



## Keeping Healthcare Affordable, Together

Dear Member,

You have heard of shortfalls, and you may have experienced shortfall payments at the hospitals. But what are these shortfalls and why do medical aid schemes across the world including MASM apply them in the different schemes? So let us start here. Medical aid schemes apply **shortfalls** in their benefit structures for a combination of **financial sustainability, cost control, and responsible use of healthcare services**. Healthcare costs such as consultations, drugs, diagnostics, specialist fees, etc., are rising everywhere, driven by inflation, exchange rates, and new medical technologies. We know this can feel overwhelming—but our commitment to you has never been stronger!! We are determined to keep your out-of-pocket expenses as low as possible, and to walk with you every step of the way.

### What are Shortfalls and Excesses and why do they Matter?

- **Shortfall:** Shortfall is the difference between what the medical provider charges and what the medical aid scheme pays according to its benefit limits on each scheme. For example, if the healthcare service provider such as a doctor charges MK100,000 but the medical aid scheme covers MK80,000 and let's say member is on VIP with a 10% prescribed shortfall, member would pay 10% of MK80,000, which will be MK8,000 and what medical aid scheme does not cover, which is K20,000 (as an **Excess**). Therefore, the member pays a total of MK28,000 to the doctor (as **Shortfall** and **Excess**)
- **Excess:** In a medical aid context, an “excess” is the portion of a healthcare cost that the member pays out-of-pocket directly to the healthcare service provider such as a doctor before or alongside what the scheme covers. This is how it works here at MASM: The Society (MASM) sets a limit (such as **Benefit Limits** of your scheme's benefits, or reimbursement rate for a service, such as the K80,000 described above). If the provider charges more than what the scheme **covers** the member pays the difference (the **Excess**). So let us calculate with examples below:
  1. **Excess number one:** your **Benefit Limit**, let's say as an example, for your glasses is MK100,000 as prescribed on your **scheme brochure** also called **product option brochure**, which may be VIP, Executive or EconoPlan. If the doctor charges you MK120,000, then the MK20,000 difference is the **Excess** which a member pays to the doctor.
  2. **Excess number two:** for any service, any amount the doctor charges that is above an **agreed price** with MASM is an excess. For example, if an agreed price with a doctor for a particular drug is MK100,000 but the doctor charges you K120,000, then the MK20,000 difference is an **Excess** which a member pays to the doctor.



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- Think of it as a cost-sharing mechanism between the scheme and the member. These are not penalties—they are **safety valves**. They keep contributions **affordable**, **prevent misuse** of benefits, keep the medical scheme strong, sustainable, fair, whilst **protecting members against** catastrophic losses and ensure members still carry some responsibility for smaller costs.

### How You Can Reduce Shortfalls and Excesses

- Use our **network providers**—GPs, specialists, and hospitals who charge agreed rates.
- Ask for **generic medicines**, which cost less than their branded alternatives.
- **Review your benefits** on your scheme (VIP, Executive or EconoPlan) each year to ensure your plan matches your needs.
- **Get a pre-authorization (approval)** before hospital admissions.
- Join our **chronic care programs** if you live with a long-term condition.
- Talk to your doctor about fees upfront to avoid surprises.

These simple steps can make a real difference in keeping costs manageable.

### Building Strong Partnerships for Better Care

We are expanding our provider network across the country, giving you easier access to trusted professionals. And for members who need treatment abroad, we have partnered with leading hospitals in India, Egypt, Kenya and SADC such as Tanzania, and South Africa—so wherever you are, you can count on world-class medical care.

### Our Promise

Shortfalls and excesses are approaches medical aid schemes across the globe such as MASM use to keep healthcare affordable and accessible. They ensure **shared** responsibility, protect against catastrophic losses, and help us deliver quality care to every member.

Together, we can keep healthcare strong, fair, and sustainable—for you, your family, and the entire community.

**Warm regards,** *MASM Medical Scheme Team*