health Plan will be unpacked in more detail later. In addition, Bankmed made available a new plan (option) with greater benefits at a higher cost – Plus option – to members who want greater benefits and who can afford it.

6.2.2 Service

On the service side Bankmed again entered into negotiations with its outsourced Service Provider and started a process it called the “Super Service”. This service would dramatically increase the level of service that members received. There would be an adjustment on the price paid for this service to ensure that Bankmed members received what they deserved. It included implementation of an Interactive Voice Response (IVR) system, a pensioner share call line to free the Call Centre for active members, including the 18 to 35 years old group.

6.2.3 Communications

In addition Bankmed continues the communication enhancement that it had started earlier, called member communiqués. The member communiqués would now be sent out 6 times per year. These publications cover specific health care related issues that were of a technical nature to help members understand their medical scheme.

Bankmed also started encouraging members to provide it with their cellular phone number and e-mail address so that it could interact with them more easily.

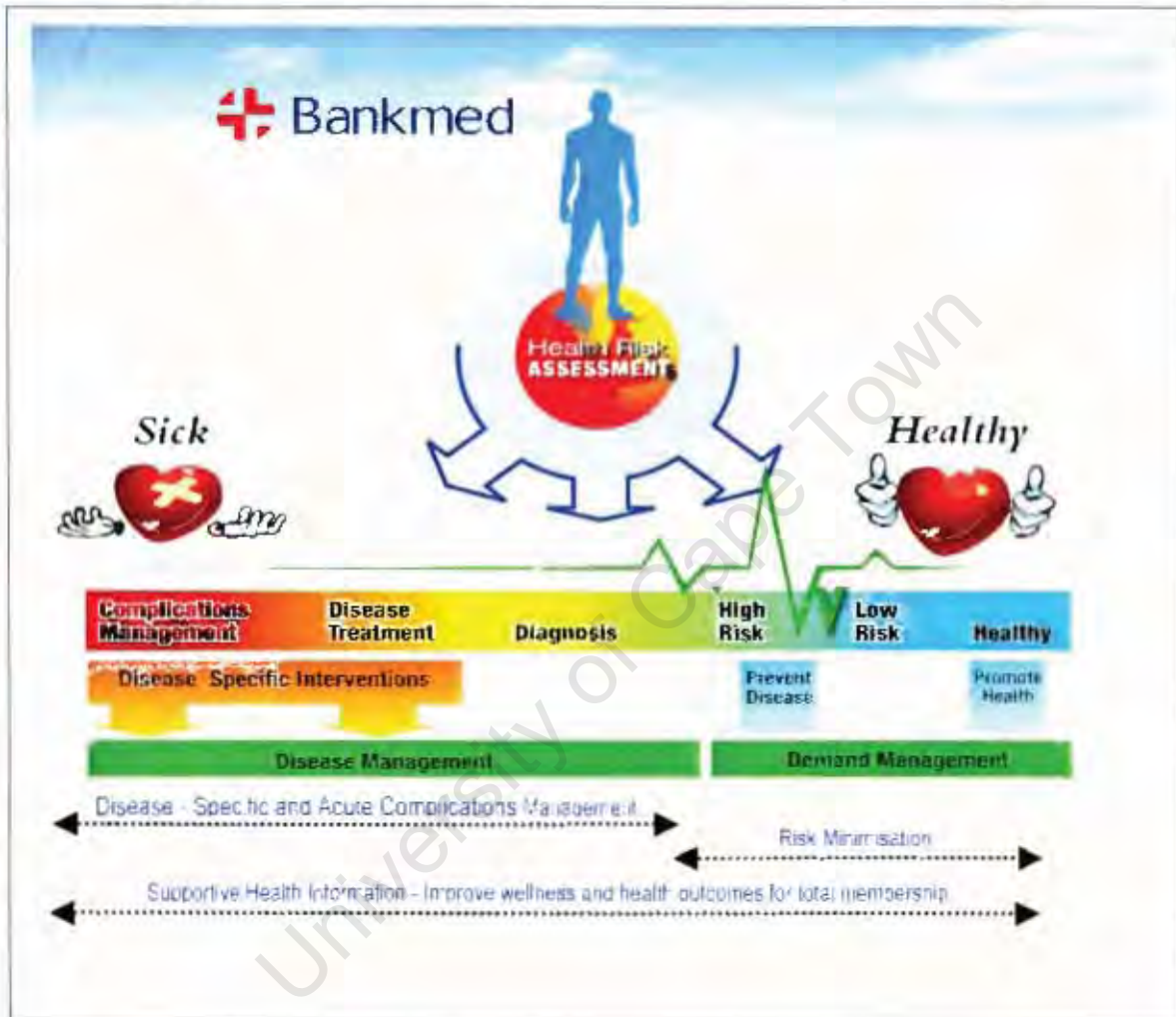
Bankmed encourages members to use the Bankmed website to obtain additional healthcare information through the newly developed health portal and to access their medical claim information and payment histories.

6.2.4 Action to be taken

Bankmed started to develop a model which incorporated wellness together with Disease Management. The organisation also leveraged its newly developed health portal to enable members to have access to health information (Health Cybrarian).

Based on the information obtained so far and the business requirements and literature search, both locally and internationally, the researcher developed a population Health Risk Model for Bankmed, which is shown in the picture below (Figure 43).

Figure 43 – Bankmed's Population Based Model (Todd, 1997)



The researcher will use this model and endeavour, over time, to place all Bankmed members on the Health Continuum, that is he will attempt to indicate where members are likely to find themselves, either sick or healthy, or at different stages of sickness and health.

On the far left hand side of the Health Continuum is the section known as the Complications Management and these involve acute hospital interventions. For people who have a disease, Bankmed has specific disease interventions, this process is called Disease Management. Bankmed is considering ways of managing how those specific and acute complications and diseases can go forward. Better managed diseased members will result

in better healthcare expenditure and costs and, consequently, happier members and a more financially sound health care provider.

On the right hand side of the matrix are members who are younger and tend to be healthier. The approach after the initial development of Bankmed's disease management programme is to look at preventing disease and promoting health. The researcher calls this process Demand Management or the management of minimizing our risk of going forward, in other words 'keeping the healthy well'. The focus of this process is on the 18 to 35 years old members.

From the statistical work that was undertaken during 2001 it is clear that there was a drop in many segments of the 18 to 35 years old members. What is worrying is that these drop outs were the strongest amongst married childless couples and those with one child. However, if one looks at this group as a whole it is clear that Bankmed has a problem with members leaving the scheme within these age groups. In addition the researcher used the Bankmed member relationship analysis to develop the following packaged offering focussing on the 18 to 35 years old market segment.

6.2.4.1 Healthcells

The Health Cells Programme is a healthy lifestyle initiative that approaches wellness from a fresh, and yet traditional perspective. It is Bankmed's aim to target the 18 to 35 years old members. This offering is available to all Bankmed members.

"Some societies are healthier than others. Some societies have a "culture of wellness" which directs individuals within that society towards healthy lifestyles. An example of this society is the Yomitan society on Okinawa Island in Japan, which has a traditional healthy, stress-free lifestyle, and has the highest percentage of centenarians in the world." (Harkness, 2002)

Societies with this "culture of wellness" have the ultimate wellness initiative, because it (a) really works, and (b) does not cost anything

Ordinary wellness initiatives have the following limitations:-

- Micro-management
- Generic health advice

- Expensive
- Poor penetration
- Low efficacy

These initiatives always suffer lowered efficacy because of difficulty in selecting appropriate participants and responding to them in an individualized way. These initiatives can never achieve their end goal of creating a “culture of wellness” because they can never hand over the responsibility of ownership to the people who participate in them.

Health Cells is a wellness initiative based on a natural social selection process, which uses natural, pre-existing social structures to overcome the inability of the ordinary wellness initiative to respond selectively and appropriately to each individual.

Health Cells uses a natural selection process to establish and maintain a team of “Health Cell Leaders”, who use their discretion to select from their own social strata a small team of people with whom it will be efficacious to work.

These Health Cell Leaders are supported by the full multimedia capability of Bankmed (telephone, print, e-mail, fax, internet), and will pass these benefits on to their members.

The natural selection processes implicit in Health Cells maximize efficacy of the programme. By virtue of its networking structure, the programme has the capability for much higher penetration than micro-managed programmes. But most important, the programme is always owned by the participants (rather than by the scheme or employer), and as such is genuinely capable of achieving a “culture of wellness” within its parent organization.

Health Cells is complimented by a series of specialised Cell Groups, Stress Cells, Walk Cells, Nutrition Cells and Spin Cells.

Driving Participation

The primary incentive for the individual being part of Health Cell will be the support and approval he gets from his peer group, and the greater feelings of wellness he experiences as a result of his participation.

The primary incentive of the Health Cell Leader will be the feeling of achievement and fulfilment he gets from the success of the group, and the recognition and prestige he gets as a successful leader.

There will be a campaign to advertise Health Cells. Advertising will be disseminated directly to potential members and potential leaders, as well as through appropriate departments at Employer Groups (Clinic Sisters and HR).

Bankmed will provide further incentives for Health Cell Leaders such as:-

- Titles (“Certified Health Cell Leader”)
- Certificates (electronic and paper)
- Health Cell mouse pads, pens and folders

Health Cell Leaders will earn material incentives by driving participation of their Health Cell in the HRA, Health Cell Leaders will also receive telephonic support.

Health Cell Members will receive support in the form of articles from:-

- Stage specific self-help pamphlets on starting
 - Walking
 - Eating better
 - Spinning
 - Managing stress

6.2.4.2 Health Cybrarian

‘Bankmed’s Internet Guide to Health’ is an Internet health information programme, customized and personalized for Bankmed members. It is designed to meet health information needs of members. Health Cybrarian offers a suite of categories consisting of *Healthy Lifestyle, Self Care, Medical Conditions, Family Health and Health at 60+*. In addition, the homepage of each category offers related and relevant sites. The sites selected have been carefully researched and are considered to be among the most relevant and scientifically correct available on the World Wide Web. Ian Wiseman, DSc (Pharmacology) is the leader of the Health Cybrarian team, which comprises experts in health and web design.

The following services are offered:-

- Provision of current and scientifically endorsed health information in a specially customized format for Bankmed. There are six categories, namely: Healthy Lifestyle, Self-Help, Medical Conditions, Family Health and Health at 60+.
- Integration of Health Cybrarian with Bankmed programmes, such as the Disease Management programmes: diabetes, asthma, cardiovascular conditions. The synergy achieved between Health Cybrarian and the Bankmed Wellness e- newsletter has also been positively demonstrated.
- A news feature relating to topical health issues
- Introduction of new and relevant sites on an ongoing basis.

6.3 Conclusion

The researcher has introduced and taken the actions listed above on the product offering, Client Service/Call Centre, communication and new wellness initiatives.

The researcher will next survey the Bankmed members over a period of 12 to 18 months to establish the results emanating from these actions. The outcomes of this survey will be reported and discussed in Chapter 8 of this thesis.

CHAPTER 7 – RESULTS FROM CYCLE 2

7.1 Introduction

This chapter will focus on the results from the quantitative CRA survey and telephonic (CATI) questionnaires used with slight adjustments to incorporate the new intervention and action implemented. The results are detailed in this chapter.

7.2 Results cycle 2

The overall CRA model measures the quality of Bankmed's relationship with its members. This relationship is measured in terms of members' willingness to recommend Bankmed and their continued usage thereof.

These "relational outcomes" are dependent upon the extent to which members feel they are obtaining value for money from Bankmed. A major component of value for money is quality of service. Members' opinions of quality of service are a result of their points of contact with Bankmed. These points of contact are known as "process areas".

Bankmed's existing relationship with its members can be illustrated as follows (Figure 44):

Figure 44 – Relationship outcome members – 2003 (Markinor Report)



The scores for the relational outcomes, process areas and image attributes influenced the model for Bankmed members as follows (Figure 46):

Figure 46 – Commitment Members – 2003 (Markinor Report)



The Commitment model for the Bankmed members is as follows (Figure 47):

Figure 47 – Commitment Model – 2003 (Markinor Report)

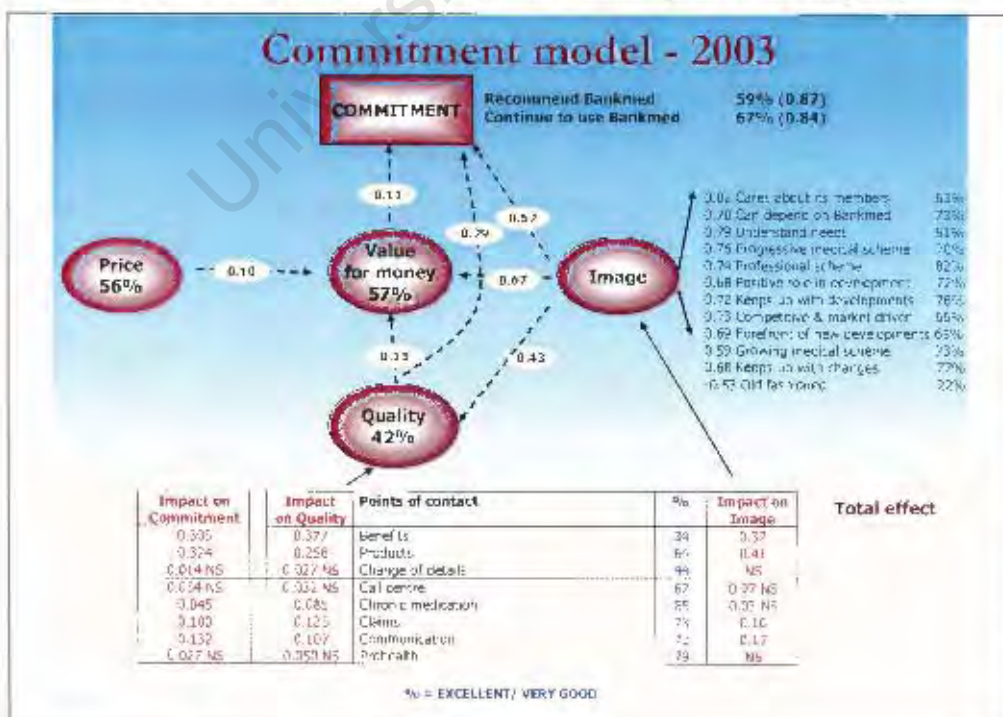
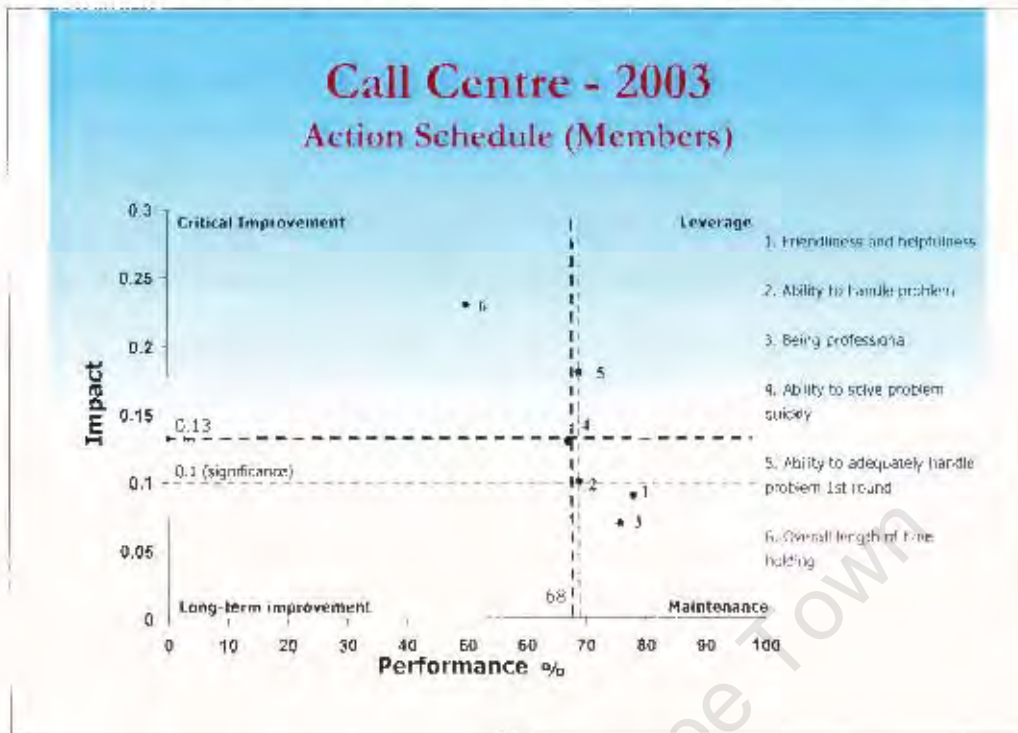


Figure 49 – Call Centre action schedule – 2003 (Markinor Report)



7.2.3 Summary of results

In summary, the areas of critical improvement and long-term improvement areas identified during for the 2003 survey were as detailed below (Figure 50), with the most urgent priorities indicated in colour:-

Figure 50 – Overall process area – 2003 (Markinor Report)

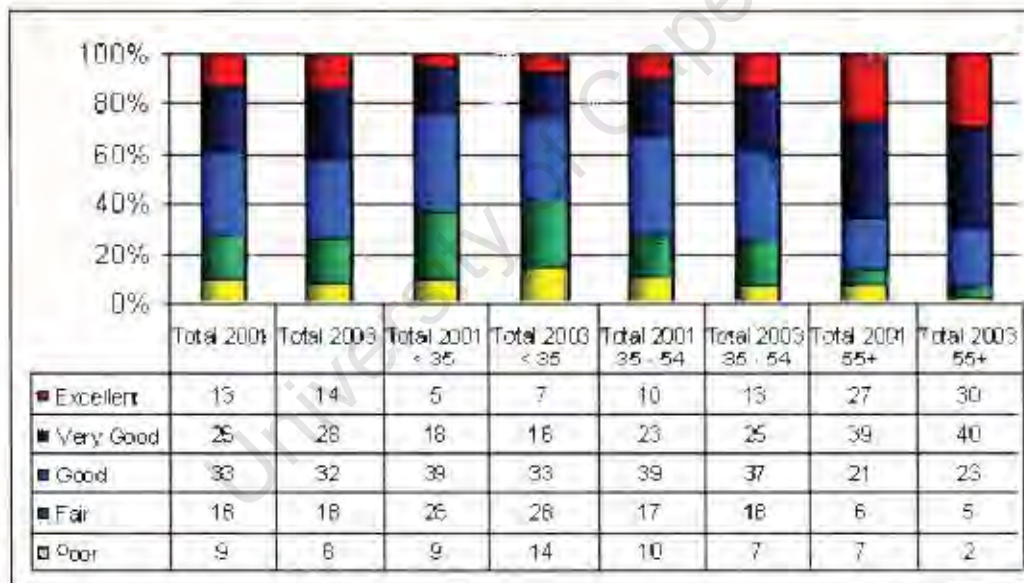
PROCESS AREAS OVERALL – 2003 - Members -	
Critical Improvement	Long-term Improvement
Product: (Critical Improvement Area) - Proper health care benefits - speed of service	
Chronic medication (Maintenance Area) - Ease of getting information to complete form	- Information received before joining
Claims: (Leverage Area) - Speed of payment	- Ease of understanding problem on claim statement
Call Centre: (Maintenance Area) - Overall length of time holding	- Ability to solve problem quickly
Communication: (Leverage Area) - Frequency of newsletters - Regularity of circulars	

7.3 Commitment to Bankmed findings

Compared to the previous survey, the top 2 box scores of the Bankmed members relating to their overall perception of Bankmed (i.e. quality of service) increased slightly, from 36% in 2000 and 39% in 2001 to 42% in 2003 (of ALL respondents, including 'don't know/refuse'). The pensioner group (55 years+) was particularly positive towards Bankmed, with 70% giving a top 2 box rating. There is an increase in positive ratings amongst all segments in the top two ratings.

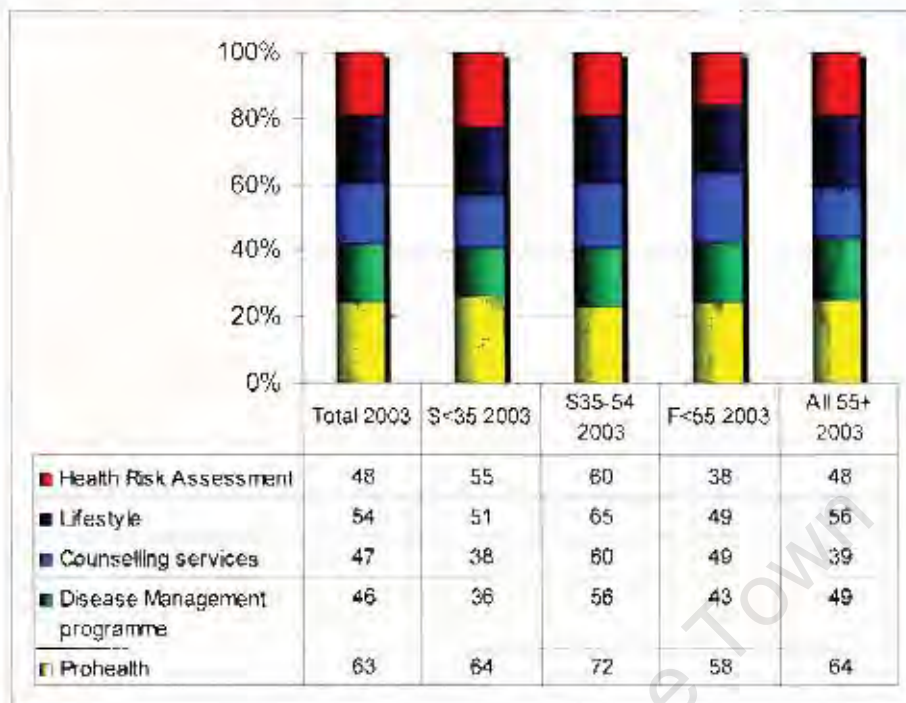
Positive ratings among the S<35 group, which showed a worrying decrease in the 2001 survey, increased slightly in the 2003 survey, from 23%(2001) to 25%(2003), almost back to the 2000 level of 28%. However, this is still a very low rating requiring urgent attention (Figure 51).

Figure 51 – Overall perception 2001 vs 2003 (Markinor Report)



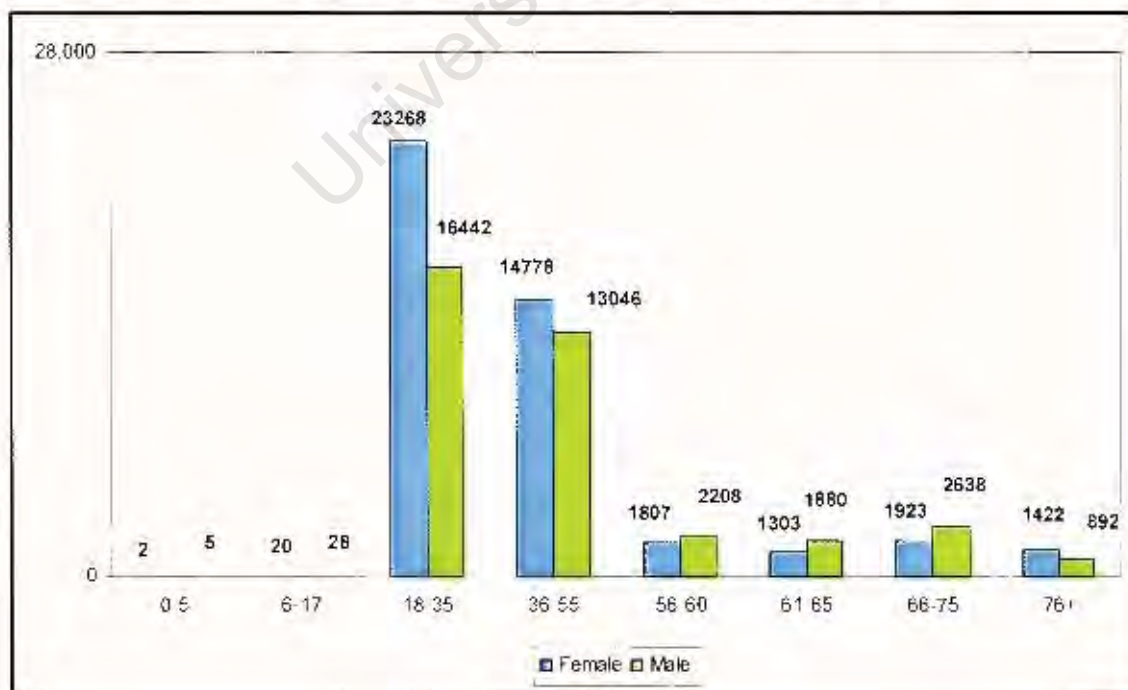
23% of members were aware of the new Wellness offerings (Health Cells). Out of this 23%, 64% were aware of Prohealth, 54% were aware of Lifestyles, 48% were aware of Health Risk Assessment, 47% were aware of the DM Counselling service and 46% of the Disease Management Programme (Figure 52).

Figure 52 – Summary of Lifestyle offering by Market segment (Markinor Report)



Detailed below is the demographic profile of Bankmed scheme as at 31 December 2003 (Figure 53).

Figure 53 – Demographic Profile – end 2003



7.4 International Norms

Once again Bankmed has been benchmarked to the International Walker-scale in the Healthcare sector. The results, based on the 10 standard questions used, were as follows:-

Based on what you have seen or heard, how would you rate the overall quality of general customer communications?

International Average Score %	International High Score %	Bankmed Members Score %
58**	76**	72(81)

* Top 2 box scores

** This score was not updated since 2001 as this question was not included in the Walker Global Data base in 2003

The Bankmed score in () represents the 2001 survey.

What is the likelihood that you will continue to use Member?

International Average Score %	International High Score %	Bankmed Members Score %
76	84	67(70)

* Top 2 box scores

Member is innovative/up-to-date/new

International Average Score %	International High Score %	Bankmed Members Score %
61	80	76(83)

* Top 2 box scores

Member is an industry leader

International Average Score %	International High Score %	Bankmed Members Score %
62	84	65(74)

* Top 2 box scores

Member is stable/secure/solid/sound

International Average Score %	International High Score %	Bankmed Members Score %
76	94	73(75)

* Top 2 box scores

Member meets/understands/responsive to needs

International Average Score %	International High Score %	Bankmed Members Score %
71	76	51(55)

* Top 2 box scores

Based on your experience or what you may have seen or heard, how would you describe the overall price?

International Average Score %	International High Score	Bankmed Members Score %
69	82	56(55)

* Top 2 box scores

How would you rate the overall quality of products and services of Member?

International Average Score %	International High Score %	Bankmed Score %
55	75	42(67)

* Top 2 box scores

desire for 'lifestyle' benefits on Bankmed is not just limited to the young members though, and most pensioner members also indicated that they would be interested in extra lifestyle benefits, although they are not willing to pay a premium for it.

- c) Young families also have unique needs and their discontentment can be traced largely to their unhappiness with primary care benefits, and in particular benefits for GP consultations. They were also the group that was most unhappy with the price of the Bankmed product. Products and benefits were identified in the customer relationship assessment as the areas with most impact on members' perceptions of quality, and with the lowest performance scores – the so called 'critical improvement areas'.
- d) In terms of communication with Bankmed, more members are making use of e-mail and the internet as additional points of contact, while continuing to use the call centre, with which they are slightly more satisfied than 2001.
- e) The awareness of the various lifestyle programmes offered by Bankmed is very low and these should be marketed towards the relevant groups.

