



Prison Officers' Medical Aid Society

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Dear Member,

As a Society we continue to be very mindful of the Health Insurance Market that we operate in. Members of the scheme continue to have a level of access to both the Private & High Tech Hospital network that is unrivalled at the Plan Cost in the open market. We continue to aim to protect this privilege for our members.

In the past we have highlighted to you that the level of benefit available on a wide basket of everyday medical costs across Prescriptive Drugs, Optical, Dental & Outpatient Consultations is not available from any of the Insurers in the open market. These level of benefits can only be secured by paying in to cash plans which **are not** Health Insurance Plans.

Like all Health Insurers such as VHI & LAYA, we have experienced substantial increases in both the cost and volume of Hospital Claims in 2016.

In-Patient Hospitalisation in 2016 together with treating consultants amounted to almost €9.3 MILLION - €1.6MILLION more than 2015 which reflects a DRAMATIC 21% rise in costs.

Some of the key COST DRIVERS that have caused this major escalation in costs are –

- The Society has had a significant increase in Cancer & Heart treatment costs and Private Day cases where most High Cost Drugs are administered to patients. To this end we have actively engaged in contract negotiation with the Private Network group – in an effort to deliver Price Savings, however the number of people availing of these services can't be controlled.
- Public Hospitals Redesignation- A charge introduced 2 years ago where members are charged €813 a night when accessing a Public Hospital through A & E instead of the €75 a night, while not receiving preferential treatment. This accounts for 30% of the increase in our Hospital costs and we have engaged in a major campaign explaining the significance to all our members.
- The volume of claims in all other areas has also increased and in scans particularly MRI's, where we have now introduced some auditing tools to achieve cost savings in this area.

PREMIUM INCREASE

To further offset the increasing Cost Climate that we operate in, it is necessary to introduce a Premium Increase. This cost increase is at an absolute minimum, while **not reducing Benefits.**

The Premium will increase by €1 for every Adult member from €29 a week to €30 a week – overall an annual increase of €52 per Adult in the scheme.

Child / (Children) Premium changes are -

- Where there is 1 child in the family – Cost remains unchanged.
- Where there are 2 children in the family the *total price change is from €5.80 per week to €8 per week* (an increase of €2.20 for 2 children)
- Where there are 3+ children in the family the *total price change is from €8.70 per week to €12 per week* (an increase of €3.30 for 3 or more children)

We also enclose a copy of our AGM notification and we would encourage you to turn the page and see where the funds have been paid out in 2016.

Peter G Bracken
Secretary