Minimum benefits review should not be dependent on NHI

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Last week, the Council for Medical Schemes (CMS) issued a circular to indicate that stakeholder meetings for the prescribed minimum benefits (PMB) review process, which was announced in December 2017, will be postponed until further notice. This was due to Department of Health stakeholder meetings on National Health Insurance (NHI) that need to be finalised first. The PMB review process, generally, was also announced so that PMBs could be aligned with national health policies such as the NHI.

Historically, PMBs were included as regulations under the Medical Schemes Act of 2003. The idea behind PMBs was to prevent catastrophic health expenses on conditions that were expensive to treat and going untreated could lead to death or disability. The Medical Schemes Act also legislated that PMBs need to be reviewed every two years. The last PMB review was in 2010 and the Department of Health did not accept the results. Its reasons for this have not been made public.

The industry was thus very excited about the upcoming reviews that were much needed, according to both medical schemes and healthcare providers. Aligning PMB regulations with the NHI at this early stage of NHI, is very questionable. There are some theories that the Department of Health wants to adjust the PMB basket to include primary healthcare and then use this as the NHI services basket.

Adjusting the PMB basket as such, actually flouts the reasons for its existence, as primary healthcare expenses are highly unlikely to lead to a financial catastrophe for the average household who are members of a medical scheme, while also placing further pressure on medical schemes that are currently already struggling.

The current costs of PMB treatment to the medical scheme industry amounts to R604 per member per month. If primary healthcare is added to the basket, it would probably increase the costs by an additional R150 per member per month. If the resulting basket is rolled out to the every person in the country as the NHI basket, it would push the national health budget up to R495m, which would prove highly unaffordable.

The R604 per member in the medical scheme sector is the actual costs of delivering these PMB services. If this amount is used to cover the 8.8-million medical scheme members and the 10.4-million members of public that, according to Statistics SA, used public healthcare in 2016, it would come in at a budget of R172.8m, which seems more affordable and in line with the current government health budget.

This proposed PMB budget, however, does not include administrative expenses for the department at various levels, or administrative costs for the NHI fund. There is also still a large number of conditions that go untreated under this PMB basket. One of the experiences in universal healthcare systems worldwide is the increase in utilisation when it becomes free at the point of service. The budget would thus run out very quickly if the number of users increased.

Making the PMB basket smaller, to make services cheaper in the NHI space, is likely to lead to massive litigation against the Department of Health by medical scheme members, providers and civil organisations such as Section 27. Removing conditions from the current list, could be seen as removing the right of access to healthcare, which is enshrined in section 27 of the Constitution, of someone who previously had access to specific healthcare interventions under the PMB regulations.

The fact that PMB regulations have not been reviewed in seven years means that now is not the time to stall the process for NHI considerations. There is legally supposed to be another four sets of PMB review between the current attempt and the implementation of NHI in 2025.

In light of the long delays since the last PMB review, the current review should be allowed to happen without further delay or hindrance based on NHI considerations. The industry needs this review urgently and the Competition Commission Health Market Inquiry also indicated in 2016 that there is a requirement for this to happen. Moving towards an NHI might seem inevitable, but measures to keep the private healthcare industry sustainable are required right now. Some of the legislation to do this is in place already and just needs to be implemented.

We cannot continue in an NHI-induced legislation vacuum for private healthcare, while we still do not know whether the NHI is even an affordable option in the downgraded economic climate.

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