

Tricky transplant

THE five-year pilot phase of the National Health Insurance (NHI) may be limited to rural and peri-urban areas, but it has unnerved the predominantly urban private medical aid scheme industry. Health minister Aaron Motsoaledi has repeatedly said he has no intention of harming the private medical scheme industry, but he has not fleshed out what role medical aid schemes can, or will, play under the full NHI environment envisaged in 14 years' time. Industry players say only schemes that embrace the NHI and reinvent themselves will survive. Schemes are right to be concerned: the industry is shrinking. The number of registered medical aid schemes has declined from 98 in September 2011 to a current 92. More schemes are expected to disappear, according to the Board of Healthcare Funders. The board says that without attracting new members and those who are young and healthy, schemes will struggle to meet the regulated prescribed minimum benefits of full payment for chronic and emergency healthcare conditions. Board MD Humphrey Zokufa said schemes, which now had a membership of 8,2m, had been unable to increase their numbers since the introduction of the Government Employees' Medical Scheme (Gems), which boosted membership from 7m to over 8m. He said small schemes that folded could not compete with bigger schemes, and that these larger competitors - such as Discovery, Gems, Liberty, Bestmed, Medshield, Thebemed, Momentum and Topmed - often absorbed the small players. Zokufa said the organisation he heads, which represents 75 percent of local medical schemes and seven scheme administrators, was discussing consolidation as a survival tool. It was also discussing collective solutions to pricing and service provider challenges. He said the number of schemes needed to be reduced, which would provide more bargaining power. Grant Newton, CEO of medical scheme administrator Sanlam Health, said that though there were historical challenges of trust between government and the private health funding and service provider sectors, there were opportunities for government to gain skills and services from the private sector that could save it money. Newton said Sanlam Australia, which has a private health product covering 4m lives, was supported by that country's government, which gave taxpayers a 30 percent rebate for buying private health insurance. He said the Australian government was aware of the role private health played to relieve the pressure on the state to provide healthcare for everyone. Newton said there would always be room for private health funding, even in an NHI environment. He added that like any national health service, the NHI would not be able to be everything and do everything for everyone, which would leave gaps for private healthcare opportunities. Newton said that, for instance, medical aid administration was a skill that government did not have but that the private health sector could provide; the problem was that government did not trust the private sector because it had not built that trust. Profmed principal officer Graham Anderson is not worried about the NHI's effect on the scheme. Profmed provides insurance for well-off citizens - those in the 9-10 LSM level. Anderson said people who could afford it would still want to jump the queue. He said the number of members might drop but there would always be a private healthcare system. Anderson said the logistics of serving over 50m people were going to be very tough and what government needed to do was not overtax those who could afford private health, and not try to reinvent the wheel. He said SA private healthcare was rated among the global best. A source close to the department said it would be interesting to see how the medical scheme industry was willing to assist in the implementation of the NHI. It would make sense for government to use the private sector, as it could not run an efficient system without the private sector's expertise. Linked IT systems would also be cheaper for both sides. Health department spokesman Fidel Hadebe said he was not aware of any discussion with medical aid schemes or administrators. He said the NHI white paper would be released soon, and hopefully, that would provide more guidance on government's view of the future of private medical schemes.