

Nationalisation a health hazard

NATIONALISATION is alive and well. But not where we have been looking. Instead, take a gander at the health agenda and that, according to a wandering albatross, is exactly where nationalisation is. The attempt by the government to introduce regulations that will ban insurers from selling gap policies or top-up plans is the first step in a finely calculated scheme to nationalise the medical sector. It is a fascinating tale. A two- or three-decades-long argument raged between life assurers and short-term insurers, on the one hand, and medical schemes on the other, which was finally resolved when the parties agreed in 2004 that the insurance sector could offer medical policies as long as no specific illness or treatment was targeted. That is why their adverts proudly proclaim that you can get as much as R5 000 or so for every day you are in hospital. This collusive "arrangement" certainly seems to me to be a contravention of competition law. It is ironic that the Financial Services Board was a party to it. I don't see why an insurer cannot provide cover for anything it wants. That is entirely its business. Of course, the argument was/is that those earning least might not be able to afford membership of a medical scheme but could at least buy cheap hospital cover. That way they are not a burden on the state hospitals. Take away the gap cover or the top-up policies and those who would have bought these will end up in state hospitals being paid for by - go on, guess who - taxpayers of course. It is another example of the way this government looks after our money. But here is the sinister part, assuming the theory advanced by the albatross turns out to be on the button. The government has long cast covetous eyes on medical schemes. It wants the R80bn-R100bn they collect from us. So, the first step is to make sure as many of us as possible are corralled together, in this case in medical schemes. It is easy then to access the money - just take them over. This won't be a problem for the short-term insurers. Their policies are usually run on a monthly basis so it is simply a case of giving clients a month's notice. Depending on how their policies are structured, life companies, however, may find themselves having to dig deep to reimburse clients. It was put to me that they may have to find as much as several billion rand. It is sometimes said everything is in the name. So, when you look at National Health Insurance (note, not National Health scheme), it tells you the albatross might have it right.

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