The areas for focus going forward are:-

- a) Product(Benefits)
 - Primary Healthcare benefits (GP's)
 - Price of Product
- b) Call centre(Client Services)
 - Overall length of time holding
- c) Lifestyle products (Healthcells/Cybrarian and HRA's)
 - Improve awareness and benefit of the offerings.

CHAPTER 8 – THIRD AND FINAL CYCLE OF APPLICATION DESIGN AND ACTION TAKEN

8.1 Introduction

This chapter will detail Bankmed's third and final cycle of application design and action for this action learning research project. It will cover the design and actions planned for this final cycle.

It is clear that Bankmed has improved the results on the Call centre (Client services). On the lifestyle offerings it has created a small amount of awareness on this development. This needs to be continued. However, on the product (benefit) offering to its target market segment 18 to 35's Bankmed has not improved so some drastic adjustments are required here.

8.2 Design and action to be implemented

The Bankmed executive steering committee under the researcher's chairmanship meet to discuss the latest findings and decided on the following plan of action.

The main focus of this last intervention will be on the product (benefit) offering with an even larger drive in the wellness sector of the Bankmed Health continuum. It was hoped that this will once and for all reach the 18 to 35 years old members. In addition to the improvements in the product, benefits on the Core Plan will be expanded and a more direct marketing approach will be undertaken in this regard.

The improved Wellness benefit offerings will cover the following:

- Launch Health Wellness days at the large Employer group sites to raise awareness of Wellness offerings. Bankmed will also start having Health Days at the different Employer Groups to encourage members to take an interest in their health and these will occur in the major regional areas, namely Gauteng, Durban and Cape Town.
- Introduction of interactive website tool, KynetX.com
- Introduction of Health Coaches for high risk members who complete a HRA
- Drive the HRA completion through Employer groups' wellness champions.

8.2.1 Introduction to Health Wellness days

Health Wellness days are exhibitions that focus on health and wellness. Members can obtain information and products on health related topics such as exercise, nutrition, stress and information on their chronic conditions. It is hosted by nurses and doctors who are experts in the various wellness-themed areas being exhibited. Practical exercise classes and the cooking of healthy meals are showcased. Members receive free handouts and gifts and there are large prizes to be won for attendance, both of which encourage participation.

8.2.2 Introduction to interactive website tool – KynetX

KynetX is a fully interactive healthy lifestyle website. The fact that the website is fully interactive means that the lifestyle suggestions members get from the website are designed individually for them. The Bankmed executive steering committee hopes that this means that members will enjoy becoming part of the KynetX community, and will find being a part of our team a useful way to achieve their own personal health goals. As mentioned above, the focus group for this website is the 18 to 35 years old members.

What is KynetX?

KynetX is a website designed to make the achieving of members' health goals simpler, better, and faster. Spending a few minutes every day on the KynetX website will give Bankmed members the basic advice and motivational support they need to maintain the healthy lifestyle that they desire.

KynetX is an interactive healthy lifestyle program that uses an artificial intelligence system called CK ("cyberkineticist"). If a Bankmed member provides CK with various forms of information about himself and his lifestyle, this enables CK to assess the member's physical and mental progress through a healthy lifestyle, and to generate relevant advice to help the member to keep to the health goals he has set himself.

KynetX consists of a health-suite of 5 lifestyle programmes:

1. Initial Questionnaire: completing the initial questionnaire helps the member understand how to prepare for successful change [*15 minutes once off*].
2. Daily Log: if the member completes the daily exercises and eating log, CK will advise him on how to stay motivated and successful [*2 minutes once a day*].

Stress Busters

1. *Members can score their stress hotspots using the sliders. CK will tell them where it thinks they ought to concentrate their stress 'busting' efforts.*
2. Members can follow CK's suggested links to find the stress reducing strategy that they need at any particular time.

8.2.3 HRA Health Coach

The Health Coach concept is an exciting one. The HRA has been shown to be an effective tool in assisting Bankmed to effectively understand and stratify the risk of its members. The natural progression of this process is to expand the total percentage of the population exposed to the HRA. In addition to this, in order to effect positive behaviour change and limit expenditure against the scheme, it is imperative that an initiative is put in place to address potential areas of concern as soon as they arise. In line with this, the Health Coach concept has been developed to address these issues.

A set of selection criteria will be implemented to risk rate all HRAs captured. These criteria will cover areas such as stages of change, degree of risk and medical scheme expenditure. In terms of this risk rating, only those employees displaying signs of moderate to high risk will be flagged for a series of three interventions by the Health Coach. In addition to this, the number of interventions will be limited to the top 20% of candidates for each year.

Based on these figures, likely utilisation could present itself as follows (Table 20):

Table 20 – Planned utilisation – Health Coach

HRAs Completed	20% of Members	Total calls p/a	Total calls p/m
20 000	4 000	12 000	1 000
40 000	8 000	24 000	2 000

By proactively engaging with members who are willing to change and also potentially at a high risk going into the future, Bankmed will assist in monitoring and positively influencing the risks associated with its current membership and improving health outcomes for the 18 to 35 years old members.

8.3 Conclusion

Together with Employer group wellness champions, Bankmed will drive these new wellness offerings to the larger group, being the 18 to 35 years old members.

Statistical analysis was done by a statistician and it is clear that during the first phase of this research project we noticed a fairly constant pattern amongst 18 to 35 years old group with a strong drop-out in option level of savings within the younger childless or single parents. This statistical analysis will be repeated during the next cycle.

The purpose of this last cycle will be to improve the Health Cells program and adjust it to incorporate health campaigns. Simultaneously, Bankmed will be instituting a concept called Health Coach which will assist members who complete the Health Risk Assessment and prove to be a high risk member with a high propensity to change. These members will be contacted by a Health Coaches and guided in ways of improving their health outcomes.

In addition Bankmed will start with a monthly electronic E-Wellness Newsletter and will start using SMS technology and e-mails to reach members.

Bankmed will measure the results achieved through the introduction of these new programs in the next chapter.

CHAPTER 9 – RESULTS FROM CYCLE 3

9.1 Introduction

In this chapter the researcher will refer to the following areas:-

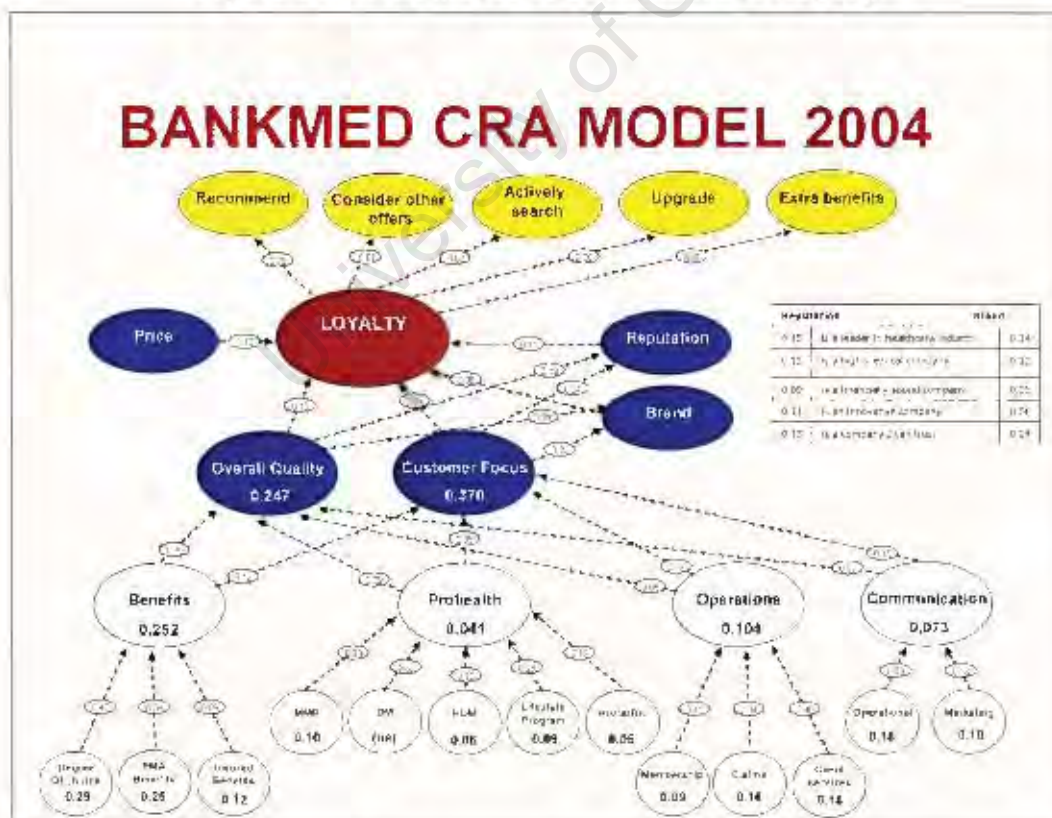
- an updated version of the CRA survey 2004 results
- international norms and benchmarking

The same quantitative CRA survey and telephonic (CATI) questionnaires with slight adjustments to incorporate newly generated options and actions implemented were used. The benefits of using this updated version can be seen clearly in the expanded view of the CRA Model 2004 diagram showing the process areas.

9.2 Results cycle 3

Bankmed's relationship with its members can be summarised as follows (Figure 54):

Figure 54 – CRA Model – 2004 (Markinor Report)



Members' experiences at the various member contact points, that is, Benefits, Protealth, Operations and Communication, determine their attitudes towards, and perceptions of, the

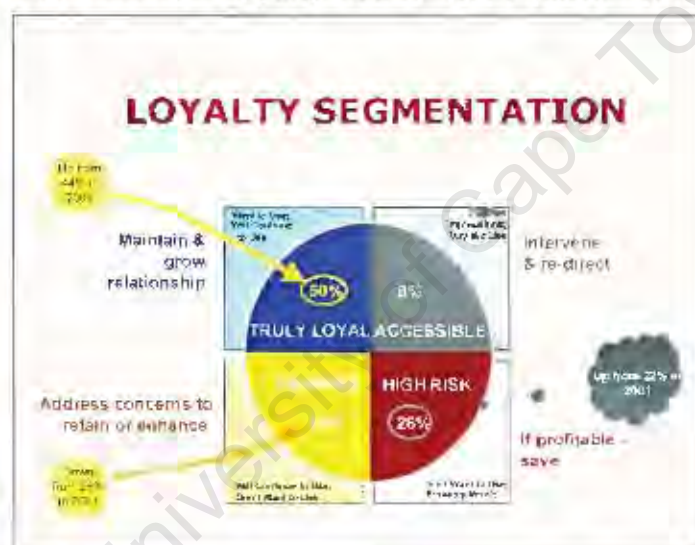
Quality and Value offered by Bankmed, as well as Bankmed's Customer Focus, Reputation and Brand. The model has been dramatically improved since 2000.

Members' perceptions affect the levels of loyalty which they feel towards Bankmed which in turn result in a range of business-enhancing behavioural outcomes, such as members who recommend Bankmed to others and resist offers from other medical schemes.

9.2.1 Main findings with regard to loyalty and its effect on behaviour

Respondents were divided into four groups based on their level of loyalty towards Bankmed. This loyalty segmentation is portrayed below (Figure 55):

Figure 55 – Member Loyalty Matrix – 2004 (Markinor Report)



Half of respondents could be classified as truly loyal towards Bankmed, compared to only 44% in 2001. However, the proportion of high risk members is also up by 4% from 2001, (from 22% to 26%). It seems that a substantial number of formerly "trapped" members have now moved into the more extreme truly loyal and high risk segments.

Considering that most members do not have a choice regarding the medical scheme their employers subscribe to, 15% trapped members is a very small proportion. Possibly the exodus out of the "trapped" segment relates to changes in legislation since 2001.

Figure 56 explains what each of the loyalty segments mean based on members intentions.

Figure 56 – Loyalty Matrix Explanation (Markinor Report)



9.2.2 Overall perceptions and image

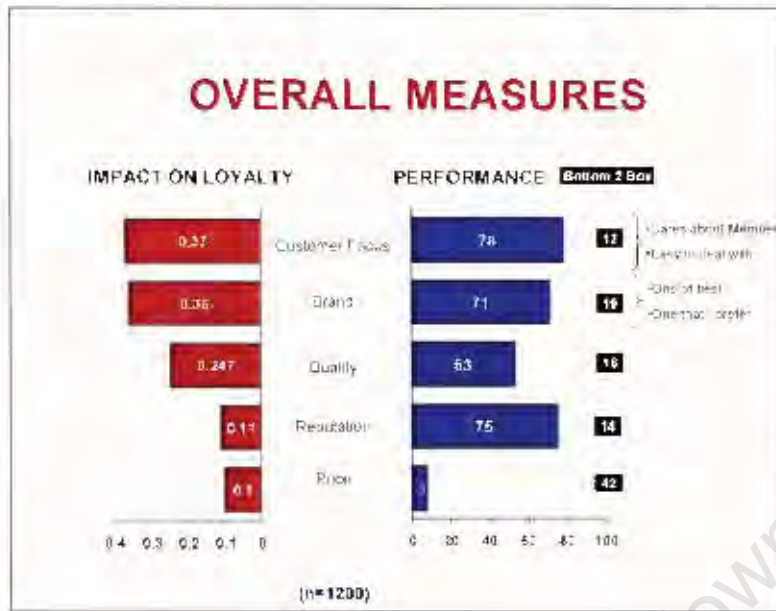
In terms of overall measures, customer focus and brand have the greatest impact on member loyalty. Along with reputation, these were also the two areas where Bankmed achieved best.

Members' perception of the overall quality of Bankmed's products and services needs to receive urgent attention.

With regard to the Bankmed CRA Model, it is clear that it is necessary to look towards perceptions of Bankmed's Benefits, the process area with the greatest impact on perceptions of quality, for the solution.

Only 8% of members feel that Bankmed's contribution rate is low or very low. However, price has a far smaller effect on loyalty than the "softer" measures such as customer focus and Brand.

Figure 57 – Overall survey measures – 2004 (Markinor Report)

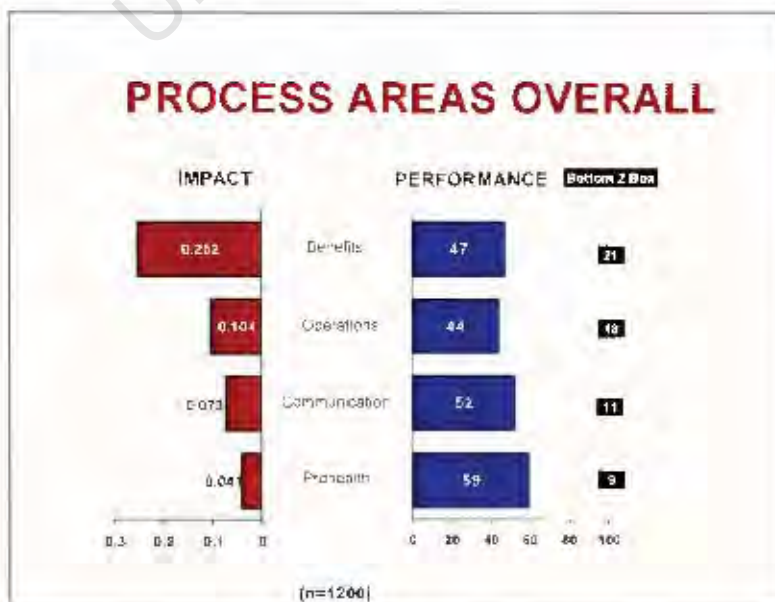


Member contact points (process areas)

Out of the four process areas identified, benefits has by far the greatest impact on member loyalty (Figure 57). This process area performed below average and was, as a result, identified as the only process area requiring critical improvement over the next year.

The operations process area, which encompasses the call centre, membership and claims, also needs attention, but this was identified as a much less urgent priority (Figure 58).

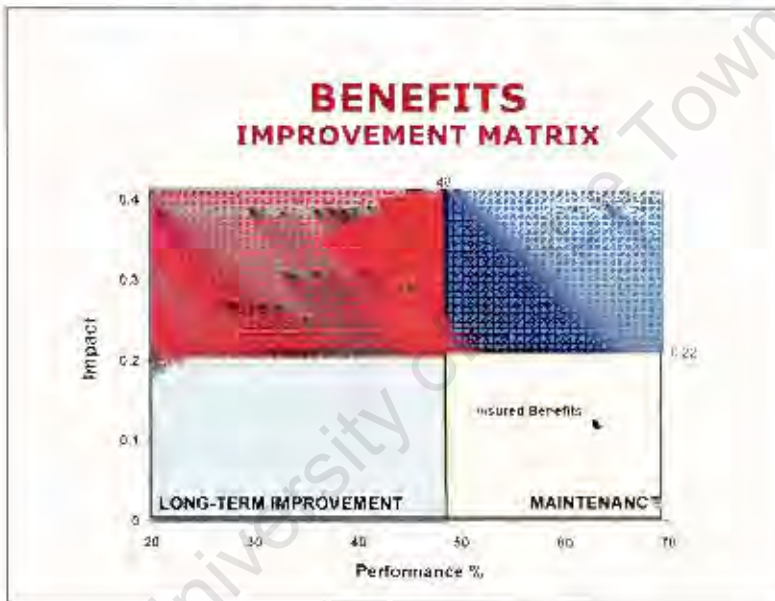
Figure 58 – Overall process areas outcomes – 2004 (Markinor Report)



9.2.3 Process Area – Product (Benefit)

As was the case in previous periods of the survey, the best performing aspect of benefits, with the lowest impact, is insured benefits. Members' perceptions of the benefits offered by Bankmed are determined, to a large extent, by the degree of choice they have in terms of the variety of different plans offered by Bankmed, as well as by their day-to-day experience of their PMA benefits. The fact that insured benefits are utilised relatively infrequently compared to PMA benefits probably explains this phenomenon. Both degree of choice and PMA benefits are as a result classified as critical improvement areas (Figure 59)

Figure 59 – Product/Benefit action schedule – 2004 (Markinor Report)



9.2.4 Process Area – Call Centre (Client Services)

Even though the member services contact point was identified for long term improvement, further analysis revealed no specific problem areas (Figure 60). Both attributes identified for long term improvement were time related, namely call centre queue time and the speed with which written submissions are processed.

The adequacy with which problems are handled was identified as a strength because it performed above average. However, it is clear that the member services staff will need to raise their department's overall standard and aim for a higher average score next year, if they want to move out of the long-term improvement area. Even though the adequacy with

which problems are handled, performed above average in this area, it is clear that 45% is by no means an exceptional score.

Figure 60 – Call Centre/Client service action schedule 2004 (Markinor Report)



9.2.5 Process Area – ProHealth (Lifestyle)

The base sizes below indicate that very few respondents have had exposure to any of the lifestyle programmes (Figure 61). The member reach is improving. Only 3 out of every 100 respondents could answer the question on Profax. Those who have participated in the lifestyle programmes gave reasonably positive ratings, and no critical improvement areas were identified (Figure 62).

Figure 61 – Lifestyle Programmes outcomes – 2004 (Markinor Report)

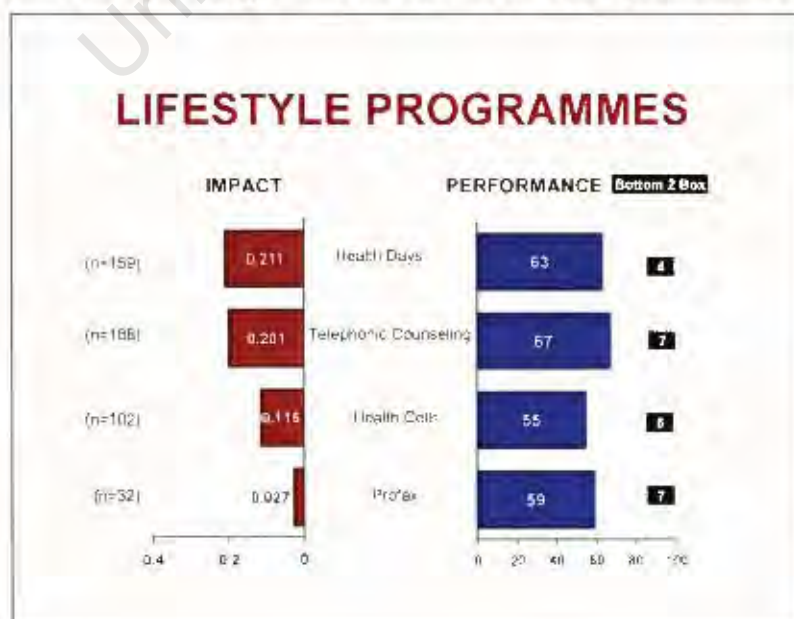
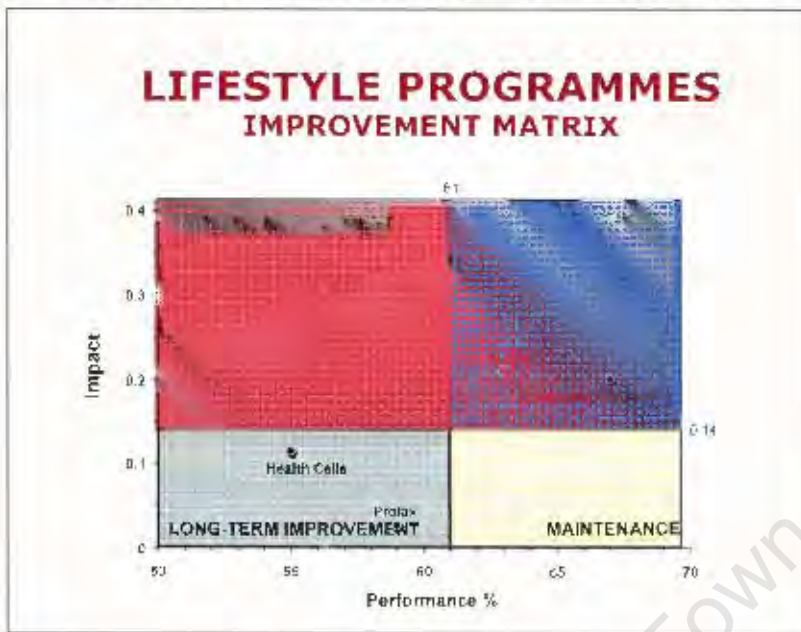
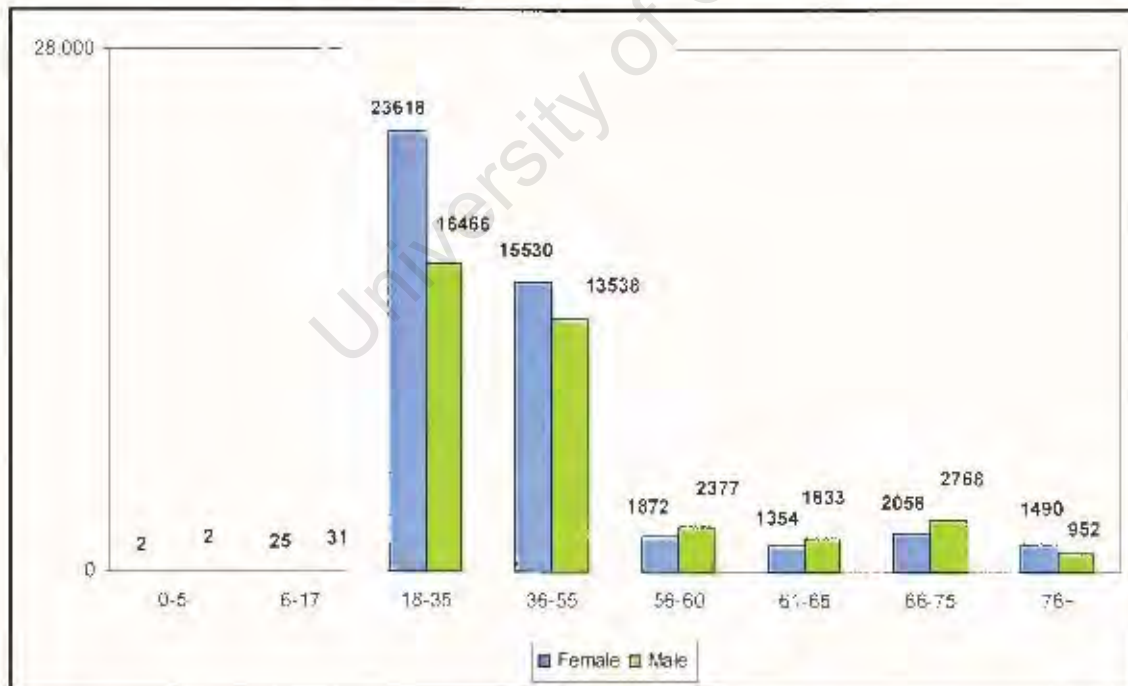


Figure 62 – Lifestyle Programmes action schedule – 2004 (Markinor Report)



Detailed below is the demographic profile of Bankmed scheme as at December 2004 (Figure 63)

Figure 63 – Demographic Profile – end 2004



9.3 International norms

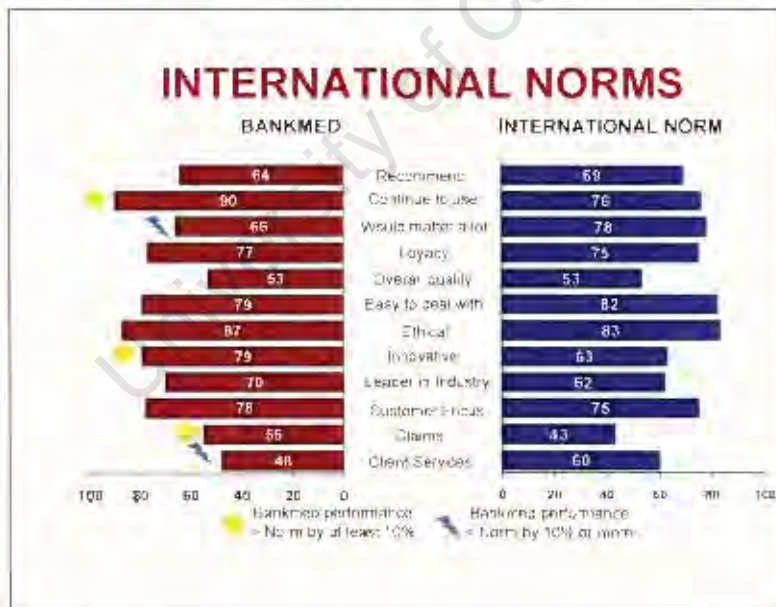
Bankmed's scores were compared with the International Norms for the Medical Schemes industry obtained from the Walker Stakeholder Database. On the whole, Bankmed's

performance was on par with the International norm. It is good to know that Bankmed's members are much more likely than their international counterparts to view the scheme as innovative. This is a reflection of all the new innovation implemented over this research project (5 years).

Members are also more likely to expect to still belong to Bankmed in a year's time. At the same time, however, they are less likely to feel distressed if they could not belong to Bankmed anymore, than is depicted by the international norm. This combination of scores indicates that Bankmed's members are more likely than is indicated by the international norm to be trapped customers. It should be remembered, though, that this is probably due to the specific nature of the South African Medical Scheme industry, and Bankmed's role within that industry as a closed scheme. As the researcher also indicated earlier in this report, the Bankmed's trapped member segment has shrunk significantly since the 2001 survey.

