

Greater efficiencies and disruptive innovations essential

GIVEN the current low economic growth trajectory, greater efficiencies are a non-negotiable for delivering sustainable healthcare solutions and achieving universal health coverage (UHC), according to Dylan Garnett, deputy CEO for Metropolitan Health and managing director for Metropolitan Health Risk Management. Garnett also believes that the curative, hospital-centric nature of South African healthcare needs to be turned on its head. The focus must shift to the out-of-hospital environment - a sector ripe for disruptive innovations. In the medium-term budget policy framework presented last week, National Treasury acknowledged that the economic and fiscal outlook had weakened. Minister of Finance, Pravin Gordhan, has already linked the affordability of universal health coverage, or NHI, as it is known in South Africa, to economic growth. Given the current low growth trajectory, it appears unlikely that the country will be able to bear a substantial increase to the portion already spent on health. Rather, greater efficiencies are required to deliver sustainable healthcare solutions in the face of rising financial constraints and increasing skills shortages. Garnett believes that healthcare companies like Metropolitan Health play a key role in unlocking efficiencies and reducing the costs associated with fragmentation. Fragmentation manifests as lack of coordination between different levels and settings of care, duplication and healthcare delivery in the least appropriate settings.

He said Metropolitan's technology, along with clinical and actuarial expertise, focused on reducing unnecessary complexity, streamlining processes and facilitating greater integration across the health value chain. For example, there was portal where doctors and pharmacists could interact directly with patient information. An electronic health record for beneficiaries and providers to facilitate insight-driven health management through timely access to holistic patient information was also in development. Garnett said the aim was to reduce costs and improve quality. The company leverages efficiencies from robust technology and economies of scale to keep administration and managed care fees consistently below industry norms, while never compromising service quality. The existing curative system, he added, must change. He said the latest Council for Medical Schemes annual report reflects a curative, hospital-centric industry in which more than 40 percent of insured benefits paid by medical schemes in 2012 were to hospitals, with specialists receiving a further 23.6 percent. Sustainability would only be achieved if primary and preventative healthcare became the main entry point. In order to improve access to affordable, quality primary and preventative healthcare, Metropolitan Health has launched an initiative with the Alpha Pharm National Health Network to establish a national network of pharmacy-based clinics offering preventative and primary healthcare services to all South Africans - the insured and uninsured. Supported by Metropolitan Health's technology and clinical platform, pharmacy clinics will work closely with the dispensing pharmacy and doctor, ensuring patients receive coordinated care delivery, in the most cost-effective manner. Garnett observed that benefit-structure thinking across their medical scheme client base was changing, with a stronger focus on primary and preventative healthcare.