

NHI White Paper: Day 24

This is the twenty fourth in a series of daily analysis pieces of the NHI White Paper that will be sent to SAPPF- and HealthMan Members. Different aspects of the NHI will be analysed on a daily basis, which will help to assist providers in understanding how the NHI initiative will impact the private provider and their practice, as well as the impact on their own access to healthcare. Some broader economic impacts will also be included on occasion.

Extract from the White Paper

Private hospitals fees in South Africa are expensive relative to the country's wealth and they continuously increase above the rate of inflation. In addition, the private hospitals are the least affordable when compared to OECD countries even for individuals earning higher levels of income.

Critical Analysis

Medical inflation is above normal inflation in most countries. Canada's medical inflation rate is 3.5% above the normal inflation rate.

South African Hospital Groups have been getting below inflationary increases from medical schemes for most recent years, as was the case with medical practitioners.

The OECD report was widely discredited in the Competition Commission Health Market Inquiry by a number of South African experts, as the underlying data could not be confirmed and Private Hospitals in South Africa were compared to a combination of public and private hospitals in the OECD countries. There were also no consideration given to the costs of running a private hospital in South Africa.

There is an general absence of data regarding the costs of care in government hospitals in South Africa. Until such time as a comparison can be done between the costs of delivering private and public healthcare, we will be be unable to conclusively confirm that the private sector is too expensive.

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