The full International norms are detailed in figures below (Figure 64):

Figure 64 – International norms in comparison with Bankmed – 2004 (Markinor Report)



Industries included in International Norms: Medical Service and Health Insurance, Accident and Health Insurance, Hospital and Medical Service Plans and Pension, Health, and Welfare Funds. The companies were located in Australia, Canada, Mexico, Peru, Puerto Rico, South Africa and the USA.

9.4 Conclusion

Half of Bankmed's members can be classified as truly loyal. This means that they feel truly committed to Bankmed and would not leave even if they could choose any medical scheme. However, a quarter of Bankmed's members fall in the high risk category, and do not want, nor intend, to belong to Bankmed in the future.

Bankmed's members in 2004 are slightly more likely to recommend the scheme than in the 2001 survey and are more satisfied with their benefits – the process area with the greatest impact on loyalty. A greater proportion of members feel that Bankmed really cares about them.

As far as more specific aspects of benefits, such as Insured benefits and degree of choice, are concerned, in the 2004 survey, members gave less positive ratings than in the past surveys. The open-ended questions revealed that for most members the line between PMA benefits and Insured benefits is still somewhat blurry. Members yearn for the day-to-day benefits such as those for optical, dental and GP services, of the pre-PMA era.

For most Bankmed members contacting Bankmed still means phoning the call centre. Bankmed should, therefore, aim to improve members' perceptions of the client service department and the call centre in particular.

A limited number of members make use of the services offered by Prohealth and this process area, therefore, had the least significant impact on loyalty. The Lifestyle Programmes were the most important drivers of perceptions of Prohealth's service.

The data presented in this chapter was obtained from the survey conducted in the last cycle (2004). The last survey (2005) will be used to bring this research project to a close. Bankmed will continue on the path started with this research project and will continue to improve delivery to this market segment.

CHAPTER 10 – OVERALL RESULTS AND SUMMARY OF FINDINGS

10.1 Introduction

In this chapter the researcher will bring all the outcome results together from the 3 cycles followed during his research project and will also include data from a final quantitative survey undertaken in 2005. He will highlight the focus market segment, namely the 18 to 35 years old members and give details of data obtained from an extract which tracked their progress over the last 5 year period. The researcher will reflect on the results and some of the pitfalls that occurred during this research project in the next and final chapter of this thesis.

10.2 Overall quantitative results 2005 (CRA)

The overall loyalty segmentation for all membership segments is detailed below.

- a) Truly loyal: Members wish to maintain and grow relationship with Bankmed – 51%
- b) Accessible: Members have positive impressions of Bankmed but may leave – 8%
- c) Trapped: Members for now will remain with Bankmed but don't want to stay – 14%
- d) High risk: Members don't want to be a member of Bankmed and would leave if given a choice – 25%

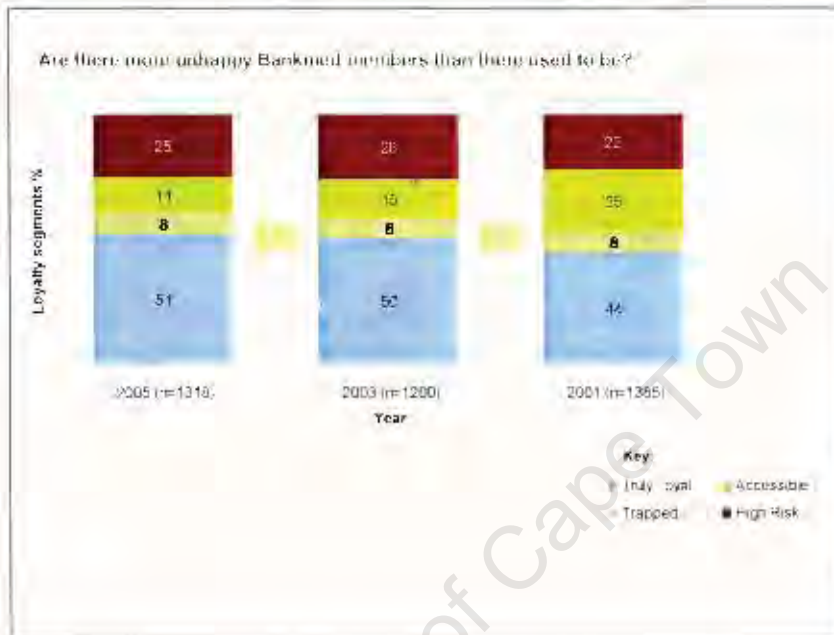
Bankmed now has 51% truly loyal members. Less than half of Bankmed members fall outside the truly loyal segment (Figure 65).

Figure 65 – Members loyalty matrix – 2005 (Markinor Report)



During this research project the researcher was requested to undertake a separate project to assist Bankmed understand why members were unhappy and not truly loyal. The data for this research project was initially used to detail if there were more unhappy members in 2005 vs. 2003 and 2001, using the member loyalty matrix.

Figure 66 – Members level of happiness 2001 to 2005 (Markinor Report)



The findings recorded in the above diagram (Figure 66) indicate that the number of unhappy Bankmed members in 2005 was not more than there were in 2001 or 2003 while the proportion of truly loyal members has increased over time. The proportion of high risk members has also increased slightly. Trapped members have reduced significantly.

The outcome of the implementation of Bankmed's Lifestyle programmes is detailed in the diagram below.

Figure 67 – Lifestyle programmes outcome – 2005 (Markinor Report)

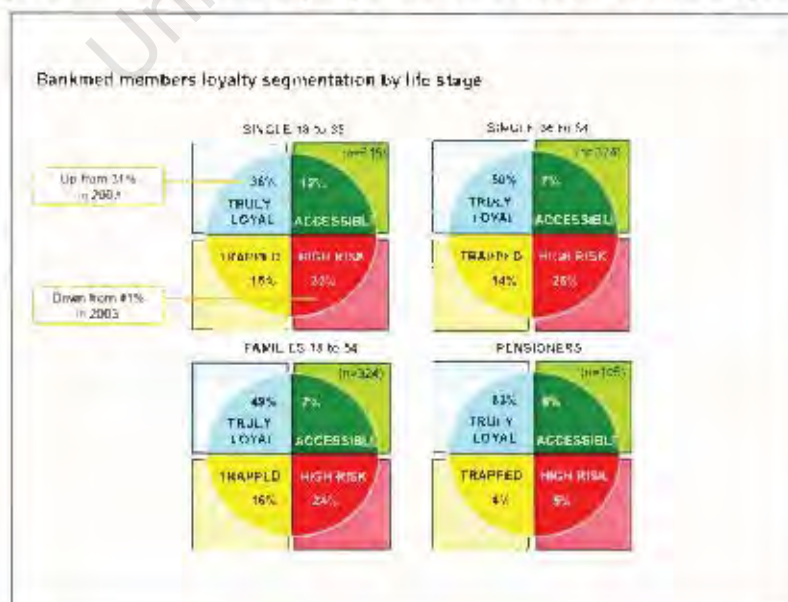


Base sizes differ according to how many members have enrolled on or taken part in each facet of the Lifestyle programmes. (This is reflected in the 'n' score in the right hand box in figure 67.)

More than 7 out of 10 respondents felt that their enrolment on Bankmed's Lifestyle Programmes had improved their quality of life!

This is truly a great improvement on the previous situation. Detailed below (Figure 68) is the loyalty matrix covering all the various market segments within Bankmed.

Figure 68 – Members loyalty matrix – 2005 (Markinor Report)



In terms of loyalty segmentation, the pensioner and young single member groups do not resemble each other in any way whatsoever.

During this research project the researcher has attempted to find innovative and new ways to answer the research question of how to improve member satisfaction and retain the 18 to 35 year olds within a medical scheme.

Figure 69 – Image Bankmed 2003 vs 2005 (Markinor Report)

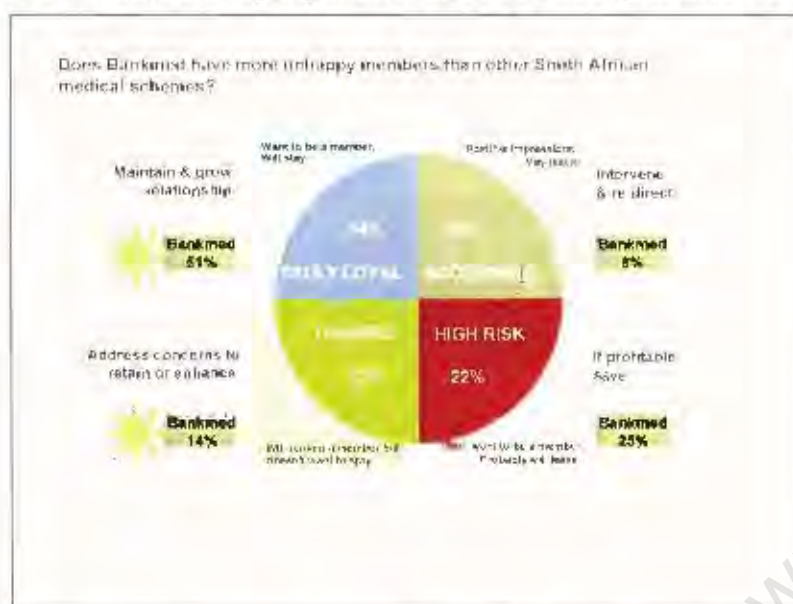


As far as image is concerned, only industry leadership had a statistically significant impact on members' perceptions of the Bankmed brand (Figure 69). This attribute is linked in that an innovative company is often seen as an industry leader.

10.3 Markinor industry quantitative survey (Loyalty matrix)

During 2004 Markinor undertook an overall industry survey using the same approach as the one Bankmed developed. This was completed independently to Bankmed's survey. Bankmed compared very favourably with all other medical schemes, including Discovery Health, the largest open medical scheme. This fact is confirmed in Figure 70 below.

Figure 70 – Members loyalty matrix 2001 vs 2005 (Markinor Report)

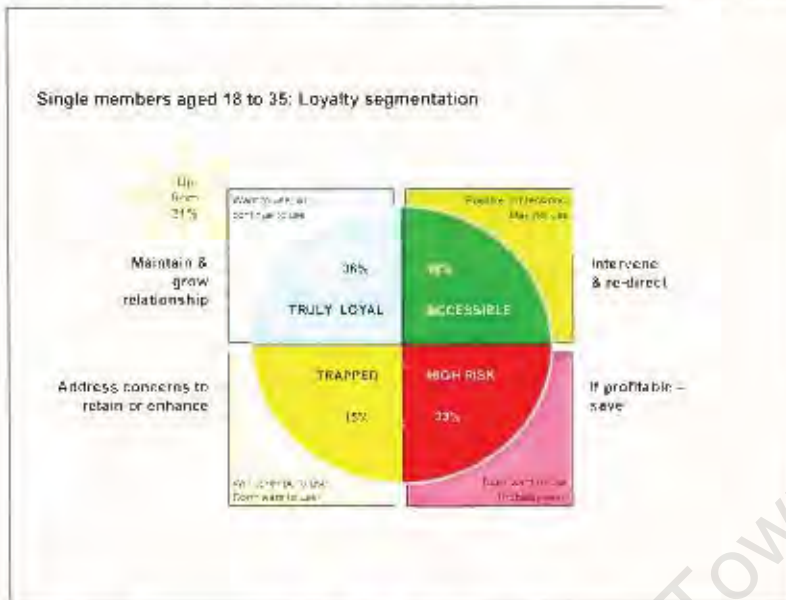


Bankmed's member loyalty compares very favourably with that of other South African medical schemes. None of the other major schemes achieved 50% or more truly loyal members. The medical scheme industry total average was 44%. It could be that South African medical scheme customers in general feel negative about being obliged to be in a relationship with their own company's medical scheme, or with any other medical scheme.

10.4 Quantitative survey results for market segment 18 to 35 year olds (2005)

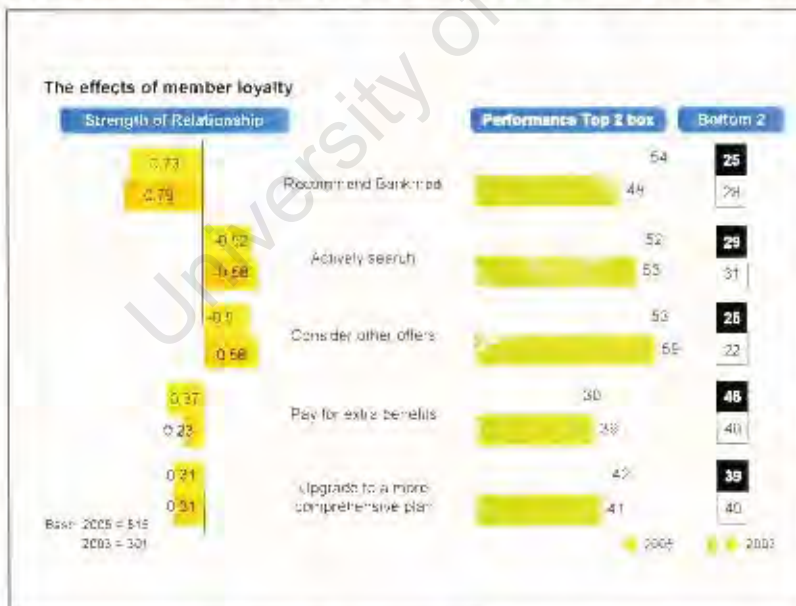
In this section the researcher will detail the final results of this research project with a focus on the 18 to 35 year old market segment only. At times longitudinal results from 2000 to 2005 will be reflected

Figure 71 – Members loyalty matrix (18 to 35 years old) – 2005 (Markinor Report)



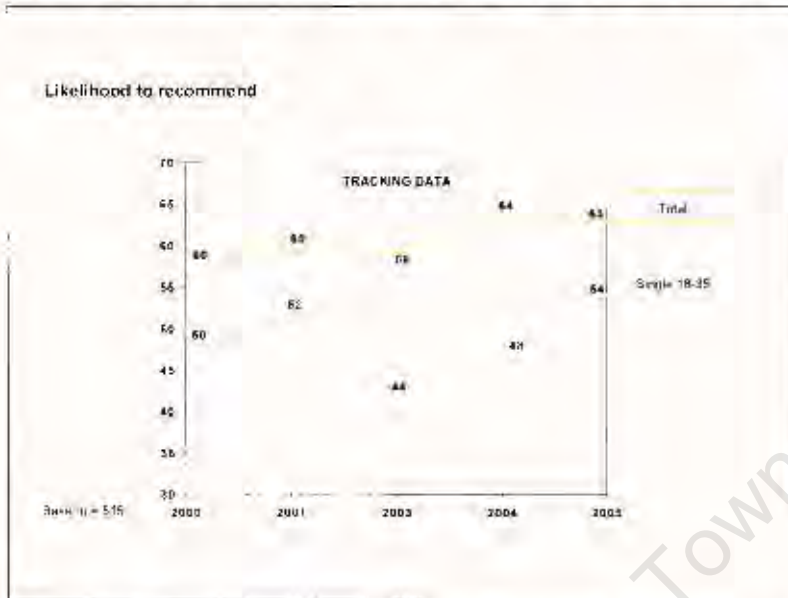
The amount of truly loyal members in the 18 to 35 years old segment has improved by 5% since 2003. (Figure 71) From 31% in 2003 to 36% in 2005.

Figure 72 – Effects of member loyalty (18 to 35 years old) – 2005 (Markinor Report)



There has been an improvement in the likelihood amongst members aged 18 to 35 being prepared to recommend Bankmed (Figure 72). These members are also less likely to consider other offers than they had been previously in 2003. This means Bankmed's executive steering committee, under the leadership and facilitation of the researcher, is achieving the goals and assumptions initially set when starting this research project.

Figure 73 – Likelihood of members (18 to 35 years old segment) recommending Bankmed vs total Bankmed membership – 2005 (Markinor Report)



After the drop between 2001 and 2003 the 18 to 35 age group are showing a promising and healthy trend in the likelihood to recommend their medical scheme (Figure 73). This improvement is at a higher escalation rate when compared against the remainder of Bankmed's population. It would thus appear that Bankmed is now satisfying the needs of this particular age group.

In the figure below (Figure 74) the researcher details the results on the measurement and questions covering the attribute that Bankmed cares about its members.

Figure 74 – Bankmed cares 2000 – 2005 (Markinor Report)

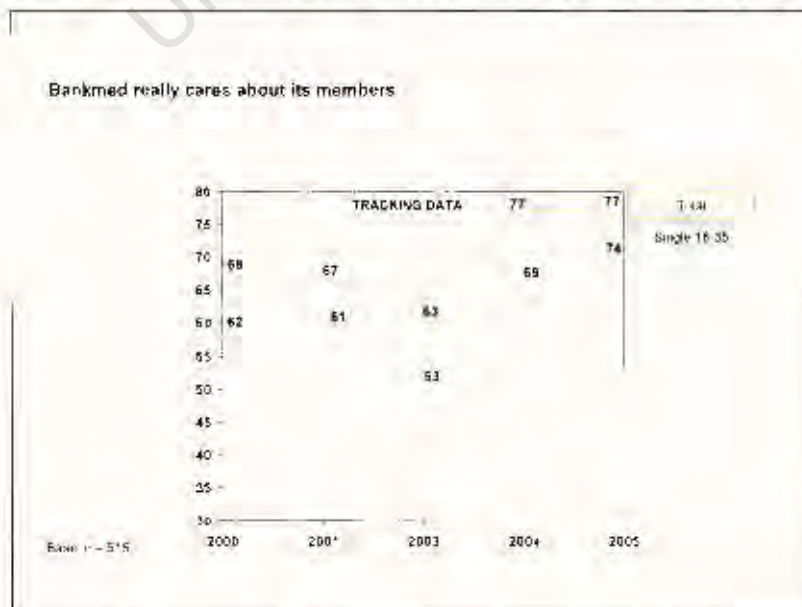
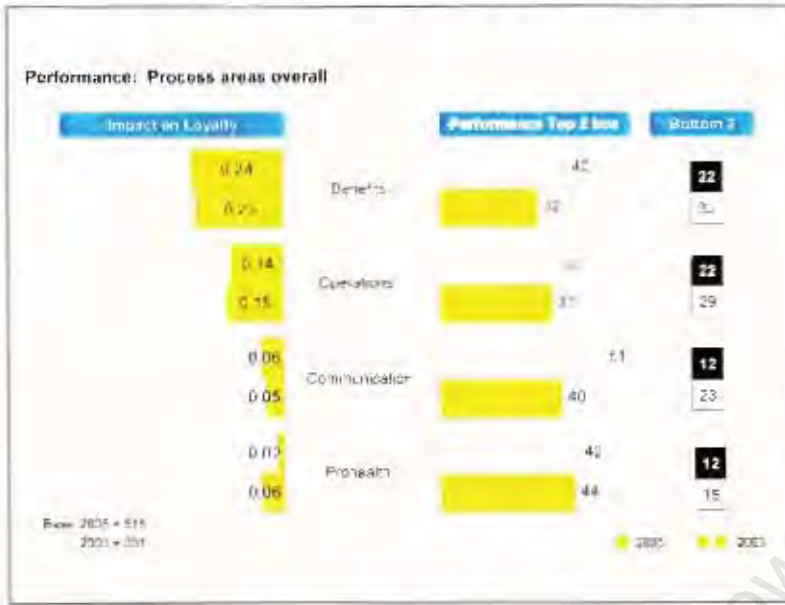


Figure 75 – Overall process areas (18 to 35 years old) (Markinor Report)



Out of the four customer contact points, only benefits and operations (which is the area where the call centre is located) were found to be drivers of member loyalty (Figure 75).

Figure 76 – Product/Benefit process area results (18 to 35 years old) (Markinor Report)



Members in the 18 to 35 segment show a decrease in dissatisfaction (Bottom two box scores) with both PMA benefits and degree of choice (Figure 76).

Figure 77 – Overall Operation process area results (18 to 35 years old) (Markinor Report)



In the 18 to 35 age group, member satisfaction with member services, claims and membership has improved since 2003, while the impact of these performance areas on loyalty weighting rating has also increased (Figure 77).

Figure 78 – Call Centre/Client services process area results (18 to 35 years old) (Markinor Report)



It is likely that member dissatisfaction with call centre queue times caused the impact rating percentage to become statistically significant. However, Bankmed members still attach more

weight to the attitude e.g. friendliness and problem-solving ability (which incorporates adequacy of problem handling and speed of process) of client services staff (Figure 78).

10.5 Membership connectivity and option plan statistics

The interactive web tools have also shown improvement over the years. This can be seen by the improvement in technology connectivity with members. This is detailed below for the period 2003 to 2006 (Table 21).

Table 21 – Connectivity Statistics 2003 – 2005

Bankmed Data 2003 - 2006			
Year	Cellphone	Email	Pin code
December 2003	27 563	17 343	23 243
December 2004	55 225	35 215	27 158
December 2005	71 089	42 128	34 629
September 2006	76 705	44 196	34 667

If the product offering developed over the period of the research project is analysed, it is obvious that the development of new product offerings are showing results. This is evident by the number of members who have moved to the correct and more affordable product offering (Table 22).

Table 22 – Option Adjustments 1999 – 2006

Option Adjustments							
Product	2000	2001	2002	2003	2004	2005	2006
Equilibrium Plus		4 440	5 681	4 745	5 652		
Insured benefits + high PMA	35 316	32 298	32 474	31 826	31 255		
Insured benefits + low PMA	10 296	8 964	8 788	9 532	10 868		
Insured benefits + medium PMA	39 954	33 784	31 912	31 844	32 892		
Insured benefits only	1 586	1 426	1 410	1 548	1 859		
Prime health		200	427	986	1 456		
Bankmed Plus						8 821	8 321
Bankmed Comprehensive						65 627	51 796
Bankmed Traditional							15 405
Bankmed Core							11

Table 23 – Demographic summary over multiple years

	2001		2003		2004	
	Chapter 5, Figure 42		Chapter 7, Figure 53		Chapter 9, Figure 63	
	18 to 35	Total	18 to 35	Total	18 to 35	Total
F	23088	43582	23268	44523	23618	45949
M	16313	36915	16442	37139	16466	37967
T	39401	80497	39710	81662	40084	83916

F=female

M=male

T=total

10.6 Update statistical analysis 18 to 35 year olds – June 2005

In Chapter 5 of this thesis, the researcher describes how, earlier during this research project, he undertook additional statistical analysis in order to understand the general movement of members in the 18 to 35 years old group both by age and marital status. In 2000 it was clear that Bankmed was losing members in most of the areas analysed. There was also a strong move to cheaper or lower benefit plans.

The researcher repeated this statistical analysis in 2005 (see Appendix 7). The results of the new analysis showed a much more stable pattern which included evidence of growth and good take-up of the new options/plans, both Core and Basic. This is supported by the demographic summary over multiple years earlier in this chapter. (Table 23)

In the current analysis of the period 2000 – 2005, there is clear proof of substantial growth on the new plans. It is obvious that Bankmed is starting to benefit as a result of the increased loyalty in the 18 to 35 years old market segment.

10.7 Conclusion

The overall results outlined in this chapter clearly show that Bankmed has been successful in improving the loyalty and satisfaction of the 18 to 35 years old group. Bankmed still has to improve both its image and service, but the innovation brought to the market so far is showing positive results.

The various cycles and results depicted and discussed in this chapter show that the perception of the 18 to 35 years old market segment towards Bankmed is changing for the better.

University of Cape Town

CHAPTER 11 – REFLECTION

11.1 Introduction

In this chapter the researcher will reflect and evaluate the research project from various perspectives. A summary of a few pertinent areas will be detailed which the researcher believes are important to reflect on. Future areas of research will also be identified.

11.2 Evaluation and reflection of the research process

Although action research is criticized for its lack of repeatability and hence lack of rigor and considered imprecise and uncertain when compared to many other research methodologies, the involvement by researchers/practitioners over issues that actually matter to them provides a richness of insight which cannot be gained in other ways. (Eden, 1996).

For this reason the researcher chose to employ management research as his major paradigm and linked this with scientific methods but in an action research cycle in order to give the study a more rigorous outcome. This resulted in incremental development and refinements between each of the three cycles.

In Mode 2 knowledge production (Maclean, D. et.al., 2002) reference is made to Michael Gibbons' five features of Mode 2 knowledge production (Gibbons, et.al., 1994) which is used to support the advantages of action research to businesses such as Bankmed. They are:-

- Knowledge produced in the context of application
- Transdisciplinarity
- Heterogeneity and organisational diversity
- Social accountability and reflexivity
- Diverse range of quality controls

The above enabled the researcher to satisfy academic requirements while producing practical and useful knowledge. This actionable knowledge fulfilled the purpose of Bankmed's aims to continuously innovate and improve. This leads to a more reflexive form of research with a deeper understanding of the research process (Maclean, D. et.al., 2002). The steering committee used by the researcher ensured heterogeneity and organisational diversity. As detailed in the body of the research project a diverse range of quality controls were used and were reflective of the concerns of broad range of stakeholders.

This action research project has answered the research questions. The *logic and rationale* basis for the researcher's answer in the affirmative is as follows:-

1) *Literature review*

The literature review focused on three areas to help answer the research question but also enlightened the situation and environment by:-

a) Attempting to find out what others are doing to satisfy and retain the market segment 18 to 35 year olds namely:-

❖ Locally in South Africa looking at

- open schemes
 - Discovery Health
 - Old Mutual - Oxygen
- closed restricted schemes
 - CAMAF (Chartered Accountants Medical Aid Fund)
 - Nedbank Staff Medical Scheme

❖ Internationally exploring the following innovative U.S.A. organisations and health plans

- Humana
- WellPoint Incorporated
- Health Ways Incorporated
- LifeMasters Supported Selfcare Inc.
- Health Dialog

b) Attempting to understand the behaviour and thinking of the 18 to 35 years old market segment by exploring information available on generation theory covering both Generation X and the Millennials.

c) Exploring the literature to understand consumer motivational decision-making theory covering the following areas:-

- Consumer decision-making models
- Consumer decision-making unit
- Consumer motivation

2) *Framework of inquiry*

By developing a framework that incorporated and integrated stages of the action research approach with Stafford Beer's Viable system model, together with the custom developed research methods and techniques, the researcher and Bankmed

executive steering committee have been able to extract the findings that give it the answer detailed in this research project. Although the quantitative questionnaire may have been too lengthy, it has worked for the purposes of this study because only certain sections have been documented in this research project. The balance was used within Bankmed to ensure cost effectiveness of research expenses.

From an evaluation point of view the following is true:-

a) *Relevance*

From the material presented it is clear that the concern is relevant to the problem Bankmed faced. The situation/environment also clearly shows that the concerns Bankmed faced were real. The Stakeholders', members in the 18 to 35 year old segment, Bankmed executives, employees and outsourced partners, views were taken into account. This is evidenced in:

1. The quantitative and qualitative (focus groups) surveys undertaken over multiple years and cycles.
2. The various workgroups and steering committees held over the years and cycles to discuss and agree the plan of action going forward.

b) *Utility*

The answers and results of this research project to an extent deals with the concerns raised. The environment is constantly changing so this is an ongoing area where work is still needed.

c) *Validity*

The researcher believes the rationale, as detailed in the literature review, framework of inquiry and cycles with results detailed in the body of this thesis provides a valid argument and structure for the answers and results achieved. In addition, because Bankmed had a multi-method intervention analysis, namely quantitative and qualitative surveys and statistical validity, analysis triangulation took place. Triangulation of research data helps the researcher to understand areas of uncertainty when interpreting the research results. Triangulation helps the researchers validate results obtained from the different approaches.

