

Commission to probe health costs

A WIDE-RANGING inquiry is being launched into the massive costs South Africans have to fork out for private healthcare. The inquiry has been welcomed by Health Minister Aaron Motsoaledi, who says it will finally prove his claims that the prices charged by private hospitals and doctors are outrageous. In an interview last week he said it was about time that somebody proved to South Africans that he was not a liar, adding that the cost of private healthcare in this country was expensive, destructive and unsustainable. The launch of the inquiry, to be conducted by the Competition Commission, follows two studies which investigated the drivers of prices in the private health sector. The studies identified a number of areas which required in-depth investigation. Although the terms of reference are yet to be finalised, the inquiry will be similar to that which was launched into the banking sector in 2006 and which resulted in banks drastically reducing their fees, according to the commission's manager for advocacy and stakeholder relations, Trudi Makhaya. Makhaya could not reveal the details of the findings of the two studies, saying "they were not yet in the public domain". However, she did say it now appeared that "new policy and regulatory tools" would have to be used to address "distortions" across private healthcare institutions and practitioners, which "appear to be driving costs in the sector". Motsoaledi said this was the kind of investigation he had been calling for, saying it would put everything in the open and people would know what they were paying for. The Hospital Association of South Africa (Hasa), which represents the biggest hospital groups, including Netcare, Mediclinic, Life Healthcare and National Hospital Network, welcomed news of the inquiry but said it would not participate because it was illegal for it to do so. Hasa chairperson Dr Nkaki Matlala said the association had been previously fined for - participating in healthcare costs discussions. However, he added that their members would be able to participate in their individual capacities. Matlala was referring to the 2004 Competition Commission ruling that stated that private healthcare providers could not collectively negotiate prices. This followed a complaint that private healthcare providers and funders were acting uncompetitively, together setting prices that would be charged to the public, without any regulatory or government oversight. Makhaya said the 2004 ruling would not affect the planned inquiry. She said the commission was in support of measures to address the regulatory vacuum, and the competition authorities' previous rulings against private collective bargaining did not prevent the government and its agencies in finding and implementing such measures on behalf of the public. Motsoaledi said his office was waiting for an invitation from the commission to participate in the inquiry. He said it was the duty of the government to protect the public even if they were not consumers of public health.

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