

Less choice, but also smaller bills as NHI powers up

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SPEAKERS at a Board of Healthcare Funders' conference said members will find their medical schemes radically transformed over the next few years as benefits and benefit options are aligned with the National Health Insurance policy. Vishal Brijlal, a technical adviser on NHI in the Department of Health, told delegates the Council for Medical Schemes will start consulting on the introduction of mandatory membership of medical schemes for those who can afford it, as an interim measure on the path to NHI.

Mandatory membership could bring about significant reductions in contributions as schemes will no longer face the cost of anti-selection - admitting members who join schemes only when they are ill and in need of treatment. Committees are being established to rapidly revise the current package of prescribed minimum benefits that all schemes are obliged to provide to align it with the NHI benefit package, which has yet to be detailed. Dr Siphon Kabane, the acting registrar of the Council for Medical Schemes, said the council aimed to determine the cost of this benefit package before April 2018. The council has already called for stakeholder input and Kabane told the conference that 60 industry experts had volunteered to serve on three committees – to give clinical advice, to cost the services to be provided, and to ensure that the services adhere to current laws and regulations. Schemes will also be expected to consolidate their many benefit options to achieve the NHI policy goal of one benefit option per scheme. They have already been cautioned against launching more benefit options.

Barry Childs, a healthcare actuary with Insight Actuaries & Consultants, presented findings from South Africa's second-largest medical scheme that he said suggested savings of up to 30 percent on members' contributions if they were willing to restrict their choice of doctors, hospitals, pharmacies and other healthcare providers. He said the plethora of choice medical scheme members had when it came to accessing medical scheme benefits came at a cost that schemes need to mitigate. Childs said scheme contributions increased each year by two to three percentage points more than inflation - and that was without taking into account the effect of members buying cheaper cover each year. Early indications from the country's largest restricted scheme, the Government Employees' Medical Scheme, are that an option in which choice of healthcare provider is restricted to a network of providers can save members significant amounts of money even if the members who join it are not younger and healthier. This year Gems introduced a restricted provider choice option on its popular Emerald option.

It limits the choice of hospital, restricts the member to one family practitioner and to only seeing a specialist when referred to one by that doctor. The Emerald option covers 1.3-million lives, and about 113 000 of them are now on the Emerald Value option, which is 10 percent cheaper. In its first six months, healthcare costs on the Emerald Value option were 12 percent lower than those incurred by members of the Emerald option, Childs said. This is despite the fact that members on the Emerald Value option are sicker and older than those on the Emerald option. According to Gems data, the restrictions on members in the Emerald Value option have resulted in a 10 percent reduction in doctor-hopping - seeing more than one doctor about the same condition; a 22 percent reduction in specialist consultations; a 16 percent reduction in hospital admissions; and a 21 percent increase in family practitioner consultations relative to specialist consultations.

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