11.3 Summary of some pertinent points

11.3.1 Organisational issues

During this action learning project Bankmed Board had a number of changes in its chairmanship. Not all of the Chairmen had the same desire to see this research process through. This created challenges for the researcher who was responsible for ensuring the process was completed

Initially no results were achieved in the product area. It later became clear that this was partly due to external changes. One such change was the fact that employers were moving away from the standard practice of giving their employees (Bankmed members), a medical subsidy. One of the results of this change was that employers moved a greater portion of medical costs onto their employees. Healthcare costs escalations were higher than annual salary adjustments and this resulted in an erosion of members' annual take-home pay.

Three quarters of the way through this action learning research project, the researcher had to undertake a different survey in order to understand why members were unhappy. The results were clear, but not pleasing to employers because it showed clearly where the problems were, namely affordability as a result of the reduction in healthcare subsidies by employers, further exasperated by a move to the new generation product offering with a personal medical account (PMA). Members on lower PMA savings schemes were even more dissatisfied. The researcher had to redesign the product/benefit offering, which is outlined in this study and only now is he seeing the members' take-up on these more affordable options, (see details provided in the previous chapter).

The cost of the various surveys was large and born by Bankmed. If the board had not approved this project, it would have had to have been prematurely terminated.

11.3.2 Research bias

During this research project, the researcher played a direct and, most of the time, a co-ordinating role with the majority of the actions which were taken. Throughout the research process the researcher's role was the following:

- Critical scrutiny of the research methods,
- Adapting the approach,

- Providing input towards the development of the measurement tool,
- Reviewing outcomes and
- Adapting the questionnaire and discussion guides.

There has been a bias to meeting Bankmed's needs which is encapsulated in the research question. This may have affected the researcher's objectivity. However, the researcher has tried to fulfil both roles ethically and objectively but some bias may still be present in the findings.

The researcher has tried to ensure that he maintained the required academic rigor; that the requirement to meet Bankmed's objective and the University of Cape Town's academic objective has been achieved. This has not always been an easy task because these two institutions have a different set of rules and requirements.

The challenge was trying to apply academic theory to an organisation which focuses on practical management practices. The researcher needed a convergence of interest between academic processes and management/commercial interest to resolve the practical business problems of Bankmed on how to retain the 18 to 35 year old market segment.

Matching scholar academic standards and quality to practical business relevance created the biggest challenge for the researcher.

Bankmed's practical relevance involved the following areas:-

- Improve member satisfaction of 18 to 35 year olds
- Retain these profitable 18 to 35 year olds
- Implement change and process to above points (continuous improvement)
- Innovate to meet these above objectives in the areas of product and service, thereby improving Bankmed's performance

On reflection this research project, which took place over the past 6 years, has yielded results which are outstanding from the point of view of Bankmed.

One of the unintended consequences of this action research project is the articulation and development of an integrated Bankmed Wellness Strategy (see Appendix 8).

This new strategy has placed Bankmed at a competitive advantage over its competitors in the medical scheme industry. Other medical schemes and, in particular, other healthcare consultants and brokers are attempting to copy the Wellness Strategy that has emerged from this action research project.

11.3.3 Target market issues

When the follow up statistical analysis is studied carefully, it is clear that Bankmed is attracting and keeping its 18 to 35 years old members.

It is encouraging to notice that during the research period 2003 to 2005 there has been greater stability in the behaviour of the market segment with only a slight tendency to move to a cheaper product. With the creation of the Prime Option which then became the Core Option, which is then split between the Core and Basic Options, there was initially only a small uptake. However, in the third cycle of this research project, this uptake was significant. Even more importantly, it is the 18 to 35 years old segment that appears to be the distinct group that dominates this more cost effective option.

11.3.4 Research development

The researcher's personal learning over the last few years in terms of systems thinking and action research has been remarkable and he wishes to thank all who have made this possible. His involvement in Bankmed's Wellness Strategy (mentioned earlier) is ample evidence of the level of growth the researcher has experienced.

11.4 Future areas of research

It is clear that human buying decisions are complex. Health care decision making is even more complex because it touches the decision-makers very deeply and personally. Research into how members of medical schemes make decisions related to health care would be extremely valuable. Likewise research into how doctors make decisions regarding the use of health care resources would also be valuable.

Health is a social commodity and cannot be treated as a retail commodity. Many commercial entities would not agree with this view of the researcher. The decision making process to purchase the product (insurance cover) is not the same. In life, people's access to financial

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APPENDICES

1. CRA – 2001 Questionnaire (Quantitative)
2. CRA – 2003 and 2004 Questionnaire (Quantitative)
3. CRA – 2005 Questionnaire (Quantitative)
4. Discussion guide – 2000 (Qualitative)
5. Discussion guide – 2001 (Qualitative)
6. Discussion guide – 2003 (Qualitative)
7. Statistical Analysis 18 – 35's – June 2005
8. Bankmed Wellness Strategy
9. Stafford Beer's Viable Systems Model

University of Cape Town

Appendix 1
CRA – 2001 Questionnaire (Quantitative)

University of Cape Town

INTRODUCTION

QUESTION 1

Good morning, I am ... an interviewer at Markinor. Markinor has been commissioned by Bankred to conduct a survey among their members. Your feedback will contribute towards ensuring that Bankred meets your needs in the future. May I have a few minutes of your time to ask you some questions?

- 1 Yes, continue
- 2 No, new appointment, refused etc

IF 1 OF 2 2 END OF INTERVIEW. NON-RESPONSE **

QUESTION 2

Which language would you prefer the interview conducted in?

- 1 English
 SWITCH TO LANGUAGE **
- 2 Afrikaans
 SWITCH TO LANGUAGE "Afrikaans"

QUESTION 10

10. Are you the person in your household who deals mostly with Bankred, for example, do you read the Bankred newsletter, take care of outstanding queries that need to be corrected, changes of particulars and payments reflected on the claims statement, etc.?

- 1 Yes
 CONTINUE AT QUESTION 11
- 2 No

QUESTION 11

FORM QUESTION

11a. Could you please tell me who the appropriate person is?

CONTINUE AT QUESTION 5997

IF STRATIFICATION REACHED, CONTINUE AT QUESTION 5995

QUESTION 25

52. When did you last have any direct contact or communication with Bankmed?

- 1 This month
- 2 Last three months
- 3 More than 3 months ago but less than 6 months
- 4 More than 6 months ago
- 5 Don't know

QUESTION 30

Q1. Based on your overall experience with Bankmed, you please tell me the likelihood of your recommending Bankmed as a medical scheme to someone that you know?

- 1 Extremely likely
- 2 Very likely
- 3 Neither likely nor unlikely
- 4 Not very likely
- 5 Not at all likely
- 6 Don't know

QUESTION 40

Q2. And now, if you have a choice and based on your overall experience of Bankmed, please tell me the likelihood of your continuing to use Bankmed as your medical scheme in the future?

- 1 Extremely likely
- 2 Very likely
- 3 Neither likely nor unlikely
- 4 Not very likely
- 5 Not at all likely
- 6 Don't know

QUESTION 50

Q3. Thinking of the contribution you have to pay for your Bankmed benefit plan, would you say that Bankmed's contributions are ...?

- 1 Very low
- 2 Low
- 3 Moderate
- 4 High
- 5 Very high
- 6 Don't know

QUESTION 90

Q7. What is your general, overall, perception of Bankmed? READ OUT SCALE.

- 1 Excellent
- 2 Very good
- 3 Good
- 4 Fair
- 5 Poor
- 6 Don't know

FOR THE OPTIC 2007/06/1

QUESTION 100

Q8. I am now going to read a list of statement which might be used to describe a medical scheme.

As I read each statement, and using the scale of strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, please indicate the extent of your agreement or disagreement.

BANKMED is a progressive medical scheme

- 1 Strongly agree
- 2 Agree
- 3 Neither agree Nor disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Don't Know

PUT IN QUESTION 090100,2

QUESTION 100

Q8. I am now going to read a list of statement which might be used to describe a medical scheme.

As I read each statement, and using the scale of strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, please indicate the extent of your agreement or disagreement.

BANKMED is a medical scheme you can depend on

- 1 Strongly agreed
- 2 Agree
- 3 Neither agree Nor disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Don't Know

PUT IN QUESTION 090100,3

QUESTION 100

Q8. I am now going to read a list of statement which might be used to describe a medical scheme.

As I read each statement, and using the scale of strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, please indicate the extent of your agreement or disagreement.

BANKMED really cares about its members

- 1 Strongly agree
- 2 Agree
- 3 Neither agree Nor disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Don't Know

PUT IN QUESTION 090100,4

QUESTION 100

Q8. I am now going to read a list of statements which might be used to describe a medical scheme.
As I read each statement, and using the scale of strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, please indicate the extent of your agreement or disagreement.
BANKMED goes out of its way to understand your needs.

- 1 Strongly agree
- 2 Agree
- 3 Neither agree Nor disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Don't Know

van der Oostrop 030100.5

University of Cape Town

QUESTION 100

Q8. I am now going to read a list of statement which might be used to describe a medical scheme.
As I read each statement, and using the scale of strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, please indicate the extent of your agreement or disagreement.

BANKMED is competitive and market driven.

- 1 Strongly agree
- 2 Agree
- 3 Neither agree nor disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Don't know

END OF QUESTION 100

QUESTION 100

Q8. I am now going to read a list of statement which might be used to describe a medical scheme.
As I read each statement, and using the scale of strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, please indicate the extent of your agreement or disagreement.

BANKMED is a growing medical scheme.

- 1 Strongly agree
- 2 Agree
- 3 Neither agree nor disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Don't know

END OF QUESTION 100

QUESTION 100

Q8. I am now going to read a list of statement which might be used to describe a medical scheme.
As I read each statement, and using the scale of strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, please indicate the extent of your agreement or disagreement.

BANKMED is keeping up with changes in the medical field.

- 1 Strongly agree
- 2 Agree
- 3 Neither agree nor disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Don't know

END OF QUESTION 100

QUESTION 100

Q8. I am now going to read a list of statement which might be used to describe a medical scheme.
As I read each statement, and using the scale of strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, please indicate the extent of your agreement or disagreement.

BANKMRT is on the forefront of new developments in the healthcare arena

- 1 Strongly agree
- 2 Agree
- 3 Neither agree Nor disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Don't know

END IN QUESTI00 Q90100.9

University of Cape Town

QUESTION 100

Q6. I am now going to read a list of statement which might be used to describe a medical scheme.

As I read each statement, and using the scale of strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, please indicate the extent of your agreement or disagreement.

BANKMED is an old fashioned medical scheme

- 1 Strongly agree
- 2 Agree
- 3 Neither agree Nor disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Don't Know

EST IN QSTR100 Q60100_10

QUESTION 100

Q9. I am now going to read a list of statement which might be used to describe a medical scheme.

As I read each statement, and using the scale of strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, please indicate the extent of your agreement or disagreement.

BANKMED is playing a positive role in developing healthcare in South Africa

- 1 Strongly agree
- 2 Agree
- 3 Neither agree Nor disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Don't Know

EST IN QSTR100 Q90100_11

QUESTION 100

Q9. I am now going to read a list of statement which might be used to describe a medical scheme.

As I read each statement, and using the scale of strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, please indicate the extent of your agreement or disagreement.

BANKMED is a professional medical scheme

- 1 Strongly agree
- 2 Agree
- 3 Neither agree Nor disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Don't Know

EST IN QSTR100 Q90100_12

QUESTION 100

Q8. I am now going to read a list of statement which might be used to describe a medical scheme.
As I read each statement, and using the scale of strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, please indicate the extent of your agreement or disagreement.
RANKMED is keeping up-to-date with developments in terms of Managed Healthcare

- 1 Strongly agree
- 2 Agree
- 3 Neither agree Nor disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Don't Know

UIC 14 08110 090100.11

University of Cape Town

- 1 Completely satisfied
- 2 Satisfied
- 3 Neither satisfied nor dissatisfied
- 4 Dissatisfied
- 5 Completely dissatisfied
- 6 Don't know

Q11. By using the scale completely satisfied, satisfied, neither satisfied nor dissatisfied, dissatisfied, or completely dissatisfied, how would you describe the your feelings about the price aspect of the product offered by Bankmeds READ OUT SCALE.

QUESTION 120

Q11. By using the scale completely satisfied, satisfied, neither satisfied nor dissatisfied, dissatisfied, or completely dissatisfied, how would you describe the your overall feeling about the product offered by Bankmeds READ OUT SCALE.

- 1 Completely satisfied
- 2 Satisfied
- 3 Neither satisfied nor dissatisfied
- 4 Dissatisfied
- 5 Completely dissatisfied
- 6 Don't know

I would now like to spend some time discussing the product offered by Bankmeds in more detail.

Q12. By using the scale completely satisfied, satisfied, neither satisfied nor dissatisfied, dissatisfied, or completely dissatisfied, how would you describe your overall feeling about the product offered by Bankmeds READ OUT SCALE.

QUESTION 121

- 1 Excellent
- 2 Very good
- 3 Good
- 4 Fair
- 5 Poor
- 6 Don't know

Q13. Using the scale of excellent, very good, good, fair or poor, how would you rate the benefits offered by Bankmeds READ OUT SCALE.

QUESTION 119

- 1 Strongly agree
- 2 Agree
- 3 Neither agree nor disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Don't know

Q14. I am now going to send a list of statements which might be used to describe a medical scheme, as I read each statement, and using the scale of strongly agree, agree, neither agree nor disagree, strongly disagree, please indicate the extent of your agreement or disagreement.

Bankmeds offers good value for money.

QUESTION 120

QUESTION 140

IF (Q139) = 3 TO 5, BUT IN ANSWER 1 (1)

- 1 Completely satisfied
- 2 Satisfied
- 3 Neither satisfied nor dissatisfied
- 4 Dissatisfied
- 5 Completely dissatisfied
- 6 Don't know

SCALE:

By ranked READ OUT
 inured benefit (e.g. hospitalization) aspect of the product offered by
 about
 or completely dissatisfied, how would you describe the your feelings
 satisfied nor dissatisfied, dissatisfied
 Q11. By using the scale completely satisfied, satisfied, neither

QUESTION 139

IF (Q138) = 3 TO 5, BUT IN ANSWER 1 (1)

- 1 Completely satisfied
- 2 Satisfied
- 3 Neither satisfied nor dissatisfied
- 4 Dissatisfied
- 5 Completely dissatisfied
- 6 Don't know

RANKED READ OUT SCALE.

aspect of the product offered by
 primary care benefits (e.g. doctor's consultation, acute medicines)
 about
 or completely dissatisfied, how would you describe the your feelings
 satisfied nor dissatisfied, dissatisfied
 Q11. By using the scale completely satisfied, satisfied, neither

QUESTION 138

IF (Q137) = 3 TO 5, BUT IN ANSWER 2 (1)

- 1 Completely satisfied
- 2 Satisfied
- 3 Neither satisfied nor dissatisfied
- 4 Dissatisfied
- 5 Completely dissatisfied
- 6 Don't know

SCALE:

by ranked READ OUT
 The degree of choice or options available aspect of the product offered
 about
 or completely dissatisfied, how would you describe the your feelings
 satisfied nor dissatisfied, dissatisfied
 Q11. By using the scale completely satisfied, satisfied, neither

QUESTION 137

Q12.1. You mentioned that you are not satisfied with the cost (price) of the scheme. Using a 5-point scale where 1 is cheap and 5 is expensive, rate

BANKMED

- 1 Cheap
- 2
- 3
- 4
- 5 Expensive
- 6 Don't Know

University of Cape Town

QUESTION 160

Q12.3. You mentioned that you are not satisfied with the primary care benefits. Using the scale excessive, generous, adequate, poor and unacceptable, please rate Optical benefits benefit.

- 1 Excessive
- 2 Generous
- 3 Adequate
- 4 Poor
- 5 Unacceptable
- 6 Don't Know

PUT IN QUESTION 160/160.5

QUESTION 160

Q12.5. You mentioned that you are not satisfied with the primary care benefits. Using the scale excessive, generous, adequate, poor and unacceptable, please rate Medical appliances/external prosthesis benefit.

- 1 Excessive
- 2 Generous
- 3 Adequate
- 4 Poor
- 5 Unacceptable
- 6 Don't Know

PUT IN QUESTION 160/160.6

QUESTION 160

Q12.5. You mentioned that you are not satisfied with the primary care benefits. Using the scale excessive, generous, adequate, poor and unacceptable, please rate Physiotherapy benefit.

- 1 Excessive
- 2 Generous
- 3 Adequate
- 4 Poor
- 5 Unacceptable
- 6 Don't Know

PUT IN QUESTION 160/160.7

QUESTION 160

Q12.3. You mentioned that you are not satisfied with the primary care benefits. Using the scale excessive, generous, adequate, poor and unacceptable, please rate Alternative therapy i.e. homeopathy, acupuncture and reflexology benefit.

- 1 Excessive
- 2 Generous
- 3 Adequate
- 4 Poor
- 5 Unacceptable
- 6 Don't Know

IF (ANSWER = 6) CONTINUE AT QUESTION 190

QUESTION 170

Q12.4. You mentioned that you are not satisfied with the insured benefits. Using the scale excessive, generous, adequate, poor and unacceptable, please rate the range of insured benefits:

- 1 Excessive
- 2 Generous
- 3 Adequate
- 4 Poor
- 5 Unacceptable
- 6 Don't know

QUESTION 180**OPEN**

IF / Q170 - 3 TO 5-1

Q12.5. How would you wish to see these benefits enhanced?

QUESTION 190**MULTIPLE**

Q13. Which of the following add on benefits would you say it is important to have? READ OUT.

- 1 Membership to a health club or gym (e.g. Health and Racquet)
- 2 Run \ Walk for life
- 3 Smoke enders
- 4 Weightless \ Weight-watchers
- 5 Points rewards programme
- 6 NONE
- 7 DON'T KNOW

QUESTION 200**MULTIPLE**

Q14.1. For which of the following benefits would you be prepared to pay extra? READ OUT.

- 1 Payment at the cost of the doctor's charges
- 2 More benefits paid out of the insured component rather than out of the personal medical account
- 3 Lifestyle improvement plans i.e. membership to a health club, smoke-enders, etc
- 4 None
- 5 Don't know

QUESTION 201**MULTIPLE**

During the previous months, Bankmed introduced a number of new initiatives or products.

Q14.2. Are you aware of any of these new products or benefits? DO NOT READ OUT

- 1 Equilibrium Plus
- 2 Prime Health Plan
- 3 Prohealth (i.e. Health Risk Assessment)
- 4 Disease Management (e.g. Asthma and diabetes programmes)
- 5 Other (SPECIFY)
- 6 None
- 7 Don't know

IF / Q201 - 1 & Q201 - 2 / CONTINUE AT QUESTION 203

QUESTION 202**MULTIPLE**

DON'T DISPLAY ANSWER CATEGORIES MENTIONED IN QUESTIONS

Q14.3. Are you aware of ...? READ OUT

- 1 Equilibrium Plus
- 2 Prime Health Plan
- 3 Prohealth
- 4 Disease Management (e.g. Asthma and diabetes programmes)
- 5 No, not aware DO NOT READ OUT

QUESTION 203

IF 1 Q201, 2 Q202, 3 Q203

Q14.4. You mentioned that you are aware of Equilibrium Plus Did you subscribe to this option?

- 1 Yes
- 2 No

QUESTION 204

IF 1 Q201, 2 Q202, 3 Q203

Q14.5. You mentioned that you are aware of Prime Health Plan Did you subscribe to this option?

- 1 Yes
- 2 No

QUESTION 205

IF 1 Q201, 2 Q202, 3 Q203

Q14.6. You mentioned that you are aware of Prohealth Did you participate in this programme?

- 1 Yes
- 2 No

QUESTION 206

IF 1 Q201, 2 Q202, 3 Q203

Q14.7. You mentioned that you are aware of Disease Management (e.g. Asthma and diabetes programmes) Did you participate in this programme?

- 1 Yes
- 2 No

QUESTION 210

Q15. Have you ever had to contact Bankmed directly in order to change any of the original information on your registration form, for example, your address, add a new member to the list of dependants, etc?

- 1 Yes
- 2 No

QUESTION 220

IF # Q220 . 1

Q15.1. Using the scale of excellent, very good, good, fair and poor, how would you rate Bankmed's ability to deal with the change of member details?

- 1 Excellent
- 2 Very good
- 3 Good
- 4 Fair
- 5 Poor
- 6 Don't Know

QUESTION 223

Q15.2. Are you aware that you can contact Bankmed by means of the Internet or E-mail?

- 1 Yes
- 2 No

QUESTION 226

IF # Q226 . 1

Q15.3. Have you used either of these facilities in the past 6 months?

- 1 Yes
- 2 No

QUESTION 230**MULTIPLE**

Q16. Bankmed offers various ways of contact between the Medical Aid Scheme and its members, I am now going to read out the possibilities. Please indicate which of these you have made use of in the past 6 months.

- 1 Call centre (contact via telephone)
- 2 Sending a fax
- 3 Written correspondence via postal service
- 4 E-mail
- 5 Internet
- 6 Calling at the offices in person
- 7 None

IF # Q230 . 1 CONTINUE AT QUESTION 235

QUESTION 240

Q16.1. Thinking of the call centre, how would you rate the overall quality of telephone assistance?

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't Know

END OF QUESTION 240

QUESTION 250

Q16.2. I am now going to read you a number of attributes that apply to the telephone assistance service by the Client Service department. Please rate Overall length of time spend holding

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't Know

FUT IN QST250 Q16250.2

QUESTION 250

Q16.2. I am now going to read you a number of attributes that apply to the telephone assistance service by the Client Service department. Please rate Ability of the person you spoke to, to handle your query adequately without having to transfer your call

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't Know

FUT IN QST250 Q16250.3

QUESTION 250

Q16.2. I am now going to read you a number of attributes that apply to the telephone assistance service by the Client Service department. Please rate The friendliness and helpfulness of that person

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't Know

FUT IN QST250 Q16250.4

QUESTION 250

Q16.2. I am now going to read you a number of attributes that apply to the telephone assistance service by the Client Service department. Please rate The person's ability to solve the problem

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't Know

FUT IN QST250 Q16250.5

QUESTION 250

Q16.2. I am now going to read you a number of attributes that apply to the telephone assistance service by the Client Service department.
Please rate The person's ability to solve the problem quickly.

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't know

PUT IN Q5750 Q90250.0

QUESTION 250

Q16.2. I am now going to read you a number of attributes that apply to the telephone assistance service by the Client Service department.
Please rate The person on being professional.

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't know

IF (# Q230 , 1) CONTINUE AT QUESTION 260

PUT IN Q5750 Q90260.1

QUESTION 260

Q17. Thinking of your written correspondence with Bankmed, how would you rate ...?
Promptness of their reply

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't know

PUT IN Q5760 Q90360.2

QUESTION 260

Q17. Thinking of your written correspondence with Bankmed, how would you rate ...?
Completeness of the answer

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't know

IF (# Q230 , 4) CONTINUE AT QUESTION 270

PUT IN Q5760 Q90360.1

QUESTION 270

Q18. Thinking of contact via e-mail, how would you rate...?
Promptness of their reply

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't Know

PUT IN QWB270 Q50281,2

QUESTION 270

Q18. Thinking of contact via e-mail, how would you rate...?
Completeness of the answer

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't Know

IF 1 + Q010 = 5 / CONTINUE AT QUESTION 285
PUT IN W20 Q90280,1

QUESTION 280

Q18. Thinking of accessing the website (internet) of Bankmed, how would you rate...
Accessibility of the website?

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't Know

PUT IN WEB Q90280,2

QUESTION 280

Q19. Thinking of accessing the website (internet) of Bankmed, how would you rate...
User friendliness?

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't Know

PUT IN WEB Q90280,3

QUESTION 290

Q20. Still using the same scale of excellent, good, neither good nor bad, poor and terrible, how would you rate ... ?

The speed at which problems are corrected

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't Know

QUESTION 300**OPEN**

Q21. What additional information would you like to see reflected on the claims statement?

QUESTION 305**MULTIPLE**

Bankred uses a number of ways to communicate with its members.

Q22a. Can you recall any forms of communication that you receive on a regular basis? DO NOT

READ OUT!

- 1 Statements
- 2 Health Check
- 3 Z-Card
- 4 Member circulars
- 5 Other (SPECIFY)
- 6 Don't Know/None

QUESTION 310

Q22b. How would you rate Bankred on its communication with its members?

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't Know

PUT IN Q22724 Q22726 T

QUESTION 320

Q23. Looking at more specific aspects of member communication, how would you rate ... ?

The Bankred newsletter, Healthcheck, in general

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't Know

PUT IN Q27214 Q27216 T

QUESTION 320

Q23. Looking at more specific aspects of member communication, how would you rate ...?

The information in Healthcheck

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't Know

P07 IN QST320 Q90320.2

QUESTION 320

Q23. Looking at more specific aspects of member communication, how would you rate ...?

The appearance of Healthcheck

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't Know

P07 IN QST320 Q90320.4

QUESTION 320

Q23. Looking at more specific aspects of member communication, how would you rate ...?

The managed healthcare information in Healthcheck

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't Know

P07 IN QST320 Q90320.5

QUESTION 320

Q23. Looking at more specific aspects of member communication, how would you rate ...?

The medical topics included in Healthcheck

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't Know

P07 IN QST320 Q90320.6

QUESTION 320

Q23. Looking at more specific aspects of member communication, how would you rate ...?

The regularity of Healthcheck

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't know

HEALTH CHECK CHECKLIST

QUESTION 320

Q23. Looking at more specific aspects of member communication, how would you rate ...?

The change from the benefit booklet to the Z card

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't know

HEALTH CHECK CHECKLIST

QUESTION 320

Q23. Looking at more specific aspects of member communication, how would you rate ...?

The ease with which the Z-card can be understood

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't know

HEALTH CHECK CHECKLIST

QUESTION 320

Q23. Looking at more specific aspects of member communication, how would you rate ...?

The information contained in the circulars

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't know

QUESTION 322

Q: Do you have a Z card?

- 1 Yes
- 2 No

QUESTION 324

IF (Q322 = 1)

Q: How often do you use it?

- 1 Weekly basis
- 2 Monthly basis
- 3 About every 3 months
- 4 Less often than 3 every three months
- 5 Never

QUESTION 330

IF (Q322 = 2)

Q24a. Upon receiving the Z-Card, did you keep it for future use as a quick reference source?

- 1 Yes
- 2 No

QUESTION 332

IF (Q322 = 1)

Q: Where do you keep your Z-card?

- 1 Carry it on my person in my wallet, file/fax or handbag
- 2 File it at the office in a specific file containing all your medical aid documentation
- 3 File it at home in a specific file containing all your medical aid documentation
- 4 Don't know where it is filed or kept

QUESTION 335

IF (Q322 = 1)

Q24b. Thinking about the format of the current Z-Card, would you prefer the current format i.e. the folding Z-Card or would you prefer the information on a flat sheet?

- 1 Current format Z-Card
- 2 Flat sheet
- 3 No preference

QUESTION 340

Q25. Have you or any of your family been hospitalised, had an MRI scan or CAT scan during the last 2 years?

