

NHI may not be perfect, but it beats what we have

THE weather in the Drakensberg was sunny and cool, I spotted many animals on an early morning cycle and the annual Board of Healthcare Funders conference was slick and informative. Despite all of that, I left the event appalled. South Africans pay up to five times more than patients in other countries for medical care. Medical schemes cannot negotiate prices with providers, such as hospital groups, and there are non-disclosure agreements between medical schemes and hospital groups. Patients do not decide which hospitals they attend, based on quality or cure rates, or even if they should be hospitalised or not. This is usually the prerogative of their doctor. Patients on medical aids, already terrified by reports of ghastly conditions in public hospitals, insist on the best treatment they and their medical aid can buy and ask no questions about cost. Doctors are free to charge what they like for treating about 300 illnesses that medical aids are forced to pay on behalf of their members, with profit margins of up to 700 percent being bandied about. Some doctors apparently also misdiagnose so they can move the patient onto one of the prescribed minimum benefits. Doctors are often blamed for rising healthcare costs but they argue that they earn less than their peers in the US and the UK. I will leave for another day the ethical dilemma of holding patients ransom because a doctor can earn more elsewhere. And yes, professional indemnity of more than R200 000 a year is just one of a host of rising costs facing medical specialists, who have to juggle their profession with being a businessman. But there is no price reference for the medical aid member relating to, for instance, the level of experience of the doctor. Compare this with lawyers, who charge R5 000-R15 000 a day, or even more, depending on their experience. And there are many more people in the value chain picking at medical aid benefits. Of R84.7bn of expenses by private medical aid schemes last year, R30.8bn went to hospital groups. Specialists took R19bn. The administration costs of medical aids have risen way above inflation. Since 2000, there has been the addition of a new and increasing non-healthcare-related expense - the broker, who advises on which medical aid to choose, even though the number of members is declining in relation to population growth. This weekend, there were shocking reports of 13-year-old Tristen Burn, who died after being admitted to St Mary's Hospital for a minor injury. Hospital staff allegedly botched treatment for a twisted ankle. According to a pathologist's report, he died from septic shock and multiple organ failure from staphylococcal septicaemia, a treatable condition if caught in time. According to media reports, a nearby, recently built private hospital wanted a R30 000 deposit before admitting the boy. Burn was failed by both the public and private healthcare systems. His story is just the tip of much bigger problems in the health system. The government wants to establish a price commission as early as next year to start regulating prices in private healthcare, and last week the Health Professions Council of SA said it would publish a price guide for medical practitioners. Doctors will have to obtain the written consent of patients if they want to charge more than these guidelines. The guidelines may also be used by medical schemes next year. These are interim measures before the government's National Health Insurance (NHI) scheme is up and running. The NHI will no doubt regulate medical prices. But it is clear that the private medical industry is ill. Medical aid members have had no way to question the costs of their schemes and the higher the medical costs, the less benefit they receive. Most believe the NHI can be introduced in a decade at the soonest. They question whether the government has enough money and administrative capacity to manage such a scheme. The point, though, is that the current system is not working - not even for those paying for supposed First World medical facilities. Are we really going to have to wait for another 10 years?

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