- 1 Yes
- 2 No

CONTINUE AT QUESTION 370

QUESTION 350

Q25.1. Did you get pre-authorisation before or after the event?

- 1 Before
- 2 After

QUESTION 360

Q25.2. How would you rate Qualea's service to you?

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't Know

QUESTION 370

Q26. Does any member of Bankned in your household use long-term or chronic medication for example, for asthma, blood pressure, etc.?

- 1 Yes
- 2 No
- 3 CONTINUE AT QUESTION 3800
- 6 Don't Know

QUESTION 380

Q26.2. How would you rate Bankned's chronic medication programme?

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't Know

PUT IN Q2130 Q26200,1

QUESTION 390

Q26.2. More specifically, how would you rate ...?
The information you received about the chronic medication programme before joining

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't Know

PUT IN Q2130 Q26200,2

QUESTION 390

Q26.2. More specifically, how would you rate ...?
The ease of getting the right information to go onto the chronic medication programme

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't Know

PUT IN Q2130 Q26200,3

QUESTION 390

Q26.2. More specifically, how would you rate ...?

The options of where chronic medication can be obtained from, i.e. pharmacist, HMS, etc.

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't know

FUT IN Q57400 Q90400.4

QUESTION 390

Q26.2. More specifically, how would you rate ...?

The ease with which the form was completed when joining the chronic medication programme.

- 1 Excellent
- 2 Good
- 3 Neither good or bad
- 4 Poor
- 5 Terrible
- 6 Don't know

FUT IN Q57400 Q90400.1

QUESTION 400

Q27. Using the scale strongly agree, agree, neither agree nor disagree, disagree or strongly disagree, do you agree or disagree with ...?

It would make a lot of difference to me if I could not be a member of Bankmed and use its services

- 1 Strongly agree
- 2 Agree
- 3 Neither agree nor disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Don't know

FUT IN Q57400 Q90400.2

QUESTION 400

Q27. Using the scale strongly agree, agree, neither agree nor disagree, disagree or strongly disagree, do you agree or disagree with ...?

I am committed to Bankmed as a Medical Scheme

- 1 Strongly agree
- 2 Agree
- 3 Neither agree nor disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Don't know

FUT IN Q57400 Q90400.1

QUESTION 405

Q27. Using the scale extremely likely, very likely, neither likely nor unlikely, not very likely, not at all likely. How likely are you to ... recommend Bankmed as a medical scheme to your friends and colleagues?

- 1 Extremely likely
- 2 Very likely
- 3 Neither likely nor unlikely
- 4 Not very likely
- 5 Not at all likely
- 6 Don't know

PUT IN Q21465 Q26405.2

QUESTION 405

Q27. Using the scale extremely likely, very likely, neither likely nor unlikely, not very likely, not at all likely. How likely are you to ... contain a member of Bankmed Medical Scheme

- 1 Extremely likely
- 2 Very likely
- 3 Neither likely nor unlikely
- 4 Not very likely
- 5 Not at all likely
- 6 Don't know

PUT IN Q21465 Q26405.2

QUESTION 405

Q27. Using the scale extremely likely, very likely, neither likely nor unlikely, not very likely, not at all likely. How likely are you to ... increase or enhance your current benefit options with Bankmed. Would you be

- 1 Extremely likely
- 2 Very likely
- 3 Neither likely nor unlikely
- 4 Not very likely
- 5 Not at all likely
- 6 Don't know

QUESTION 410

Q27. Using the scale strongly agree, agree, neither agree nor disagree, disagree or strongly disagree, do you agree or disagree with ...? Bankmed offers good value for money

- 1 Strongly agree
- 2 Agree
- 3 Neither agree nor disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Don't know

QUESTION 430

D1. Age

- 1 18-24 years
- 2 25-34 years
- 3 35-54 years
- 4 55-60 years
- 5 61 years plus
- 6 Refused

QUESTION 440

D2. Gender

- 1 Male
- 2 Female

QUESTION 450

D3. Marital status

- 1 Married\ Living together
- 2 Single\ Divorced\ Separated
- 3 Widower
- 4 Refused

QUESTION 460

D4. Working status

- 1 Working full-time
- 2 Working part-time
- 3 Housewife
- 4 Pensioner
- 5 Refused

QUESTION 470

D5. Area

- 1 Gauteng
- 2 Free State
- 3 KwaZulu-Natal
- 4 Western Cape
- 5 Eastern Cape
- 6 Northern Cape
- 7 Northern Province
- 8 Mpumalanga
- 9 North West

QUESTION 480

D6. Number of Dependents:

NUMBER

QUESTION 490

D7. Member of a gym or sport club?

- 1 Yes
- 2 No

QUESTION 9996

Thank you for participating in this study.

1 Continue

END OF INTERVIEW, SUCCESSFUL

QUESTION 9997

Thank you for your cooperation.

1 Continue

END OF INTERVIEW, NOT SUCCESSFUL, DATA WILL BE WRITTEN

QUESTION 9998

Unfortunately you fall outside our target group.
Thank you for participating.

1 Continue

END OF INTERVIEW, NOT SUCCESSFUL, DATA WILL BE WRITTEN

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Appendix 2
CRA – 2003 and 2004 Questionnaire (Quantitative)

QUESTION 9001 **TEXT**
REFERS TO TELEPHONE FILE

PUT IN TELEPHONE Q9001
QUESTION 9002 **TEXT**
REFERS TO TELEPHONE FILE

PUT IN NAME Q9002
QUESTION 9003 **TEXT**
REFERS TO TELEPHONE FILE

PUT IN COMPANY Q9003
QUESTION 9004 **TEXT**
REFERS TO TELEPHONE FILE

QUESTION 9005 **TEXT**
PUT Q9004FROM TELEPHONE FILE IN Q9005
QUESTION 9006 **TEXT**
REFERS TO TELEPHONE FILE

QUESTION 9007
PUT Q9006FROM TELEPHONE FILE IN Q9007
QUESTION 9008 **TEXT**
REFERS TO TELEPHONE FILE

QUESTION 9009
PUT Q9008FROM TELEPHONE FILE IN Q9009
QUESTION 9010 **TEXT**
REFERS TO TELEPHONE FILE

QUESTION 9011
PUT Q9010FROM TELEPHONE FILE IN Q9011
PUT IN ADDRESS Q9010
QUESTION 9012 **TEXT**
REFERS TO TELEPHONE FILE

QUESTION 9013
PUT Q9012FROM TELEPHONE FILE IN Q9013
QUESTION 9991 **TEXT**
REFERS TO TELEPHONE FILE

PUT IN RESPON Q9991
QUESTION 9050

Respondent Information

INTERVIEWER: Is this the respondent that you are talking to?

IF THIS SPACE IS EMPTY - SELECT "NO",

Telephone: <?>

Name: <?>

Company: <?>

- 1 Yes
2 No

QUESTION 9120TEXT
SAVE IN NAME

Respondent Information

Telephone: <Question 9052>

Could you please tell me who the appropriate person is?

QUESTION 9130

Respondent Information

Telephone: <Question 9052>

Name: <Question 9120>

Could I please speak to him or her?

- 1 Yes
 ↕ BACK TO QUESTION 9100
- 2 No (Will close)
 ↕ CONTINUE AT QUESTION 9998

QUESTION 9140

IF T ABECODE = 4 !

Respondent Information

Telephone: <Question 9052>

Name: <Question 9120>

Are you still actively employed by a bank, or fully retired?

- 1 Employed (Will close)
 ↕ CONTINUE AT QUESTION 9998
- 2 Retired

QUESTION 9200

Which language would you prefer the interview conducted in?

- 1 English
 ↕ SWITCH TO LANGUAGE " "
- 2 Afrikaans
 ↕ SWITCH TO LANGUAGE "afrikaans"

QUESTION 10

First, I'll be asking you for your general opinions regarding Bankmed, and then I'll ask you more specific questions about the recent services Bankmed provided to you. If you feel you don't have enough experience to answer a particular question, please feel free to say, "I don't know".

- 1 Continue

QUESTION 20

Q1. Considering your own experiences and what you may have read or heard, how would you rate

the overall quality of the product and services provided by Bankmed?

Read out

Would you say that it is ... ?

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 30

Q2. Thinking about Bankned's contribution rates in general, would you say they are ... ?

Read out

- 5 Very low priced
- 4 Low
- 3 Moderate
- 2 High, or
- 1 Very high priced
- 6 Don't know \ Refused (Do not read out)
- 7 Not applicable \ No experience (Do not read out)

QUESTION 90040

DERBY QUESTION

- 1 I believe the Bankned brand is one of the best brands in the healthcare industry.
- 2 Bankned's brand name is one I prefer over that of other medical schemes.
- 3 Bankned is a medical scheme that really cares about its members.
- 4 Bankned is easy to deal with.
- 5 The overall reputation of Bankned is excellent.

PUT IN RPT (1)

PUT IN SHOW Q90040.1

QUESTION 40_1

Q2.1. I am going to read a list of statements which might be used to describe Bankned. As I read each statement, please say whether you "strongly agree", "agree", "neither agree nor disagree", "disagree" or "strongly disagree".

Read out

I believe the Bankned brand is one of the best brands in the healthcare industry.

- 5 Strongly agree
- 4 Agree
- 3 Neither agree nor disagree
- 2 Disagree
- 1 Strongly disagree
- 6 Don't know \ Refused (Do not read out)

PUT IN RPT (2)

PUT IN SHOW Q90040.2

QUESTION 40_2

Q2.2. I am going to read a list of statements which might be used to describe Bankned. As I read each statement, please say whether you "strongly agree", "agree", "neither agree nor disagree", "disagree" or "strongly disagree".

Read out

Bankned's brand name is one I prefer over that of other medical schemes.

- 5 Strongly agree
- 4 Agree
- 3 Neither agree nor disagree
- 2 Disagree
- 1 Strongly disagree
- 6 Don't know \ Refused (Do not read out)

PUT IN RPT (3)

PUT IN SHOW Q90040.3

PUT IN RPT (1)
PUT IN SHOW Q99956,1

QUESTION 50_1

Q4.1. Again using the same agreement scale, to what extent do you agree that Bankmed ... ?

Read out

is a leader in the healthcare industry?

- 5 Strongly agree
- 4 Agree
- 3 Neither agree nor disagree
- 2 Disagree
- 1 Strongly disagree
- 6 Don't know \ Refused (Do not read out)

PUT IN RPT (2)
PUT IN SHOW Q99956,2

QUESTION 50_2

Q4.2. Again using the same agreement scale, to what extent do you agree that Bankmed ... ?

Read out

is a highly ethical company?

- 5 Strongly agree
- 4 Agree
- 3 Neither agree nor disagree
- 2 Disagree
- 1 Strongly disagree
- 6 Don't know \ Refused (Do not read out)

PUT IN RPT (3)
PUT IN SHOW Q99956,3

QUESTION 50_3

Q4.3. Again using the same agreement scale, to what extent do you agree that Bankmed ... ?

Read out

is a financially sound company?

- 5 Strongly agree
- 4 Agree
- 3 Neither agree nor disagree
- 2 Disagree
- 1 Strongly disagree
- 6 Don't know \ Refused (Do not read out)

PUT IN RPT (4)
PUT IN SHOW Q99956,4

QUESTION 50_4

Q4.4. Again using the same agreement scale, to what extent do you agree that Bankmed ... ?

Read out

is an innovative company?

- 5 Strongly agree
- 4 Agree
- 3 Neither agree nor disagree
- 2 Disagree
- 1 Strongly disagree
- 6 Don't know \ Refused (Do not read out)

Q5.2. Now, I am going to read a few statements about your overall feelings toward Bankmed and its products and services. As I read each statement, please state whether you "strongly agree", "agree", "neither agree nor disagree", "disagree" or "strongly disagree".

Read out:

It would matter a lot to me if I could not belong to Bankmed anymore.

5 Strongly agree

4 Agree

3 Neither agree nor disagree

2 Disagree

1 Strongly disagree

6 Don't know / Refused (Do not read out)

QUESTION 60 2

NOT IN SET 1 1
NOT IN SHOW CORRECT

Q5.1. Now, I am going to read a few statements about your overall feelings toward Bankmed and its products and services. As I read each statement, please state whether you "strongly agree", "agree", "neither agree nor disagree", "disagree" or "strongly disagree".

Read out:

I feel very loyal to Bankmed.

5 Strongly agree

4 Agree

3 Neither agree nor disagree

2 Disagree

1 Strongly disagree

6 Don't know / Refused (Do not read out)

QUESTION 60 1

NOT IN SET 1 1
NOT IN SHOW CORRECT

Q5.1. Now, I am going to read a few statements about your overall feelings toward Bankmed and its products and services. As I read each statement, please state whether you "strongly agree", "agree", "neither agree nor disagree", "disagree" or "strongly disagree".

Read out:

I feel very loyal to Bankmed.

5 Strongly agree

4 Agree

3 Neither agree nor disagree

2 Disagree

1 Strongly disagree

6 Don't know / Refused (Do not read out)

NAME QUESTION

QUESTION 50 60

Q5.1. Again using the same agreement scale, to what extent do you agree that Bankmed ...?

As a company I can trust?

5 Strongly agree

4 Agree

3 Neither agree nor disagree

2 Disagree

1 Strongly disagree

6 Don't know / Refused (Do not read out)

QUESTION 50 5

NOT IN SET 1 1
NOT IN SHOW CORRECT

QUESTION 110

Q10. If you were free to choose your own medical scheme, how likely would you be to actively search for alternative offerings?

Read out

Would you be ... ?

- 5 Extremely likely
- 4 Very
- 3 Somewhat
- 2 Not very, or
- 1 Not at all likely
- 6 Don't know \ Refused (Do not read out)

QUESTION 120

Q11. If all aspects of your Bankmed offer stays the same as what you have at the moment, how likely are you to upgrade your Bankmed membership by subscribing to a more comprehensive plan?

Read out

Would you be ... ?

- 5 Extremely likely
- 4 Very
- 3 Somewhat
- 2 Not very, or
- 1 Not at all likely
- 6 Don't know \ Refused (Do not read out)

QUESTION 130

Q12. How likely are you to pay extra for optional benefits or services, for example a loyalty programme or a maternity programme?

Read out

Would you be ... ?

- 5 Extremely likely
- 4 Very
- 3 Somewhat
- 2 Not very, or
- 1 Not at all likely
- 6 Don't know \ Refused (Do not read out)

QUESTION 140

Q13. More specifically, would you be willing to pay extra in order to belong to a customer loyalty programme?

- 1 Yes
- 2 No
- 3 Don't know \ Refused

QUESTION 150

Q14. Would you be willing to pay extra in order to belong to a maternity programme?

- 1 Yes
- 2 No
- 3 Don't know \ Refused

QUESTION 160

Let's discuss the benefits offered by Bankmed.

- 1 Continue

QUESTION 170

Q15. Firstly, could you please tell me which of the following plans you are on?

Read out

- 1 Prime Health Plan
2 Equilibrium Health Plan
3 Equilibrium Plus
4 Don't know \ Refused (Do not read out)

QUESTION 180

Q16. What is your current PMA contribution level?

Read out

- 1 0%
2 10%
3 15%
4 20%
5 Don't know \ Refused (Do not read out)

QUESTION 190

Q17. Overall, on a scale excellent, very good, good, fair or poor, please tell me how you would rate

the benefits offered by Bankmed.

Read out

- 5 Excellent
4 Very Good
3 Good
2 Fair, or
1 Poor
6 Don't know \ Refused (Do not read out)

QUESTION 200

Q18. More specifically, how would you rate the extent to which the degree of choice in terms of the

variety of plans offered by Bankmed is sufficient to meet your needs?

Read out

- 5 Excellent
4 Very Good
3 Good
2 Fair, or
1 Poor
6 Don't know \ Refused (Do not read out)

QUESTION 210

Q19. If you had a choice, which of the following medical schemes would you prefer?

Read out

- 1 A traditional, fully insured, medical scheme
2 A scheme with PMA plus an insured component
3 A hospital plan only
4 Don't know \ Refused (Do not read out)

QUESTION 220

Q20. Overall, how would you rate the benefits available to you from your PMA?

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 230

Q21. More specifically, how would you rate the range of services that you can claim for from your PMA?

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 240

Q22. How would you wish to see the benefits available under your PMA enhanced?

OPEN

Probe fully

QUESTION 250

Q23. Overall, how would you rate the insured benefits, for example those for hospitalisation, radiology and pathology, offered by Bankmed?

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 260

Q24. More specifically, how would you rate the range of different benefits contained in the insured component of your Bankmed plan?

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 480

Q48. How would you rate the Health Days organised by Bankmed?

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 490

Q49. Have you or any of your dependents been contacted by Bankmed's telephonic counselling service?

- 1 Yes
 - 2 No
- ⤵ CONTINUE AT QUESTION 490

QUESTION 500

Q49. How would you rate the telephonic counselling service offered by Bankmed?

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 510

Q49. Are you a member of one of Bankmed's Health Cells or have you attended one of the Health Cell's presentations?

- 1 Yes
 - 2 No
- ⤵ CONTINUE AT QUESTION 510

QUESTION 520

Q50. How would you rate these Health Cells?

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 530

Q51. How would you rate the Health Call Newsletters which you receive from Bankmed?

Read out:

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 540

Q52. Have you made use of the Profax fax back facility service offered by Bankmed?

- 1 Yes
 - 2 No
- ➔ CONTINUE AT QUESTION 560

QUESTION 550

Q53. How would you rate the Profax service offered by Bankmed?

Read out:

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 560

Let's discuss your day to day administrative contact with Bankmed.

- 1 Continue

QUESTION 570

Q54. Using the scale excellent, very good, good, fair or poor, please tell me how you would rate your

day-to-day administrative contact with Bankmed, including contact with the client services

department, changing member details and submitting claims.

Read out:

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 580

Q55. Did you or any of your dependants apply for Bankmed membership within the past year?

- 1 Yes
- ➔ CONTINUE AT QUESTION 600
- 2 No

QUESTION 590

Q56. When did you last make changes to your Bankned membership?
Read out

- 1 Within the last month
- 2 Within the last 3 months
- 3 Approximately 6 months ago
- 4 About 6 months to a year ago
- 5 More than a year ago
- 6 Don't know \ Refused (Do not read out)

IF (Q56) = 4) CONTINUE AT QUESTION 590

QUESTION 600

Q57. Overall, how would you rate your experience upon applying for membership or changing membership details?
Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 610

Q58. How would you rate the speed with which your application for membership and/or change of details was processed by Bankned?
Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 620

IF (Q58) = 1)

Q59. How would you rate the comprehensiveness and understandability of the way in which the Bankned scheme rules were communicated to you?
Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ refused (Do not read out)

QUESTION 630

Q62. How would you rate the quality and comprehensiveness of the Bankmed Membership pack which you received upon joining the scheme?
Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 640

Q61. Please, tell me, how you would rate the member handbook you received from Bankmed upon joining?
Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 650

Q62. How would you rate the time taken to provide you with your Bankmed membership card?
Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 660

Q63. Overall, how would you rate your experience of submitting a claim to Bankmed?
Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 670

Q64. More specifically, how would you rate the speed with which your claim was processed and paid out?

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 680

Q65. How would you rate your experience at the service provider, for example a doctor or pharmacy, when you inform them that your claim will be handled by Bankmed?

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 690**MULTIPLE**

Q66. There are various ways to contact the client services department at Bankmed. I am now going to read out the list of possibilities. Please indicate which of these you have made use of in the past year:

Multiple mentions possible

Read out

- 1 Call Centre (Telephonic Contact)
- 2 Written Correspondence
- 3 Sending a fax
- 4 E-mail
- 5 Walking into the Bankmed offices in person to make enquiries
- 6 None
- 7 Don't know \ Refused (Do not read out)

QUESTION 700**IF I Q660, 1 TO 5 /**

Q67. How would you rate your overall experience when communicating with the client services department at Bankmed? This may include contact through the call centre, post, fax or e-mail.

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 719

IF I Q690 - 1 TO 5 /

Q68. How would you rate the adequacy with which your problems are handled by representatives of the Bankmed Client services department?

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 720

IF I Q690 - 1 TO 5 /

Q69. How would you rate the friendly and professional attitude of Bankmed's client services representatives?

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 730

IF I Q690 - 1 /

I am now going to ask you a few questions about the Bankmed Call Centre.

- 1 Continue

QUESTION 740

IF I Q690 - 1 /

Q70. Overall, how would you rate the quality of the telephone assistance provided by the Bankmed call centre?

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 710

IF 1 0690 , 1 TO 5 !

Q68. How would you rate the adequacy with which your problems are handled by representatives of the Bankmed Client services department?

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 720

IF 1 0690 , 1 TO 5 !

Q69. How would you rate the friendly and professional attitude of Bankmed's client services representatives?

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 730

IF 1 0690 , 1 !

I am now going to ask you a few questions about the Bankmed Call Centre.

- 1 Continue

QUESTION 740

IF 1 0690 , 1 !

Q70. Overall, how would you rate the quality of the telephone assistance provided by the Bankmed call centre?

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 750

If I get a 2

Q71. How would you rate the queue time, or the length of time holding on, when dealing with SMS Bankmed call centres?
Read out:

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know / Refused (Do not read out)

QUESTION 760

If I get a 2 to 4

Q72. How would you rate the speed with which your written submissions, such as queries and application forms, are handled by Bankmed's client services department?
Read out:

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know / Refused (Do not read out)

QUESTION 770

Net's discuss the different ways in which Bankmed communicates with you, its members.

- 1 Continue

QUESTION 780

Q73. Using the scale excellent, very good, good, fair or poor, please tell me how you would rate the communication you receive from Bankmed, including for example all newsletters, correspondence and statements.
Read out:

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know / Refused (Do not read out)

QUESTION 790

Q74. More specifically, how would you rate the day to-day operational communication you receive from Bankmed, including claims statements, letters, year-end communication and member newsletters.
Read out:

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know / Refused (Do not read out)

QUESTION 800

Q75. Please tell me how you would rate the claims statements you receive from Bankmed.

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 810

Q76. Overall, please tell me how you would rate the letters you receive from Bankmed.

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 820

Q77. Overall, please tell me how you would rate the user friendliness of Bankmed's various application forms, for example, those you filled out in order to join Bankmed?

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 830

Q78. Bankmed's member circulars focus on administration issues for example claiming practices. Please tell me how you would rate the value of the information contained in these member circulars.

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION B40

Q79. Please tell me how you would rate the annual benefit change communication you receive from Bankmed.

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION B50

Q80. How would you rate the Z-card that is sent to you by Bankmed on an annual basis?

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION B60

Q81. Overall, how would you rate the marketing communication you receive from Bankmed? The marketing communication includes the Bankmed website, Health Check, Senior Plus and the Disease Management booklets.

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION B70

Q82. Do you have access to the Internet?

- 1 Yes
- 2 No
- ↘ CONTINUE AT QUESTION 870

QUESTION B80

Q83. Bankmed recently redesigned their website. Have you visited the NEW Bankmed website?

- 1 Yes
- 2 No
- ↘ CONTINUE AT QUESTION 870

QUESTION 890

Q86. Using the scale excellent, very good, good, fair or poor, please tell me how you would rate Banknet's NEW website.
Read out:

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 900

Q85. There is a Kynect link in the Banknet website. Have you accessed the site?

- 1 Yes
- 2 No
- 6 CONTINUE AT QUESTION 980

QUESTION 910

Q86. Using the scale excellent, very good, good, fair or poor, please tell me how you would rate the Kynect website.
Read out:

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 920

Q87. Have you entered the Health Cypriotian website through the Banknet website?

- 1 Yes
- 2 No
- 6 CONTINUE AT QUESTION 940

QUESTION 930

Q88. Using the scale excellent, very good, good, fair or poor, please tell me how you would rate the Health Cypriotian website.
Read out:

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 940

Q89. Have you entered the Prehealth Risk Assessment Programme through the Banknet website?

- 1 Yes
- 2 No
- 6 CONTINUE AT QUESTION 960

QUESTION 950

Q90. Using the scale excellent, very good, good, fair or poor, please tell me how you would rate the Health Risk Assessment questionnaire on the Bankmed website?

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 960

Q91. How would you rate the claims information available on the Bankmed Website?

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 970

Q92. Bankmed's Health Check newsletter focuses on Health related issues. Please tell me how you would rate Health Check.

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 980

Q93. Have you received Bankmed's newsletter called Senior Plus?

- 1 Yes
- 2 No

↳ CONTINUE AT QUESTION 1000

QUESTION 990

Q94. How you would rate Senior Plus?

Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 1000

Q95. How would you prefer receiving communication from Bankmed?
Read out

- 1 Through the post
- 2 Electronically
- 3 At your workstation

QUESTION 1010

Q96. Where would you prefer receiving postal communication from Bankmed?
Read out

- 1 At your home address
- 2 At your work address

QUESTION 1020

Q97. Are you aware of the Bankmed' HIV \ AIDS programme?

- 1 Yes
 - 2 No
- CONTINUE AT QUESTION 1040

QUESTION 1030

Q98. How would you rate Bankmed's HIV \ AIDS programme?
Read out

- 5 Excellent
- 4 Very Good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 1040

Q99. Thank you for participating in this study. May Markiner supply our client, Bankmed, with your personal details if it may prove that they would like to address certain issues directly with you as a Bankmed member?

- 1 Yes
- 2 No

QUESTION 9999

Successful Interview

Mr \ Ms <Question 9120> On behalf of Markiner and our client, thank you for participating. You have been speaking to ... (say your name clearly). Have a good day.

- 1 End

QUESTION 9998

Mr \ Ms <Question 9120> On behalf of Markiner and our client, thank you for participating. You have been speaking to ... (say your name clearly). Have a good day.

- 1 End

END OF INTERVIEW. NOT SUCCESSFUL. DATA WILL BE WRITTEN

Appendix 3
CRA – 2005 Questionnaire (Quantitative)

University of
eT

POT IN Telenor 111
QUESTION 9001

TEXT
REFERS TO TELEPHONE FILE
1117 *ADDRESS

POT IN Telenor 111 Q9001
QUESTION 9002

TEXT
REFERS TO TELEPHONE FILE
22150 *ADDRESS

POT IN Naxos Q9002
QUESTION 9003

TEXT
REFERS TO TELEPHONE FILE
103117 *ADDRESS

QUESTION 9004

TEXT
11117

POT Q9003 FROM TELEPHONE FILE IN Q9004
QUESTION 9005

TEXT
REFERS TO TELEPHONE FILE
266117 *ADDRESS

QUESTION 9006

TEXT
11117

POT Q9005 FROM TELEPHONE FILE IN Q9006
QUESTION 9007

TEXT
REFERS TO TELEPHONE FILE
176145 *ADDRESS

POT IN Company Q9007
QUESTION 9008

TEXT
REFERS TO TELEPHONE FILE
5218 *ADDRESS

POT In Respublika Q9008
QUESTION 9009

TEXT
REFERS TO TELEPHONE FILE
10111 *ADDRESS

QUESTION 9010

9511

POT Q9009 FROM TELEPHONE FILE IN Q9010
POT IN Persister Q9009

QUESTION 9100

9511

Respondent Information

Telephone: <?> Alternate 1: Alternate 2:

Name: <?>

Company: <?>

Good morning \ afternoon \ evening, my name is ... (Say your name clearly) calling from Marknor, an independent market research company, Marknor has been commissioned by Baskmed to conduct a survey amongst their members. Your feedback will contribute towards ensuring that Baskmed meets your needs in future. May I have a few minutes of your time to ask you some questions?

- 1 Yes, continue.
- 2 No, new appointment.
↳ END OF INTERVIEW, NON-RESPONSE "A"
- 3 No answer, etc.
↳ END OF INTERVIEW, NON-RESPONSE "A"
- 4 Refused, etc.
↳ END OF INTERVIEW, NON-RESPONSE "B"

QUESTION 9105

9711

Which language would you prefer the interview conducted in?

- 1 English
↳ SWITCH TO LANGUAGE "A"
- 2 Afrikaans
↳ SWITCH TO LANGUAGE "AFRIKAANS"

QUESTION 9110**MULTIPLE**

9916

Respondent Information

I would just like to check that the details I have for you are correct. Select the data that needs to be corrected.

Multi mentions possible

- 1 Telephone (<?>)
- 2 Name (<?>)
- 3 Company (<?>)
- 4 All (All incorrect)
- 5 None (All correct)

QUESTION 9120**FORM QUESTION**

IF 1 09110 . 1 . 1

Respondent Information

Please correct the telephone number.

QUESTION 9130**FORM QUESTION**

IF 1 09130 . 2 . 1

Respondent Information

Please correct the respondent name.

QUESTION 9140**FORM QUESTION**

IF 1 09140 . 3 . 1

Respondent Information

Please correct the company name.

```

IF | Telephone | 1 | = * * | BACK TO QUESTION 9120
IF | Name = * * | BACK TO QUESTION 9130
IF | Company = * * | BACK TO QUESTION 9140
PUT Q9001 FROM TELEPHONE FILE IN Q9120
PUT Q9002 FROM TELEPHONE FILE IN Q9130
PUT Q9007 FROM TELEPHONE FILE IN Q9140

```

QUESTION 99210

MULTIPLE
 DUMMY QUESTION
 196L3

- 1 <Question 9120>
- 2
- 3

ADD TO Q99210 (7)

QUESTION 9210

IF | Q9100 , 1 TO 2 |
 ONLY DISPLAY ANSWER CATEGORIES MENTIONED IN Q99210
 199L1

Interviewer: Which number did you use to contact the respondent? Or ask:
 If at some point you are unable to continue this interview, what number
 can we use to contact you, to continue this interview?
 Read out numbers

- 1 <Question 9120>
- 2
- 3
- 4 Other (Specify)

```

PUT IN Other "<Question 9120>"
PUT IN Telephone | 1 | ""
PUT IN Telephone | 2 | "<Question 9120>"
PUT IN Other "<Question 9120>"
PUT IN Telephone | 1 | ""
PUT IN Telephone | 3 | "<Question 9120>"
IF | Q9210 , 4 | COUNT ANSWERS OF Q99210 IN Cnt | 3 |
IF | Cnt | 3 | = 3 | PUT IN Telephone | 2 | "<Question 9120>"
IF | Cnt | 3 | = 2 & Q99210 , 1 & Q99210 , 3 | PUT IN Telephone | 2 | "<Question 9120>"
IF | Cnt | 3 | = 2 & Q99210 , 1 & Q99210 , 2 | PUT IN Telephone | 3 | "<Question 9120>"
IF | Cnt | 3 | = 1 & Q99210 , 1 | PUT IN Telephone | 2 | "<Question 9120>"
PUT IN Telephone | 1 | "<Question 9120>"

```

QUESTION 9220

IF | Q9100 , 2 |
 200L1

Make an appointment or continue from an appointment.
 Telephone: <Question 9120> Alternate 1: <?> Alternate 2: <?>

- 1 Make an appointment
 END OF INTERVIEW, NON-RESPONSE "A"
- 2 Continue from appointment

IF STRATIFICATION REACHED, CONTINUE AT QUESTION 9998

QUESTION 10

20123

Q2. Are you the person in your household who deals mostly with Bankmed, for example, do you read the Bankmed newsletter, take care of queries, changes of particulars and payments reflected on the claims statement, etc.?

- 1 Yes
2 No

QUESTION 20**TEXT**

IF { Q10 , 2 }
SAVE IN NewName
202L30

Q3. Could you please tell me who the appropriate person is? Record the name (including surname)!

QUESTION 30

IF { Q10 , 2 }
232L1

Q4. Could I please speak to him or her?

- 1 Yes
2 No (Will close)
⤵ CONTINUE AT QUESTION 3998

IF { Q30 , 1 } PUT IN Name "<Question 20>" PUT Q30IN TELEPHONE FILE ON POSITION OF Q5062 BUT IN NewName "" CONTINUE AT QUESTION 9100

QUESTION 40

IF { Pensioner , True }
233L2

Q5. Are you still actively employed by a bank, or fully retired?

- 1 Employed (Will close)
⤵ CONTINUE AT QUESTION 3998
2 Retired

CAN'T GO BACK FROM HERE

QUESTION 50

234L2

First, I'll be asking you for your general opinions regarding Bankmed, and then I'll ask you more specific questions about the recent services Bankmed provided to you. If you feel you don't have enough experience to answer a particular question, please feel free to say, "I don't know".

- 1 Continue

QUESTION 60

235L1

Q6. Considering your own experiences and what you may have read or heard, how would you rate the overall quality of the product and services provided by Bankmed?

Read out

Would you say that it is ... ?

- 5 Excellent
4 Very good
3 Good
2 Fair, or
1 Poor
6 Don't know \ Refused (Do not read out)

QUESTION 70

23621

Q7. Thinking about Bankmed's contribution rates in general, would you say they are ... ?

Read out

- 5 Very low
- 4 Low
- 3 Moderate
- 2 High, or
- 1 Very high
- 6 Don't know \ Refused (Do not read out)
- 7 Not applicable \ no experience (Do not read out)

QUESTION 80

23721

Q8. Considering Bankmed's benefits and service in relation to their contribution rates, would you say that Bankmed offers ... ?

Read out

- 5 Excellent value for money
- 4 Very good
- 3 Good
- 2 Marginal, or
- 1 Poor value for money
- 6 Don't know \ Refused (Do not read out)
- 7 Not applicable \ no experience (Do not read out)

QUESTION 90090

DUMMY QUESTION

23821

- 1 You believe the Bankmed brand is one of the best brands in the healthcare industry
- 2 Bankmed's brand name is one you prefer over that of other medical schemes
- 3 Bankmed is a medical scheme that really cares about its members
- 4 Bankmed is easy to deal with
- 5 The overall reputation of Bankmed is excellent

PUT IN Rpt [1]

PUT IN Show Q90090.1

QUESTION 90_1

23921

Q9.1. I am going to read a list of statements which might be used to describe Bankmed. As I read each statement, please say whether you strongly agree, agree, neither agree nor disagree, disagree or strongly disagree.

Read out

You believe the Bankmed brand is one of the best brands in the healthcare industry.

- 5 Strongly agree
- 4 Agree
- 3 Neither agree nor disagree
- 2 Disagree
- 1 Strongly disagree
- 6 Don't know \ Refused (Do not read out)

PUT IN Rpt [2]

PUT IN Show Q90090.2

QUESTION 90_2

24051

Q9.2. I am going to read a list of statements which might be used to describe Bankmed. As I read each statement, please say whether you strongly agree, agree, neither agree nor disagree, disagree or strongly disagree.

Read out

Bankmed's brand name is one you prefer over that of other medical schemes.

- 5 Strongly agree
- 4 Agree
- 3 Neither agree nor disagree
- 2 Disagree
- 1 Strongly disagree
- 6 Don't know \ Refused (Do not read out)

PUT IN rpt [3]

PUT IN Show Q9002,3

QUESTION 90_3

24111

Q9.3. I am going to read a list of statements which might be used to describe Bankmed. As I read each statement, please say whether you strongly agree, agree, neither agree nor disagree, disagree or strongly disagree.

Read out

Bankmed is a medical scheme that really cares about its members.

- 5 Strongly agree
- 4 Agree
- 3 Neither agree nor disagree
- 2 Disagree
- 1 Strongly disagree
- 6 Don't know \ Refused (Do not read out)

PUT IN rpt [4]

PUT IN Show Q9003,4

QUESTION 90_4

24211

Q9.4. I am going to read a list of statements which might be used to describe Bankmed. As I read each statement, please say whether you strongly agree, agree, neither agree nor disagree, disagree or strongly disagree.

Read out

Bankmed is easy to deal with.

- 5 Strongly agree
- 4 Agree
- 3 Neither agree nor disagree
- 2 Disagree
- 1 Strongly disagree
- 6 Don't know \ Refused (Do not read out)

PUT IN rpt [5]

PUT IN Show Q9004,5

QUESTION 90.5

243LI

Q9.5. I am going to read a list of statements which might be used to describe Bankmed. As I read each statement, please say whether you strongly agree, agree, neither agree nor disagree, disagree or strongly disagree.

Read out

The overall reputation of Bankmed is excellent.

- 5 Strongly agree
- 4 Agree
- 3 Neither agree nor disagree
- 2 Disagree
- 1 Strongly disagree
- 6 Don't know \ Refused (Do not read out)

QUESTION 100

244LI

Interviewer: Please select continue to continue.

- 1 Continue

QUESTION 90110

DUMMY QUESTION
245LI

- 1 is a leader in the healthcare industry
- 2 is a highly ethical company
- 3 is a financially sound company
- 4 is an innovative company
- 5 is a company you can trust

PPT IN Rpt | 1 |
PPT IN Show Q90110.1

QUESTION 110.1

246LI

Q10.1. Again using the same agreement scale, to what extent do you agree that Bankmed ... ?

Read out

is a leader in the healthcare industry

- 5 Strongly agree
- 4 Agree
- 3 Neither agree nor disagree
- 2 Disagree
- 1 Strongly disagree
- 6 Don't know \ Refused (Do not read out)

PPT IN Rpt | 2 |
PPT IN Show Q90110.2

QUESTION 110_2

24713

Q10.2. Again using the same agreement scale, to what extent do you agree that Bankmed ... ?

Read out

is a highly ethical company

- 5 Strongly agree
- 4 Agree
- 3 Neither agree nor disagree
- 2 Disagree
- 1 Strongly disagree
- 6 Don't know \ Refused (Do not read out)

PUT IN Rpt [3]

PUT IN Show Q90110.3

QUESTION 110_3

24813

Q10.3. Again using the same agreement scale, to what extent do you agree that Bankmed ... ?

Read out

is a financially sound company

- 5 Strongly agree
- 4 Agree
- 3 Neither agree nor disagree
- 2 Disagree
- 1 Strongly disagree
- 6 Don't know \ Refused (Do not read out)

PUT IN Rpt [4]

PUT IN Show Q90110.4

QUESTION 110_4

24913

Q10.4. Again using the same agreement scale, to what extent do you agree that Bankmed ... ?

Read out

is an innovative company

- 5 Strongly agree
- 4 Agree
- 3 Neither agree nor disagree
- 2 Disagree
- 1 Strongly disagree
- 6 Don't know \ Refused (Do not read out)

PUT IN Rpt [5]

PUT IN Show Q90110.5

QUESTION 110.5

25271

Q10.5. Again using the same agreement scale, to what extent do you agree that Bankmed ... ?

Read out

is a company you can trust

- 5 Strongly agree
- 4 Agree
- 3 Neither agree nor disagree
- 2 Disagree
- 1 Strongly disagree
- 6 Don't know \ Refused (Do not read out)

QUESTION 120

25121

Q11.1. Now, I am going to read a few statements about your overall feelings toward Bankmed and its products and services. As I read each statement, please state whether you strongly agree, agree, neither agree nor disagree, disagree, or strongly disagree.

Read out

You feel very loyal to Bankmed.

- 5 Strongly agree
- 4 Agree
- 3 Neither agree nor disagree
- 2 Disagree
- 1 Strongly disagree
- 6 Don't know \ Refused (Do not read out)

QUESTION 130

25261

Q11.2. Now, I am going to read a few statements about your overall feelings toward Bankmed and its products and services. As I read each statement, please state whether you strongly agree, agree, neither agree nor disagree, disagree, or strongly disagree.

Read out

It would matter a lot to you if you could not belong to Bankmed anymore.

- 5 Strongly agree
- 4 Agree
- 3 Neither agree nor disagree
- 2 Disagree
- 1 Strongly disagree
- 6 Don't know \ Refused (Do not read out)

QUESTION 140

25311

Q17. If someone asked you to recommend a medical scheme, how likely would you be to recommend Bankmed?

Read out

Would you be ... ?

- 5 Extremely likely
- 4 Very
- 3 Somewhat
- 2 Not very, or
- 1 Not at all likely
- 6 Don't know \ Refused (Do not read out)

QUESTION 150

25421

Q13. What is the likelihood that you will continue to belong to Bankmed during the next year?

Read out

Would you be ... ?

- 5 Extremely likely
- 4 Very
- 3 Somewhat
- 2 Not very, or
- 1 Not at all likely
- 6 Don't know \ Refused (Do not read out)

QUESTION 160

25521

Q14. If you were free to choose your own medical scheme, how likely would it be that you would continue to belong to Bankmed during the next year?

Read out

Would you be ... ?

- 5 Extremely likely
- 4 Very
- 3 Somewhat
- 2 Not very, or
- 1 Not at all likely
- 6 Don't know \ Refused (Do not read out)

QUESTION 170

25621

Q15. If you were free to choose your own medical scheme and another medical scheme came to you claiming they had noticeably better products and services, how likely would you be to seriously consider their offer?

Read out

Would you be ... ?

- 5 Extremely likely
- 4 Very
- 3 Somewhat
- 2 Not very, or
- 1 Not at all likely
- 6 Don't know \ Refused (Do not read out)

QUESTION 180

25721

Q16. If you were free to choose your own medical scheme, how likely would you be to actively search for alternative offerings?

Read out

Would you be ... ?

- 5 Extremely likely
- 4 Very
- 3 Somewhat
- 2 Not very, or
- 1 Not at all likely
- 6 Don't know \ Refused (Do not read out)

QUESTION 190

25921

Q17. If all aspects of your Bankmed offer stays the same as what you have at the moment, how likely are you to upgrade your Bankmed membership by subscribing to a more comprehensive plan?

Read out

Would you be ... ?

- 5 Extremely likely
- 4 Very
- 3 Somewhat
- 2 Not very, or
- 1 Not at all likely
- 6 Don't know \ Refused (Do not read out)

QUESTION 200

25921

Q18. And how likely are you to pay extra for optional benefits or services, for example a loyalty programme?

Read out

Would you be ... ?

- 5 Extremely likely
- 4 Very
- 3 Somewhat
- 2 Not very, or
- 1 Not at all likely
- 6 Don't know \ Refused (Do not read out)

QUESTION 210

26021

Q19. Let's discuss the benefits offered by Bankmed. Firstly, could you please tell us which of the following plans you are on for 2004?

Read out

- 1 Prime Health Plan (Now known as Bankmed Core)
- 2 Equilibrium Health Plan (Now known as Bankmed Comprehensive)
- 3 Equilibrium Plus (Now known as Bankmed Plus)
- 4 Don't know \ Refused (Do not read out)

QUESTION 220

26121

Q20. And which plan did you select for 2005?

Read out

- 1 Bankmed Core (Formerly Prime Health Plan)
- 2 Bankmed Comprehensive (Formerly Equilibrium Health Plan)
- 3 Bankmed Plus (Formerly Equilibrium Plus)
- 4 Don't know \ Refused (Do not read out)

QUESTION 230

262L1

Q21. Overall, on a scale of excellent, very good, good, fair or poor, please tell me how you would rate the benefits offered by Bankmed.

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 240

263L1

Q22. More specifically, how would you rate the extent to which the degree of choice in terms of the variety of plans offered by Bankmed is sufficient to meet your needs?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 250

264L1

Q23. If you had a choice, which of the following medical schemes would you prefer?

Read out

- 1 A traditional, fully insured, medical scheme
- 2 A scheme with PMA plus an insured component
- 3 A hospital plan only
- 4 Don't know \ Refused (Do not read out)

QUESTION 260

265L1

Q24. Overall, how would you rate the benefits available to you from your PMA?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 270

266LI

Q25. More specifically, how would you rate the range of services that you can claim for from your PMA?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 280**OPEN**

267LI

Q26. How would you wish to see the benefits available under your PMA enhanced?

Clarify

QUESTION 290

268LI

Q27. Overall, how would you rate the insured benefits, for example those for hospitalisation, radiology and pathology, offered by Bankmed?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 300

269LI

Q28. More specifically, how would you rate the range of different benefits contained in the insured component of your Bankmed plan?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 310

270LI

Q29. How would you rate the size, in Rands, of these insured benefits available to you?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 320OPEN
272L1

Q30. How would you wish to see the insured benefits offered by Bankmed enhanced?

Clarify

QUESTION 330

272L1

Q31. Overall, how would you rate the benefits offered to you by ProHealth, including chronic medication programmes, disease management programmes, hospital pre-authorisation and lifestyle programmes?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 340

272L1

Q32. Do you or any of your dependants make use of Bankmed's medicine management programme for obtaining long-term or chronic medication, for example for asthma, diabetes, cholesterol or blood pressure?

- 1 Yes
- 2 No

☛ CONTINUE AT QUESTION 400

QUESTION 350

274L1

Q33. Overall, how would you rate Bankmed's medicine management programme, previously known as the chronic medication programme?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 360

275L1

Q34. How would you rate the accessibility of information about Bankmed's medicine management programme?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 370

27622

Q35. How would you rate the ease of applying for and enrolling on Bankmed's medicine management programme?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 380

27622

Q36. How would you rate the sufficiency of the size, in Rands, of the benefits available to you as part of the medicine management programme?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 390**OPEN**

27622

Q37. How would you wish to see Bankmed's Medicine Management Programme enhanced?

Clarify

QUESTION 400

27622

Q38. Have you or any of your dependents been contacted by Bankmed's Disease Management Programme to discuss a condition such as diabetes, asthma, cardiovascular problems?

- 1 Yes
- 2 No

QUESTION 410**MULTIPLE**

IF (Q400 = 1)

28022

Q39. Which programme did they discuss with you?

Multi mentions possible

Do not read out

- 1 Asthma
- 2 Diabetes mellitus
- 3 Cardiovascular disease
- 4 Other (Specify)

QUESTION 420

28422

Q40. And have you or any of your dependants been enrolled on any of Bankmed's Disease Management Programmes?

- 1 Yes
- 2 No

QUESTION 425**MULTIPLE**IF (Q420 = 1)
28514

Q40b. Which programme are you enrolled on?

Multi mentions possible

Do not read out

- 1 Asthma
- 2 Diabetes mellitus
- 3 Cardiovascular disease
- 4 Other (Specify)

QUESTION 430IF (Q420 = 1)
28951

Q41. Overall, how would you rate the Bankmed disease management programmes on which you are enrolled?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 440IF (Q420 = 1) Q400 = 1
29052

Q42. How would you rate the usefulness of the information provided about Bankmed's disease management programmes?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

IF (Q420 = 1 & Q400 = 2) CONTINUE AT QUESTION 500

QUESTION 450IF (Q420 = 1)
29151

Q43. Thinking about the information provided to you by the nurse counsellor, how would you rate the impact of having this information about your condition in the management of your condition?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 425**MULTIPLE**IF / Q425 , 1 /
29514

Q40b. Which programme are you enrolled on?

Multi mentions possible

Do not read out

- 1 Asthma
- 2 Diabetes mellitus
- 3 Cardiovascular disease
- 4 Other (Specify)

QUESTION 430IF / Q430 , 1 /
29011

Q41. Overall, how would you rate the Bankmed disease management programmes on which you are enrolled?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 440IF / Q420 , 1 / Q430 , 1 /
29011

Q42. How would you rate the usefulness of the information provided about Bankmed's disease management programmes?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

IF / Q390 , 1 / Q420 , 2 / CONTINUE AT QUESTION 500

QUESTION 450IF / Q420 , 1 /
29111

Q43. Thinking about the information provided to you by the nurse counsellor, how would you rate the impact of having this information about your condition in the management of your condition?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 460IF (Q420 = 1)
29751

Q44. How you would rate Bankmed's disease management booklets on Asthma, Diabetes or Cardiovascular Disease?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 470IF (Q420 = 1)
29751

Q45. Have you accessed information about the disease management programme on the Bankmed Website?

- 1 Yes
- 2 No

QUESTION 480IF (Q420 = 1)
29961

Q46. How would you rate the information provided on the Bankmed website regarding Bankmed's Disease Management Programme?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 490**OPEN**IF (Q420 = 1)
29961

Q47. How would you wish to see Bankmed's Disease Management Programme enhanced?

Clarify

QUESTION 500

29971

Q48. Have you or any of your dependants needed to obtain pre-authorisation prior to hospitalisation from ProHealth during the last year?

- 1 Yes
 - 2 No
- ↩ CONTINUE AT QUESTION 560

QUESTION 510

297L1

Q49. Overall, how would you rate the way in which your request for hospital pre-authorisation was handled by the ProHealth team?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 520

298L1

Q50. How would you rate the speed at which your request for hospital pre-authorisation was dealt with?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 530

299L1

Q51. How would you rate the amount of information you received during the hospital pre-authorisation process?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 540

300L1

Q52. How would you rate the professionalism with which the staff handled your request?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 550

OPEN

301L1

Q53. Is there anything you would like to change about the hospital Utilisation Management process?

Clarify

QUESTION 610

307L1

Q59. Have you or any of your dependents participated in Bankmed's Health Cells or have you attended one of the Health Cell's presentations? This would include events such watching a video, attending a workshop, receiving a lifestyle related e-mail or eating a Bankmed approved meal?

- 1 Yes
2 No

↴ CONTINUE AT QUESTION 640

QUESTION 620

308L1

Q60. How would you rate your experience of Health Cells?
Read out

- 5 Excellent
4 Very good
3 Good
2 Fair, or
1 Poor
6 Don't know \ Refused (Do not read out)

QUESTION 630

309L1

Q61. How would you rate the Health Cell Newsletters which you receive from Bankmed?
Read out

- 5 Excellent
4 Very good
3 Good
2 Fair, or
1 Poor
6 Don't know \ Refused (Do not read out)

QUESTION 640

310L1

Q62. Have you seen a lifestyle video offered by Bankmed?

- 1 Yes
2 No

↴ CONTINUE AT QUESTION 660

QUESTION 650

311L1

Q63. How would you rate the lifestyle video offered by Bankmed?
Read out

- 5 Excellent
4 Very good
3 Good
2 Fair, or
1 Poor
6 Don't know \ Refused (Do not read out)

QUESTION 710

317LJ

Q69. How would you rate the quality of your interaction with The Good Life staff?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 720**OPEN**

318LJ

Q70. Do you have any suggestions that would help Bankmed to enhance it's the Good Life Programme?

Clarify

CONTINUE AT QUESTION 1210

QUESTION 730IF (Q660 = 2 \ Q670 = 3)
319LJ

Q71. Would you be willing to pay extra in order to belong to a customer loyalty programme?

- 1 Yes
- 2 No
- 3 Don't know \ Refused (Do not read out)

QUESTION 1210

320LJ

Q116. Have you completed a health risk assessment?

- 1 Yes
- 2 No
- 6 CONTINUE AT QUESTION 740

QUESTION 1220

321LJ

Q117. Using the scale of excellent, very good, good, fair or poor, please tell me how you would rate the Health Risk Assessment questionnaire?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 1230

32251

Q118. How would you rate the usefulness of the feedback from this assessment?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 1240

32351

Q119. Has the fact that you completed a health risk assessment changed your behaviour regarding your lifestyle in any way?

- 1 Yes
- 2 No

QUESTION 740

32451

Let's discuss your day to day administrative contact with Bankmed.

- 1 Continue

QUESTION 750

32551

Q72. Using the scale of excellent, very good, good, fair or poor, please tell me how you would rate your day-to-day administrative contact with Bankmed, including contact with the client services department, changing member details and submitting claims.

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 760

32651

Q73. Did you or any of your dependants apply for Bankmed membership within the past year?

- 1 Yes
- 2 No

QUESTION 770

32751

Q74. And did you or any of your dependants make changes to your Bankmed membership during the past year?

- 1 Yes
- 2 No

QUESTION 820IF [Q760 , 1]
33201

Q79. How would you rate the quality and comprehensiveness of the Bankmed Membership pack which you received upon joining the scheme?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 830IF [Q760 , 1]
33312

Q80. How would you rate the time taken to provide you with your Bankmed membership card?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 835

33401

Q81a. Did you submit a claim to Bankmed during the past year?

- 1 Yes
- 2 No

QUESTION 840

33501

Q81. Overall, how would you rate your experience of submitting a claim to Bankmed?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 850IF (Q835 , 1)
336L1

Q82. More specifically, how would you rate the speed with which your claims are processed and paid out?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 860IF (Q835 , 1)
337L1

Q83. How would you rate your experience at the service provider, for example a doctor or pharmacy, when you inform them that your claim will be handled by Bankmed?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 870**MULTIPLE**
338L1

Q84. There are various ways to contact the client services department at Bankmed. I am now going to read out the list of possibilities. Please indicate which of these you have made use of in the past year.

Multi mentions possible

Read out

- 1 Call Centre (Telephonic Contact)
- 2 Written correspondence
- 3 Sending a fax
- 4 E-mail
- 5 Walking into the Bankmed offices in person to make enquiries
- 6 The self-help facility (on the website or via the call centre IVR)
- 7 None (Do not read out)
- 8 Don't know \ Refused (Do not read out)

QUESTION 880

346L1

Q85. Which one of these methods of communication do you prefer to use when communicating with Bankmed?

Read out if necessary

- 1 Call Centre (Telephonic Contact)
- 2 Written correspondence
- 3 Sending a fax
- 4 E-mail
- 5 Walking into the Bankmed offices in person to make enquiries
- 6 The self-help facility (on the website or via the call centre IVR)
- 7 None (Do not read out)
- 8 Don't know \ Refused (Do not read out)

QUESTION 890

IF [Q870 , 1 TO 5]
34921

Q86. How would you rate your overall experience when communicating with the client services department at Bankmed? This may include contact through the call centre, post, fax or e-mail.
Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 900

34851

Q87. How would you rate the adequacy with which your problems are handled by representatives of the Bankmed Client services department?
Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 910

34921

Q88. How would you rate the friendly and professional attitude of Bankmed's client services representatives?
Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 920

IF [Q870 , 1]
35021

I am now going to ask you a few questions about the Bankmed Call Centre.

- 1 Continue

QUESTION 930IF (Q870 = 1)
35121

Q89. Overall, how would you rate the quality of the telephone assistance provided by the Bankmed call centre?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 940IF (Q870 = 1)
35241

Q90. How would you rate the queue time, or the length of time holding on, when dealing with the Bankmed call centre?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 950**MULTIPLE**IF (Q870 = 1)
35362

Q91. What aspects of the service provided by the call centre would you like to see improved?

Multi mentions possible

Read out

- 1 The call centre agent's attitude and manner
- 2 The knowledgibility of the call centre agents
- 3 The speed with which your call was answered
- 4 The call centre's appreciation of the urgency of your problem
- 5 The call centre's ability to provide a one-stop service
- 6 The speed with which queries are resolved and calls returned
- 7 None (Do not read out)
- 8 Don't know \ Refused (Do not read out)

QUESTION 960IF (Q870 = 2 TO 4)
36111

Q92. How would you rate the speed with which your written queries, submitted via post, fax or e-mail, are handled by Bankmed's client services department?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 970IF [Q870 , 6]
362LI

Q93. How would you rate the way in which your query was resolved when using the self-help facility offered on Bankmed's website or via their call centre IVR?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 980IF [Q870 , 6]
363LI

Q94. How would you rate the ease of using and navigating through the self-help facility menus?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 990

364LI

Let's discuss the different ways in which Bankmed communicates with you, its member.

- 1 Continue

QUESTION 1000

365LI

Q95. Using the scale excellent, very good, good, fair or poor, please tell me how you would rate the communication you receive from Bankmed, including for example all newsletters, correspondence and statements.

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 1010

36621

Q96. More specifically, how would you rate the day-to-day operational communication you receive from Bankmed, including claims statements, letters, year-end communication and member circulars.
Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 1020

36711

Q97. Please tell me how you would rate the claims statements you receive from Bankmed.
Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 1030

36811

Q98. Overall, please tell me how you would rate the letters you receive from Bankmed.
Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 1040

36911

Q99. Overall, please tell me how you would rate the user friendliness of Bankmed's various application forms, for example, those you filled out in order to join Bankmed?
Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 1050

370L1

Q100. Bankmed's member circulars focus on administration issues for example claiming practices. Please tell me how you would rate the value of the information contained in these member circulars.
Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 1060

371L1

Q101. Please tell me how you would rate the annual benefit change communication you receive from Bankmed.
Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 1070

372L1

Q102. Are you aware of the Z-cards which are issued by Bankmed on an annual basis?

- 1 Yes
 - 2 No
- ⤵ CONTINUE AT QUESTION 1080

QUESTION 1080

373L1

Q103. Do you receive Z-cards from Bankmed?

- 1 Yes
 - 2 No
- ⤵ CONTINUE AT QUESTION 1090

QUESTION 1090

374L1

Q104. How would you rate the usefulness of the Z- card you receive from Bankmed?
Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 1100

17921

Q105. Overall, how would you rate the marketing communication you receive from Bankmed? The marketing communication includes the Bankmed website, Health Check, Senior Plus and the Disease Management booklets.

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 1110

37621

Q106. Do you have access to the Internet?

- 1 Yes
- 2 No



CONTINUE AT QUESTION 1245

QUESTION 1120

37721

Q107. Have you visited the Bankmed website?

- 1 Yes
- 2 No



CONTINUE AT QUESTION 1245

QUESTION 1130**MULTIPLE**

37821

Q108. For which of the following reasons did you visit the website?

Multi mentions possible

Read out

- 1 Personal information, e.g. relating to claims and benefits
- 2 Benefit information for the various plans
- 3 Information relating to Disease Management and Lifestyle Programmes
- 4 Application forms
- 5 Bankmed Scheme Rules
- 6 Information on Service Provider Networks
- 7 Access to guides, eg member's handbook; and benefit 2-folds
- 8 Publications, eg Health Check and Senior Plus
- 9 Communications, eg Member circulars
- 10 Information on the Industry, eg the Medical Schemes Act
- 11 Completion of a Health Risk Assessment
- 12 Links to various business partners, eg The Good Life Programme, Health Cells, etc
- 13 None of these (Do not read out)

QUESTION 1140

39121

Q109. Using the scale excellent, very good, good, fair or poor, please tell me how you would rate Bankmed's website.

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 1150

39221

Q110. There is a KynetX link in the Bankmed website. Have you accessed the site?

- 1 Yes
- 2 No

⤵ CONTINUE AT QUESTION 1170

QUESTION 1160

39321

Q111. How would you rate the KynetX website?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 1170

39421

Q112. Have you entered the Health Cybrarian website through the Bankmed website?

- 1 Yes
- 2 No

⤵ CONTINUE AT QUESTION 1190

QUESTION 1180

39521

Q113. How would you rate the Health Cybrarian website?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 1190

396LI

Q114. Have you accessed your claims information on the Bankmed Website?

- 1 Yes
- 2 No

CONTINUE AT QUESTION 1245

QUESTION 1200

397LI

Q115. How would you rate the claims information available on the Bankmed Website?

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 1245

398LI

Q120a. Bankmed's Health Check newsletter focuses on Health related issues. have you received Health Check?

- 1 Yes
- 2 No

QUESTION 1250

399LI

Q120. Please tell me how you would rate Health Check.

Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 1260

IF [Pensioner = True]

400LI

Q121. Have you received Bankmed's newsletter called Senior Plus?

- 1 Yes
- 2 No

CONTINUE AT QUESTION 1280

QUESTION 1270

40441

Q122. How you would rate Senior Plus?
Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 1280

40723

Q123. How would you prefer receiving communication from Bankmed?
Read out

- 1 Through the post
- 2 Electronically
- 3 Through your employer

QUESTION 1290

40724

Q124. Where would you prefer receiving postal communication from Bankmed?
Read out

- 1 At your home address
- 2 At your work address

QUESTION 1300

40441

Q125. During the last year, the government has introduced a number of changes to legislation, which impact on medical aid schemes. Although Bankmed has no control over these changes, how would you rate the way in which Bankmed communicated these changes to you?
Read out

- 5 Excellent
- 4 Very good
- 3 Good
- 2 Fair, or
- 1 Poor
- 6 Don't know \ Refused (Do not read out)

QUESTION 1310

40542

Q126. Again, remembering the fact that Bankmed did not have any control over these changes, how would you say it impacted on your relationship with Bankmed?
Read out

- 1 It improved your relationship with Bankmed
- 2 No change, it remained the same, or
- 3 It had a negative impact on your relationship with Bankmed

Discussion guide: Members of Bankmed Medical scheme

26 and 28 June 2000

Johannesburg

- SAMRA code of conduct
- Cell phones

Introductions (5 minutes)

- FGD forms part of a comprehensive survey conducted by Markinor on behalf of Bankmed.
- Aim of survey: gather info on customer satisfaction levels and product/benefits – in other words the scheme in general

Warm-up (10 minutes)

- What would you consider to be the main challenges the country is facing today
- Challenges faced in the health care sector
- Challenges faced by medical schemes in general

Interaction with Bankmed (20 minutes)

Intro: Various modes of contact between Bankmed and its members. Have you had recent contact – take the line and address the following types of contact as they come up. Those (e.g. e-mail) that are not mentioned by the participants – probe and see whether they are aware of the facility and if yes, why don't they make use of it. This section refers to admin contact and not general communication. Communication by means of the newsletter, etc. will be addressed in a next section.

- **Call Centre:**
 - How would they rate service
 - Suggestions to improve service
 - Issues that you could touch on could be : Holding time on telephone, level of knowledge
- What about the other forms of contact such as the **written correspondence**?
 - Reaction time
 - Content – are they satisfied with the service
 - Suggestions to improve
- **Internet and e-mail usage** – how often are these used?
 - Reasons why they are not using the facility
 - Anything that you would like to suggest to improve this situation?

Let's focus for a few minutes on the process of claims.

- Are you satisfied with the format of the claims statements?
- Is it user-friendly?
- If you could re-design it, what would you add and what would you take out?
- Show the participants the Woolworths statement – comments
 - Can this format work for a medical scheme?

A last point under this section:

- Do you think that there is **fraud and abuse**?
 - What kind?
 - Suggestions to address this problem?

Product (20 minutes)

- Recent changes to the product (from a traditional to a new generation scheme) – comments. Probe both negatives and positives
- If they could re-design the product – what would they do? Pick-up on the following issues:
 - Thresholds
 - Top up
 - Supplier networks such as Medicross (if they go this route, they will have limited choice in supplier, but the cost could be lower)
 - More choice in type of product
- How do they feel about alternative therapy?
- How do they feel about the manner in which Bankmed is dealing with alternative therapy?
- Is there any thing in particular they would like to bring to the attention of Bankmed? Any benefits currently being provided by other medical schemes that they think Bankmed should be looking at?

Communication (20 minutes)

(Note: one of the main concerns is that members receive quite a fair bit of info (various formats), but that they do not read it. Bankmed would like to find out what could change this and how they must change/improve communication to create a more 'literate' membership.

- Recent changes in product – how do you feel about the way in which Bankmed communicated it to you, the member?
- What format of communication do they think is the most effective?
- Why?
- The change from the benefit booklet to the Z-card – how do they feel about this?
- Feelings about the newsletter, Health Check?
 - How do they value the info?
- Any suggestions on how to improve communication?
 - Video material
 - Would they be prepared to pay a fee of R5.00 for a free toll free customer service line?
- Current trend that we are constantly inundated with so-called junk mail and many treat letters, etc from their medical scheme as junk mail? What could be done to change this perception? Anything even off-the-wall suggestions?

Communication (20 minutes)

(Note: one of the main concerns is that members receive quite a fair bit of info (various formats), but that they do not read it. Bankmed would like to find out what could change this and how they must change/improve communication to create a more 'literate' membership.

- Recent changes in product – how do you feel about the way in which Bankmed communicated it to you, the member?
- What format of communication do they think is the most effective?
- Why?
- The change from the benefit booklet to the Z-card – how do they feel about this?
- Feelings about the newsletter, Health Check?
 - How do they value the info?
- Any suggestions on how to improve communication?
 - Video material
 - Would they be prepared to pay a fee of R5.00 for a free toll free customer service line?
- Current trend that we are constantly inundated with so-called junk mail and many treat letters, etc from their medical scheme as junk mail? What could be done to change this perception? Anything even off-the-wall suggestions?

Appendix 5
Discussion guide – 2001 (Qualitative)

University of
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Discussion guide: Members of Bankmed Medical scheme

25 June 2001 – Cape Town – 18h00 – Current Members

28 June 2001 – Johannesburg – 17h30 and 20h00 – Current Members

28 June 2001 – Johannesburg - 11h00 – Pensioner Members

2 July 2001 - Durban - 18h00 – Current Members

- SAMRA code of conduct
- Cell phones

Introductions (5 minutes)

- FGD forms part of a comprehensive survey conducted by Markinor on behalf of Bankmed.
- Aim of survey: gather info on customer satisfaction levels and product/benefits – in other words the scheme in general

Warm-up (10 minutes)

- What would you consider to be the main challenges the country is facing today
- Challenges faced in the health care sector
- Challenges faced by medical schemes in general

Interaction with Bankmed (20 minutes)

Intro: Various modes of contact between Bankmed and its members. Have you had recent contact – take the line and address the following types of contact as they come up. Those (e.g. e-mail) that are not mentioned by the participants – probe and see whether they are aware of the facility and if yes, why don't they make use of it. This section refers to admin contact and not general communication. Communication by means of the newsletter, etc. will be addressed in a next section.

- **Call Centre:**
 - How would they rate service
 - Suggestions to improve service
 - Issues that you could touch on could be : Holding time on telephone, level of knowledge
- What about the other forms of contact such as the **written correspondence?**
 - Reaction time
 - Content – are they satisfied with the service
 - Suggestions to improve
- **Internet and e-mail usage** – how often are these used?
 - Reasons why they are not using the facility
 - Have you ever visited the Bankmed website? Why/why not?
 - IF WEBSITE VISITED: What do you think of the website? Have you noticed any recent changes to the Bankmed website?
 - How do they think the Bankmed website can be applied in future to offer a better service to them as members?
- Anything that you would like to suggest to improve the communication between Bankmed and its members?

Let's focus for a few minutes on the process of claims.

- Are you satisfied with the format of the claims statements?
- Is it user-friendly?
- If you could re-design it, what would you add and what would you take out?

Deleted section on the Woolworths account and fraud and abuse

Product (20 minutes)

- **Awareness of new products and developments** – comments. Probe both negatives and positives
 - Equilibrium Plus
 - Prime Health Plan
 - Prohealth
 - Disease Management
- **If they could suggest any other developments or products** – what would they do? **How satisfied are they with the degree of choice available to Bankmed members?**
- Pick-up on the following issues:
 - Thresholds
 - Top up
 - Supplier networks such as Medicross (if they go this route, they will have limited choice in supplier, but the cost could be lower)
- **Would they be prepared to pay extra for benefits such as**
 - lifestyle improvement plans
 - payment at the cost of doctor's charges
 - more benefits paid out of the insured benefits rather than out of the personal medical account? Why/why not?
- How do they feel about alternative therapy? **When do they make use of alternative therapy? What do they regard as alternative therapy?**
- How do they feel about the manner in which Bankmed is dealing with alternative therapy?

- Is there any thing in particular they would like to bring to the attention of Bankmed? Any benefits currently being provided by other medical schemes that they think Bankmed should be looking at?

Communication (20 minutes)

(Note: one of the main concerns is that members receive quite a fair bit of info (various formats), but that they do not read it. Bankmed would like to find out what could change this and how they must change/improve communication to create a more "literate" membership.

- Recent changes in product – how do you feel about the way in which Bankmed communicated it to you, the member?
- What format of communication do they think is the most effective?
- Why?
- The change from the benefit booklet to the Z-card – how do they feel about this? **How do they use the Z-card? Where do they keep it?** Which do they prefer – **a flat sheet or Z-card – why?**
- Feelings about the newsletter, Health Check?
 - How do they value the info?
 - **How do they read the Healthcheck – do they page through, read only the main articles or do they read it from start to finish and keep as a reference document relating to Bankmed?**
- Any suggestions on how to improve communication?
 - Video material
 - **SMS/Voicemail**
 - Would they be prepared to pay a fee of R5.00 for a free toll free customer service line?
- Current trend that we are constantly inundated with so-called junk mail and many treat letters, etc from their medical scheme as junk mail? What could be done to change this perception? Anything even off-the-wall suggestions?

BANKMED

DISCUSSION GUIDE FOR 8 FOCUS-GROUP DISCUSSIONS WITH MEMBERS OF THIS MEDICAL SCHEME MARCH – APRIL 2003

1. INTRODUCTION AND WARM-UP

- Moderator introduces herself and briefly explains certain aspects of the qualitative discussion process:
 - tape-recording of proceedings for transcription purposes only – anonymity guaranteed
 - emphasis on honest opinions - no right or wrong answers
- Respondents introduce themselves in terms of:
 - name,
 - bank represented, (only relevant for “mixed” groups)
 - period of time with Bankmed
- Moderator introduces topic of discussion:
 - Today I would like us to discuss your perceptions and opinions regarding Bankmed and the services they provide to you, so that key insights might be gained in this regard with a view of aligning their current offering optimally to your specific needs.

2. MAIN DISCUSSION

2.1. I would like you to think about Bankmed as a person. How would you perceive this person in terms of:

- Gender
- Age
- General appearance and style (e.g. what type of clothes would he/ she be wearing; does he/ she appear to be well-groomed or not, etc?)
- Personality/ character traits
- Financial status (e.g. where would he/ she be living; what type of car would he/ she be driving?)
- Role/ level of influence and reputation within his/ her community?

(Respondents are to be divided into two groups, who then have to compile psycho-drawings of Bankmed)

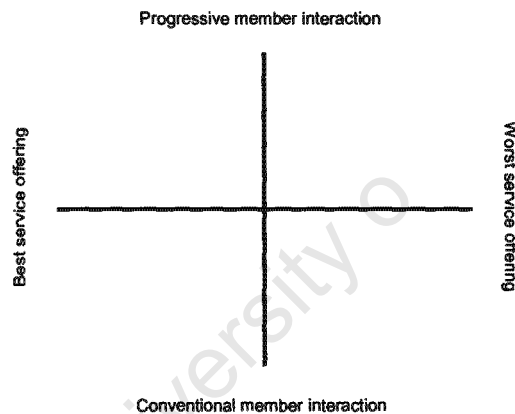
- 2.2 In the light of the profile that you have just compiled of Bankmed, would you say that it corresponds with (strengths), or differs from (weaknesses), your *ideal* expectations of a medical aid scheme?

(Bankmed's strengths and weaknesses to be recorded on flip chart and probed fully)

- 2.3 Which other medical schemes are you aware of?

2.3.1 On the following Quadra-grid map, (each respondent is to be given Self-completion sheet A for individual completion before the ensuing group discussion in this regard) please indicate where you would place Bankmed and the other schemes you have just mentioned (at 2.3) in relation to:

- (a) the attributes mentioned on the map and
- (b) each other.



- 2.4 Focussing on Bankmed's weaknesses, how would you go about transforming these into strengths if you were:

- 2.4.1 On the Bankmed management, and
- 2.4.2 On the management of (the employer groups)
- 2.4.3 A "developer" of medical schemes

- If not mentioned spontaneously above, probe fully:

- Range of options
- Benefits
- Contribution rates
- Employer subsidies
- Compulsory membership
- Client services and claims department
- Communication with members
- Legislation affecting medical schemes

2.5 Do you have any final comments or further suggestions for Bankmed?

**MODERATOR THANKS RESPONDENTS AND CLOSSES THE FOCUS-GROUP
DISCUSSION.**

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Appendix 6
Discussion guide – 2003 (Qualitative)

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BANKMED

DISCUSSION GUIDE FOR 8 FOCUS-GROUP DISCUSSIONS WITH MEMBERS OF THIS MEDICAL SCHEME MARCH – APRIL 2003

1. INTRODUCTION AND WARM-UP

- Moderator introduces herself and briefly explains certain aspects of the qualitative discussion process:
 - tape-recording of proceedings for transcription purposes only – anonymity guaranteed
 - emphasis on honest opinions - no right or wrong answers
- Respondents introduce themselves in terms of:
 - name,
 - bank represented, (only relevant for “mixed” groups)
 - period of time with Bankmed
- Moderator introduces topic of discussion:
 - Today I would like us to discuss your perceptions and opinions regarding Bankmed and the services they provide to you, so that key insights might be gained in this regard with a view of aligning their current offering optimally to your specific needs.

2. MAIN DISCUSSION

2.1. I would like you to think about Bankmed as a person. How would you perceive this person in terms of:

- Gender
- Age
- General appearance and style (e.g. what type of clothes would he/ she be wearing; does he/ she appear to be well-groomed or not, etc?)
- Personality/ character traits
- Financial status (e.g. where would he/ she be living; what type of car would he/ she be driving?)
- Role/ level of influence and reputation within his/ her community?

(Respondents are to be divided into two groups, who then have to compile psycho-drawings of Bankmed)

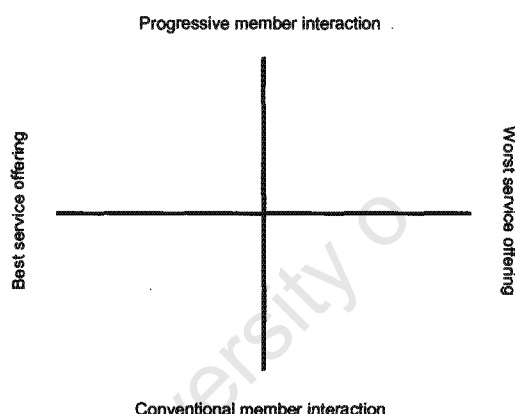
2.2 In the light of the profile that you have just compiled of Bankmed, would you say that it corresponds with (strengths), or differs from (weaknesses), your *ideal* expectations of a medical aid scheme?

(Bankmed's strengths and weaknesses to be recorded on flip chart and probed fully)

2.3 Which other medical schemes are you aware of?

2.3.1 On the following Quadra-grid map, (each respondent is to be given Self-completion sheet A for individual completion before the ensuing group discussion in this regard) please indicate where you would place Bankmed and the other schemes you have just mentioned (at 2.3) in relation to:

- (a) the attributes mentioned on the map and
- (b) each other.



2.4 Focussing on Bankmed's weaknesses, how would you go about transforming these into strengths if you were:

- 2.4.1 On the Bankmed management, and
- 2.4.2 On the management of (the employer groups)
- 2.4.3 A "developer" of medical schemes

- If not mentioned spontaneously above, probe fully:

- Range of options
- Benefits
- Contribution rates
- Employer subsidies
- Compulsory membership
- Client services and claims department
- Communication with members
- Legislation affecting medical schemes

2.5 Do you have any final comments or further suggestions for Bankmed?

MODERATOR THANKS RESPONDENTS AND CLOSSES THE FOCUS-GROUP DISCUSSION.

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Appendix 7
Statistical Analysis 18 – 35's – June 2005

Appendix 7: Statistical analysis 18 – 35 year olds – June 2005

Introduction

This analysis covers the years 2001 to 2005 follows on from the earlier one carried out in 2001, which covered the years 1996 to 2000.

The initial question had been to identify the underlying patterns of buy down and defection within the options and savings levels. The results of this survey show a much more stable pattern with a good take-up of the new low cost option, Core.

Defection from within a group does not necessarily mean that members have joined their spouse's scheme or that they have opted out as it could also mean that their marital status has changed or that the employers have retrenched or changed the profile of their recruitment.

We see that, in contrast to the earlier survey, the overall membership in the age group surveyed increases over the first 4 years with a small percentage decrease in 2005.

In order to link choice with family structure the analysis is carried out for 2 age groups, 19 to 25 and 25 to 35, as a total and broken down into family sizes. Specifically:

- Single
- Married no children
- Married with one child
- Married with multiple children
- Single Parent with children (new category)

Other groups, such as those including Adult dependents were ignored as:

- 1) They were insignificantly small
- 2) Their behaviour would be different to the bulk of membership

Analysis of movement

The following tables show the number of principal members allocated between the three options and the various levels within Equilibrium as well as overall losses and gains by the 3 age categories.

Table 1 – All members – under 19 by Plan

	2001	2002	2003	2004	2005
Plus	8	11	13	15	18
High PMA	24	26	30	31	
Medium PMA	2	3	8	16	102
Low PMA		2	3	7	
No PMA				1	
Prime				3	37
Change		8	12	19	84

As a percentage of the maximum membership this would be:

Table 2 – % of members – under 19 by Plan

Maximum 157

	2001	2002	2003	2004	2005
Plus	5%	7%	8%	10%	11%
High PMA	15%	17%	19%	20%	
Medium PMA	1%	2%	5%	10%	65%
Low PMA	0%	1%	2%	4%	
No PMA	0%	0%	0%	1%	
Prime	0%	0%	0%	2%	24%
Change		5%	8%	12%	54%
Cum Change		5%	13%	25%	78%

The maximum membership is 157 principal members and this occurs in 2005 (the overall membership is growing in this age category having risen 78% over the period. All the options appear to be growing proportionally at a fairly similar rate so there is no evidence of any buy-down.

As this is too small a group to break down into family sizes and as it is comparable at the total level to the next age group (19-25 see next) we shall assume that this is also true at the family level.

Table 3 – All members – 19 to 24 by Plan

	2001	2002	2003	2004	2005
Plus	15	28	48	55	176
High PMA	487	760	997	1,338	
Medium PMA	1,740	2,391	3,663	5,268	7,231
Low PMA	481	713	1,342	2,314	
No PMA	34	44	121	252	
Prime	16	32	138	376	3,686
Change		1,195	2,341	3,294	1,490

As a percentage of the maximum membership this would be:

Table 4 – % of members – 19 to 24 by Plan

Maximum 11,093

	2001	2002	2003	2004	2005
Plus	0%	0%	0%	0%	2%
High PMA	4%	7%	9%	12%	
Medium PMA	16%	22%	33%	47%	65%
Low PMA	4%	6%	12%	21%	
No PMA				2%	
Prime	0%	0%	1%	3%	33%
Change		11%	21%	30%	13%
Cum change		11%	32%	62%	75%

Again, as membership is growing over the years, the maximum membership is in 2005 and the growth is proportionately even over all the options and within the Equilibrium levels.

Table 5 – All members – 25 to 35 by Plan

	2001	2002	2003	2004	2005
Plus	765	1,053	1,049	1,095	1,857
High PMA	8,929	9,631	9,444	9,318	
Medium PMA	23,055	21,361	20,620	20,161	26,207
Low PMA	6,269	5,899	6,114	6,614	
No PMA	756	706	762	903	
Prime	145	258	563	876	7,106
Change		-1,011	-356	415	-3,797
Cum change					

As a percentage of the maximum membership this would be:

Table 6 – % of members – 25 to 35 by Plan
Maximum 39,919

	2001	2002	2003	2004	2005
Plus	2%	3%	3%	3%	5%
High PMA	22%	24%	24%	23%	
Medium PMA	58%	54%	52%	51%	66%
Low PMA	16%	15%	15%	17%	
No PMA	2%	2%	2%	2%	
Prime	0%	1%	1%	2%	18%
Change	0%	-3%	-1%	1%	-10%
Cum change	0%	-3%	-3%	-2%	-12%

This is the only age group where the numbers are falling so that the maximum membership was in 2001. Also in this group there was a big shift to the Prime option (now Core) when it became available in 2005. How this shift is correlated to family sizes will become clear in the more detailed analysis below.

The total members over this period for these age groups were as follows:

Table 7 – Total membership 2001 – 2005 (0 – 35 years)

Total				
2001	2002	2003	2004	2005
42,726	42,918	44,915	48,643	46,420

Interpreting the table

In the top table the actual number of members on each option is shown. Note that in 2005 the different savings levels fell away so the number of members is consolidated. The change row indicates whether this age group is growing or shrinking in total.

In order to better track the trends the second table shows the membership per option as a percentage of the membership in its peak year, which is highlighted in, bold. This membership is also shown as a number.

Thus in the 25 to 35 year old table the greatest membership was 39,919 principal members in 2001.

The following initial conclusions are very clear:

The under 19 group is insignificantly too small to be analysed on its own, and it should be assumed that whatever is done for the 19 to 24 year old group will have similar effects on this group as well

There is a significant difference between the under 25 and between 25 to 35 year old groups.

These are exactly the same conclusions that were reached in the analysis of the years 1996 to 2000.

The two main groups are now broken down by family size to ascertain whether there are any significant variations:

Table 8 – Single members – 19 to 24 by Plan

	2001	2002	2003	2004	2005
Plus	8	16	32	39	135
High PMA	373	561	717	980	
Medium PMA	1,467	1,975	2,950	4,203	5,761
Low PMA	414	619	1,179	2,022	
No PMA	26	41	115	222	
Prime	15	30	123	322	3,129
Change		939	1,874	2,672	1,237
	2,303	3,242	5,116	7,788	9,025

Table 9 – % of members – 19 to 24 by Plan

Maximum 9,025

	2001	2002	2003	2004	2005
Plus	0%	0%	0%	0%	1%
High PMA	4%	6%	8%	11%	
Medium PMA	16%	22%	33%	47%	64%

Low PMA	5%	7%	13%	22%	
No PMA				2%	
Prime	0%	0%	1%	4%	35%
Change			21%	30%	14%
Cum change			21%	50%	64%

Firstly we see a significant overall increase in the number of members in this single age-group. Over the years 2001-2004 they are concentrated in Equilibrium around the medium savings level with a tendency to move down to the lower saving limits. With the emergence of Prime there is a very significant defection to the lowest option.

Table 10 – Single members – 25 to 35 by Plan

	2001	2002	2003	2004	2005
Plus	197	257	276	279	550
High PMA	3,112	3,078	2,824	2,641	
Medium PMA	11,030	10,034	9,292	8,802	10,422
Low PMA	3,684	3,411	3,433	3,612	
No PMA	416	395	415	474	
Prime	72	132	285	458	3,807
Change		-1,204	-782	-259	-1,487
	18,511	17,307	16,525	16,266	14,779

Table 11 – % of single members – 25 to 35 by Plan

Maximum 18,511

	2001	2002	2003	2004	2005
Plus	1%	1%	1%	2%	3%
High PMA	17%	17%	15%	14%	
Medium PMA	60%	54%	50%	48%	56%
Low PMA	20%	18%	19%	20%	
No PMA	2%	2%	2%	3%	
Prime	0%	1%	2%	2%	21%
Change			-4%	-1%	-8%
Cum change			-4%	-6%	-14%

A weaker version of the younger group there is a similar concentration around the Medium PMA with a very slight tendency to move lower and a meaningful, but proportionally smaller defection to Prime.

Table 12 – Married members with no children – 19 to 24 by Plan

	2001	2002	2003	2004	2005
Plus	1	2		1	3
High PMA	8	15	25	35	
Medium PMA	11	23	50	70	124
Low PMA	2	6	10	17	
No PMA	1			3	
Prime				1	89
Change		23	39	42	89
	23	46	85	127	216

Table 13 – % of married members with no children – 19 to 24 by Plan

Maximum 216

	2001	2002	2003	2004	2005
Plus	0%	1%	0%	0%	1%
High PMA	4%	7%	12%	16%	
Medium PMA	5%	11%	23%	32%	57%
Low PMA	1%	3%	5%	8%	
No PMA	0%	0%	0%	0%	41%
Prime			18%	19%	41%
Change			18%	38%	79%
Cum change			18%	38%	79%

Quite a small group, which grows relatively strongly over the last 3 years. This group exhibits stability over the 5 year period. There is a large proportion, which chooses Prime, but this equals the 'new' membership in 2005 so it would seem that these are new entrants. If this is the case then Prime (now Core) has fulfilled an important function of providing cover for previously uncovered employees.

Table 14 – Married members with no children – 25 to 35 by Plan

	2001	2002	2003	2004	2005
Plus	108	149	136	121	156
High PMA	822	796	726	659	
Medium PMA	1,413	1,181	1,084	969	1355
Low PMA	224	203	197	192	
No PMA	41	33	31	28	
Prime	4	7	13	18	110
Change		-243	-182	-200	-366
	2,612	2,369	2,187	1,987	1,621

Table 15 – % of married members with no children – 25 to 35 by Plan
Maximum 2,612

	2001	2002	2003	2004	2005
Plus	4%	6%	5%	5%	6%
High PMA	31%	30%	28%	25%	
Medium PMA	54%	45%	42%	37%	52%
Low PMA	9%	8%	8%	7%	
No PMA	2%	1%	1%	1%	
Prime	0%	0%	0%	1%	4%
Change			-7%	-8%	-14%
Cum change			-7%	-15%	-29%

The older childless couples behave very differently to their younger counterparts. They are steady across the period and remain strongly represented in the costlier options even with the creation of the prime alternative, which they predominantly ignore. Note that there has been quite a significant attrition in this category.

Table 16 – Married members with 1 child – 19 to 24 by Plan

	2001	2002	2003	2004	2005
Plus			2	2	9
High PMA	4	9	18	33	
Medium PMA	5	13	33	55	98
Low PMA	1	1	6	9	
No PMA	0	0	0	0	
Prime			1	5	20
Change		13	37	44	23
	10	23	60	104	127

Table 17 – % of married members with 1 child – 19 to 24 by Plan
Maximum 127

	2001	2002	2003	2004	2005
Plus	0%	0%	2%	2%	7%
High PMA	3%	7%	14%	26%	
Medium PMA	4%	10%	26%	43%	77%
Low PMA	1%	1%	5%	7%	
No PMA				0%	
Prime	0%	0%	1%	4%	16%

Change			29%	35%	18%
Cum change			29%	64%	82%

Also not a very large group. This seems to be split into two distinct types. The ongoing members are increasing their membership in the higher costing options while the 16% that choose Prime appear to be primarily 'new' members, most likely previously uncovered employees who feel they can now afford the cover.

Table 18 – Married members with 1 child – 25 to 35 by Plan

	2001	2002	2003	2004	2005
Plus	121	162	162	181	249
High PMA	1,194	1,247	1,193	1,150	
Medium PMA	1,656	1,478	1,453	1,399	2182
Low PMA	235	204	237	251	
No PMA	32	36	48	54	
Prime	13	15	22	29	217
Change		-109	-27	-51	-416
	3,251	3,142	3,115	3,064	2,648

Table 19 – % of married members with 1 child – 25 to 35 by Plan

Maximum 3,251

	2001	2002	2003	2004	2005
Plus	4%	5%	5%	6%	8%
High PMA	37%	38%	37%	35%	
Medium PMA	51%	45%	45%	43%	67%
Low PMA	7%	6%	7%	8%	
No PMA	1%	1%	1%	2%	
Prime	0%	0%	1%	1%	7%
Change			-1%	-2%	-13%
Cum change			-1%	-2%	-15%

This is almost an identical situation to the 1996-2000 period where we found that couples with one child were similar to that of childless couples, only somewhat milder. That is, there is a slight migration to lower saving levels among younger couples, while the older group shows a steady distribution between saving levels.

Table 20 – Married members with children – 19 to 24 by Plan

	2001	2002	2003	2004	2005
Plus	1	2	0	1	4

High PMA	10	19	33	44	
Medium PMA	11	23	53	85	152
Low PMA	2	6	11	21	
No PMA	1	0	0	4	
Prime	0	0	0	1	27
Change		25	47	59	27
	25	50	97	156	183

Table 21 – % of married members with children – 19 to 24 by Plan

Maximum 183

	2001	2002	2003	2004	2005
Plus	1%	1%	0%	1%	2%
High PMA	5%	10%	18%	24%	
Medium PMA	6%	13%	29%	46%	83%
Low PMA	1%	3%	6%	11%	
No PMA				2%	
Prime	0%	0%	0%	1%	15%
Change			26%	32%	15%
Cum change			26%	58%	73%

Again a very small group. Also very similar if not identical to the same age group with 1 child, that is split into two distinct types with the ongoing members increasing their membership in the higher costing options while the 15% that choose Prime appearing to be 'new' members, most likely previously uncovered employees who feel they can now afford the cover.

Table 22 – Married members with children – 25 to 35 by Plan

	2001	2002	2003	2004	2005
Plus	192	284	297	311	472
High PMA	1877	2092	2108	2209	
Medium PMA	2733	2543	2499	2527	4318
Low PMA	398	406	421	484	
No PMA	82	71	89	102	
Prime	9	21	43	60	379
Change		126	40	236	-524
	5,291	5,417	5,457	5,693	5,169

Table 23 – % of married members with children – 25 to 35 by Plan

Maximum 5,693

	2001	2002	2003	2004	2005
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Plus	3%	5%	5%	5%	8%
High PMA	33%	37%	37%	39%	
Medium PMA	48%	45%	44%	44%	76%
Low PMA	7%	7%	7%	9%	
No PMA	1%	1%	2%	2%	
Prime	0%	0%	1%	1%	7%
Change			1%	4%	-9%
Cum change			1%	5%	-4%

As in the last survey this is a very significant category for the older families, and it seems relatively stable, favouring the higher costing options with little movement between saving levels even with the advent of the Prime option.

Single parent with children

In this survey we add category that is quite significant not only in its size but in its structure, that is the single parent. Here we would expect the greatest conflict been need (desire to cover children) and cost (single earner).

Table 24 – Single parent with children – 19 to 24 by Plan

	2001	2002	2003	2004	2005
Plus	3	5	9	7	13
High PMA	33	65	88	135	
Medium PMA	72	134	302	526	757
Low PMA	21	34	69	169	
No PMA	2	1	4	17	
Prime	1	1	11	33	377
Change		108	243	404	260
	132	240	483	887	1,147

Table 25 – % of single parent with children – 19 to 24 by Plan
Maximum 1,147

	2001	2002	2003	2004	2005
Plus	0%	0%	1%	1%	1%
High PMA	3%	6%	8%	12%	
Medium PMA	6%	12%	26%	46%	66%
Low PMA	2%	3%	6%	15%	
No PMA				1%	

Prime	0%	0%	1%	3%	33%
Change			21%	35%	23%
Cum change			21%	56%	79%

A large growth in this category over the survey period. Unlikely to be solely a question of affordability as the majority join before the advent of the Prime option and they join at the medium to high PMA level. A meaningful migration to Prime in 2005 possibly made up of 'new' entrants but with close to half being ongoing members. Obviously not too much affordability pressures with a significant proportion remaining in Equilibrium and even a small increase in Plus. Obviously medical cover is very important to this group.

Table 26 – Single parent with children – 25 to 35 by Plan

	2001	2002	2003	2004	2005
Plus	50	92	82	88	172
High PMA	773	971	1,087	1,135	
Medium PMA	2,904	3,023	3,263	3,525	4,217
Low PMA	842	880	1,039	1,190	
No PMA	72	65	64	95	
Prime	15	29	95	167	1,559
Change		404	570	570	-252
	4,656	5,060	5,630	6,200	5,948

Table 27 – % of single parent with children – 25 to 35 by Plan

Maximum 6,200

	2001	2002	2003	2004	2005
Plus	1%	1%	1%	1%	3%
High PMA	12%	16%	18%	18%	
Medium PMA	47%	49%	53%	57%	68%
Low PMA	14%	14%	17%	19%	
No PMA	1%	1%	1%	2%	
Prime	0%	0%	2%	3%	25%
Change			9%	9%	-4%
Cum change			9%	18%	14%

A very large group indeed, which shows some growth over the period. Shows similar behaviour to its younger counterpart in that the higher options remain favourites with little downward migration over the period. A not insignificant take-up of Prime in 2005 but the higher options retaining significant numbers.

Summary

During the 1996-2000 years we noticed a fairly constant pattern among the 25-35 year olds with a strong drop in option levels (savings) within the younger childless or single child families.

In the current survey, 2000 – 2005 there appears to be much more stability with only a slight tendency to buy down. With the creation of the Prime option there was initially a meaningful, take-up among members. This however has changed with substantial growth now experience on this affordable option. It is clear we are now starting to get the results we have tried to achieve over the past 5 years.

Appendix 8
Bankmed Wellness Strategy

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Appendix 8: Bankmed wellness strategy

We have now developed an integrated wellness offering aimed at the 18 – 35 market segments. Detailed below is the full offering.

Introduction

“Wellness is one cause where all parties - employees, employers, insurers and health care providers - have a vested interest and where everyone can come together to provide the environment and the support people need to make life-changing decisions.....The reason health care costs have risen as much as they have has a great deal to do with each of us as individuals. We don't live right.

We create our own problems as individuals and we can solve them as individuals. The fact that people are taking better care of themselves will contribute a great deal more in the long run than any cost containment program.” (Kizer, CEO Central States Health and Life Company of Omaha, 1985)

When we consider the iceberg model for population health management, we see that members can be grouped into a number of categories. Traditional managed health care programmes typically address the population above water level – those with known, multiple health risks and / or chronic conditions that account for the majority of claims. The real challenge, however, involves the population below the surface, which includes individuals with one or more risk factors and that have not yet become sick. Bankmed Wellness targets these members in an effort to curtail the risk before it becomes a less manageable, and more costly, disease. These tend to be the 18 – 35's who are well now, but their lifestyle will result in the opposite in years to come.

Bankmed

Bankmed's new philosophy on Wellness Programmes includes:

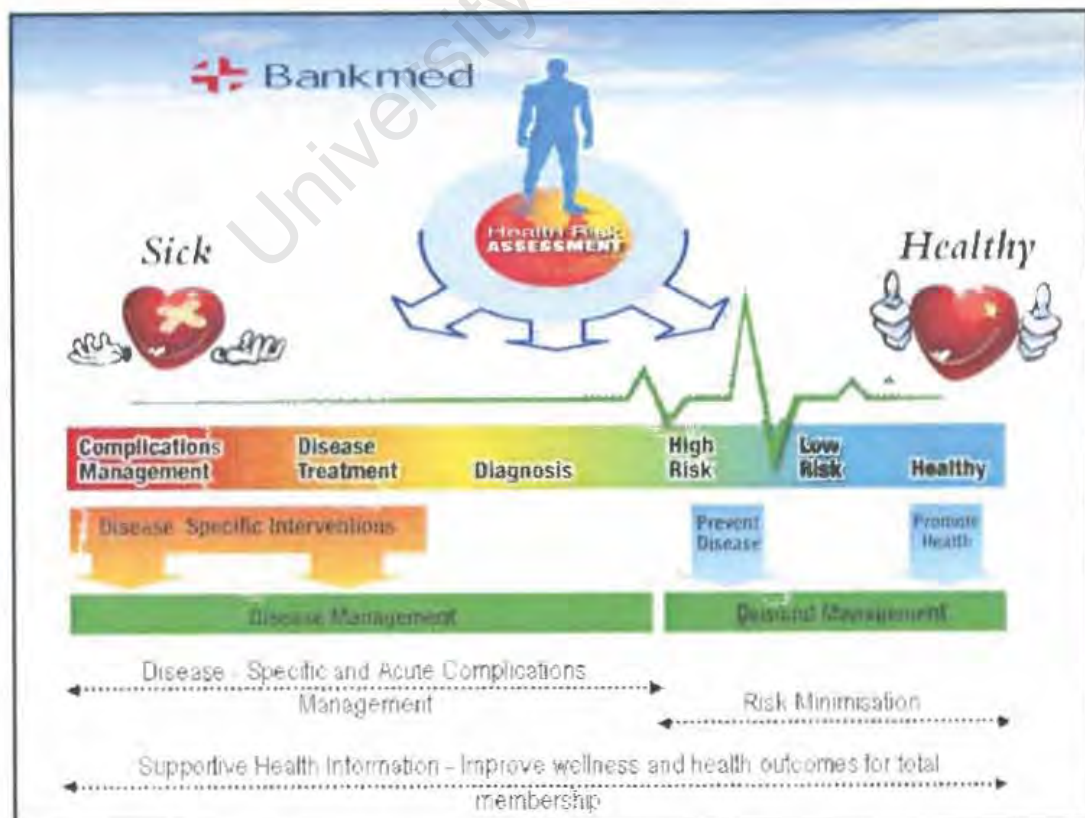
- To inspire, educate and develop a community of people committed to their and others' health
- To promote managed care initiatives

- To promote a healthy membership
- Committed to a process of looking after sick *and well* members
- To build on the current strengths of Bankmed
- "Wellness is rewarding"
- To assist in keeping members well and happy and to make wellness a "pleasant and exciting" experience
- To promote products on a sound clinical basis
- To focus on preventative medicine rather than curative
- To educate and empower members through shared responsibility Bankmed is a caring medical scheme

Continuum of Care

The HRA allows stratification of the membership along a risk continuum. Depending on where a member falls on the continuum, they will be exposed to different interventions and levels of care appropriate to their health status.

Figure 1 – Bankmed's population based model (designed by Len Deacon)

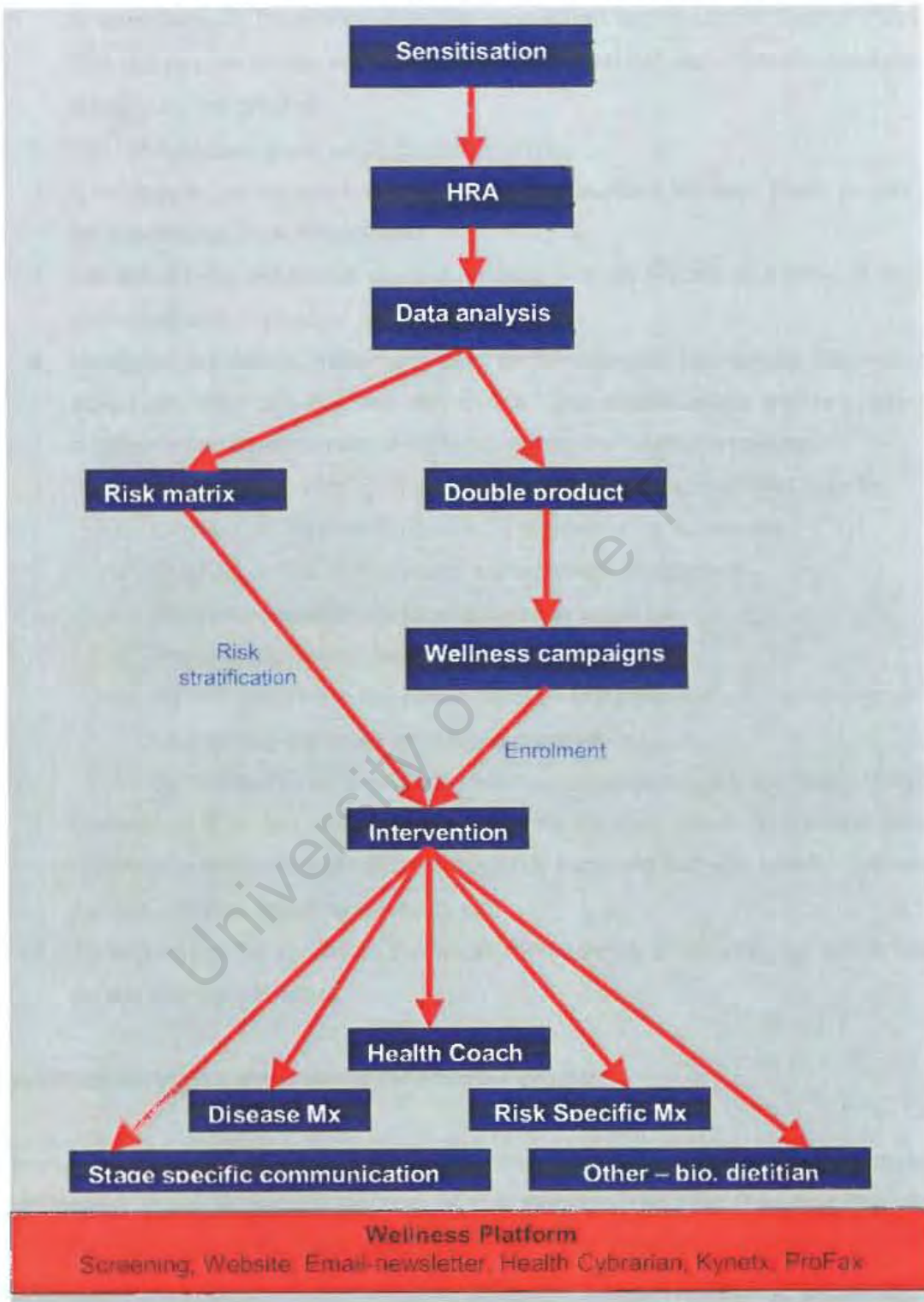


Bankmed's Current Wellness Initiatives

The following wellness tools and services are currently offered to the Bankmed membership:

- Health Risk Assessment
- Health Coach
- Health Campaigns
- Health Days
- Health Cybrarian
- Health Fax
- *For Good Health* publication (to follow soon)
- Kynetx
- E-Wellness newsletters

Figure 2 – Bankmed Wellness/Healthcare process flow



1. The first step in the rollout of Bankmed Wellness is to sensitise the membership to completing a Bankmed HRA (the “know-your-health-status” kind of theme). This will require further extensive marketing which will also enhance Bankmed’s visibility on the ground.
2. The HRA process must be aggressively driven.
3. A strategy to encourage this process must be in place for each Bank, as well as for dependants (non-employees)
4. Using this data, the double product concept must be applied as a basis to design and implement population health campaigns.
5. Using the risk matrix, individuals must be identified for appropriate interventions based on their position on the matrix. This identification process can be supplemented by enrolment of individuals from the health campaigns.
6. Based on their positioning on the risk stratification matrix, members may be:
 - a. Enrolled on the Health coaching programme for 12 months
 - b. Enrolled on the “risk specific” management programme
 - c. Sent stage-specific communications by email/fax
 - d. Receive a follow-up from a biokineticist or dietician
 - e. Be referred to the Bankmed Disease Management programme (or other appropriate managed healthcare programme)
 - f. Be referred to an appropriate medical professional (eg. the family doctor)
7. Underpinning all this would be the Wellness Platform providing frequent health information and communication through the Bankmed website, Health Cybrarian, KynetX, ProFax, email newsletters, etc)
8. By employing the approach, the whole membership is covered, but with a focus on the appropriate areas.

Identification of risk areas using the “double product”

Because resources for managing risk are not unlimited, one needs to develop a strategy that targets those areas contributing to the greatest risk, but ensuring the most favourable clinical and financial outcome in the most cost-effective manner. In other words, we need to target those members who pose a significant risk to Bankmed, but also who have indicated a willingness to change their behaviour in order to minimise the risk to both themselves and the scheme.

By combining these two dimensions (ie risk factors and willingness to change based on the Stages of Change or Transtheoretical Model), it is possible to identify the risk areas in a population most amendable to change, resulting in the greatest return on investment.

Tracking Outcomes

A process has been developed and implemented to track the impact of the wellness programme at different levels.

Figure 3 – Tracking Wellness outcomes model



Critical success factors required to achieve this include:

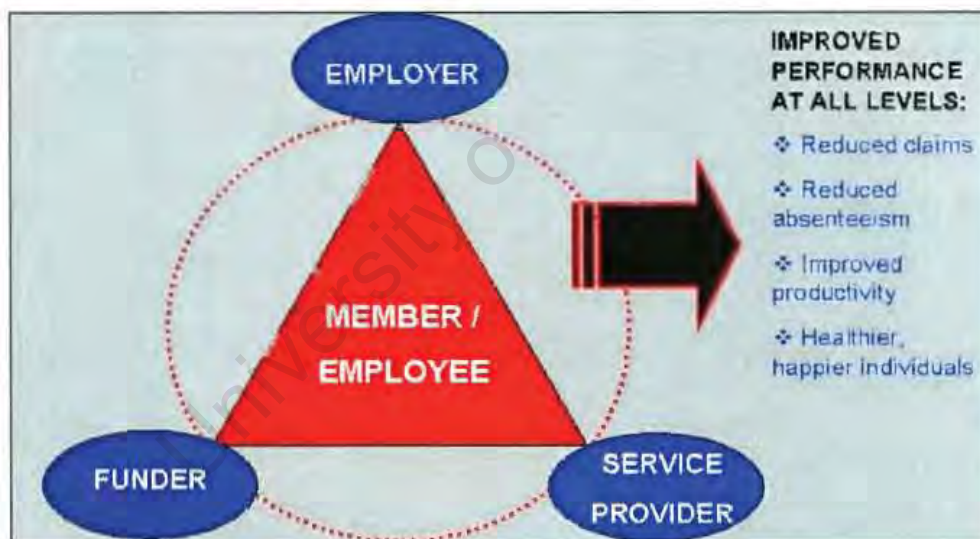
- Frequent and open communication between all stake holders
- Definition of the required objectives for each stakeholder
- A clear understanding of all resources available (eg onsite EAP programmes, corporate wellness initiatives, government funded resources, etc)
- Implementation of a common strategic plan
- A clear policy for the sharing of information between stakeholders, respecting the individual's right to privacy.

The Collaborative Care intervention is needed here to ensure Employees are partners with the Bankmed to reach their employees and our members.

"Collaborative Care" Intervention

The "collaborative care" intervention has the capacity to integrate the employer, healthcare funder, medical / EAP service provider and individual in each of their efforts to enhance the health and wellbeing of their members / employees. It is thus important that Bankmed works closely with its member employer groups, as well as their onsite corporate programmes, to ensure that all stakeholders have a common strategic plan to manage the health of this common risk pool of individuals, in an integrated manner which is of benefit to everyone, albeit for different reasons.

Figure 4 – Collaborative Care Model



Appendix 9
Stafford Beer's Viable Systems Model

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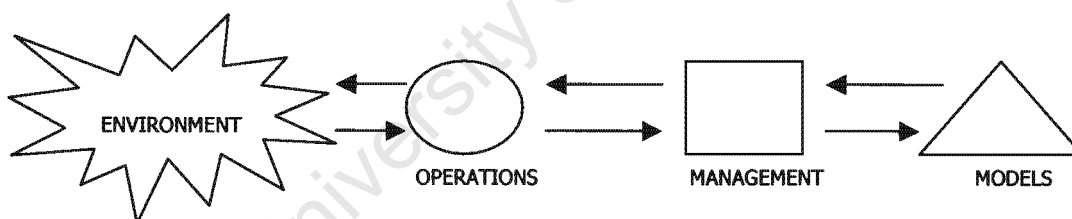
Annexure 9: Beers Viable system Model

Beers Viable System Model focuses on the organisation rather than structure. It specifies five broad functions that must be carried out in any organisation involved in management in order to both maintain internal stability and adapt to a changing environment. If any one of the five functions is missing, has inadequate capacity or its interactions are disturbed, the viability of the system will be endangered. Stafford Beer calls these five functions S1, S2 ... and S5 respectively. Variables regulated at one level are the pre-controlled parameters for the next level down, which means that each higher level develops those levels below it.

System One (S1) - (Operations)

System One (S1) mainly refers to the basic areas with control capacity. These areas could for example be departments inside an organisation or subsidiaries within a group. S1 consists of operations, management and the models that management holds of these units.

Figure 1 – Operations Flow (S1)



S1 is directly concerned with implementation. Each part connects to its local environment and so absorbs much of the overall environment variation. Changes in this area were made after each of the 3 quantitative surveys that the researcher conducted at Bankmed and then measured again later as detailed in Figure 4 above.

System Two (S2) – (Co-ordination)

The main function of System Two (S2) is prevent the various operating units from adversely affecting each other through inadequate co-ordination. The working of the internal operational elements has to be co-ordinated and it must be ensured that the vicious cycles are not generated (resistance).

This is the reason why the co-ordinator must operate at least as often as either one of the two elements makes sufficient change. It is important to note that S2 is a servant, which operates under the direction of S3 direction. S2 has no right to tell anybody what to do, only when trying to prevent oscillations. S2 needs to maintain the status quo of the organisation. All critical needs are to be maintained within their normal limits. S2 is responsible for solving problems, which develop between separate S1s.

System Three (S3) – (Management and Control)

System Three (S3) is responsible for ensuring that the organisation produces the outputs that the larger organisation requires of it, as well as maintaining the status quo within the organisation as a whole. S3 must interpret policy decisions from higher management. It must keep things running smoothly. It must ensure effective implementation of policy. It must ensure that internal operational elements that form part of S1 are able to secure the resources that they need to function.

One sometimes refers to S3* as the auditing function which is also part of controlling and regulation. This is the core function the researcher undertook in his executive role.

System Four (S4) – (Intelligence)

System Four (S4) handles contacts with those outside the company and initiates changes and development of work. S4 explores environment and the future. S4 explores the following:

- Growth
- Change
- New Threats
- Opportunities

S4 produces a model of the organisational environment. It must also rapidly transmit urgent information from S1, S2 and S3 to S5. S4 must have insight into the working of

the organisation and its activities should constitute a learning process. S4 must help create the organisation's desired future. S3 and S4 must maintain continuous dialogue.

System 5 (S5) – (Policy)

This is the final system within the Viable System's Model. S5 uses the organisational identity to interact the built-in tensions between S3 and S4 at an optimum level and, in so doing, S5 seeks to find the balance between stability and the rate of change. Finding this balance is particularly important when looking at requirements to meet the needs of the 18 to 35 years old market segment and the requirements to keep the existing business running efficiently and meeting its needs.

S5 is responsible for policy for example for the organisation's vision and the mission. It must respond to sufficient signals that will pass through the various filters S1, S2, S3 and S4. S5 has to arbitrate between the sometimes antagonistic external demands of the organisation as represented by S3 and S4.

S5 represents the essential qualities of the whole system, to any wider system of which it is a part. S5 is normally the function of the Board of Directors or, as in Bankmed, the Board of Trustees.