

Reaction on Motsoaledi's unveiling of healthcare bills 21 June 2018

What stakeholders think of SA's proposed new healthcare laws: Business Live 22 June

Health Minister Aaron Motsoaledi unveiled two bills last week intended to move SA towards universal access to quality healthcare - the Medical Schemes Amendment Bill and the National Health Insurance (NHI) Bill. Proposed changes to the Medical Schemes Amendment Act include the eradication of co-payments for medical aid members when medical aids do not cover their full doctor or hospital bills. Vaccinations, primary and preventative care and contraceptives will have to be paid for by medical aids, which generally do not cover preventative healthcare. The bill also proposes the abolition of medical aid brokers. An NHI fund will be mandatory, and everyone who can afford to will pay towards it. It will be like a giant state-run medical aid. The fund will pay for all state and private healthcare in the country, including private specialists and hospitals.

Council for Medical Schemes: Siphon Kabane, acting CEO of the CMS: Most medical schemes understand the need for universal healthcare. Kabane said the new law would enforce accountability among companies and improve the effectiveness of the council. The CMS is currently conducting a review of the prescribed minimum benefits that is likely to take another two years. But expanded benefits are likely to add to the costs borne by schemes.

Board of Healthcare Funders: BHF chairperson Dr Ali Hamdulay said BHF is committed to the NHI. It was "imperative" that the private sector work closely with the Department of Health, "and share their views, insights and knowledge to positively shape the healthcare landscape". Schemes need more details on how the scrapping of co-payments would be implemented.

The Public Servants Association: The PSA said the abolishment of medical co-payments is especially welcomed as relief for workers who struggle with monthly medical aid scheme contributions.

Discovery Health: CEO Jonathan Broomberg welcomed the NHI Bill as a step in the right direction for universal healthcare and praised the priorities it sets. He said the draft Medical Schemes Amendment Bill contains numerous complex amendments to the Medical Schemes Act and Discovery is still studying the details.

Momentum Health: optimistic that the private healthcare system and NHI can operate together.

Government Employees' Medical Scheme Dr Guni Goolub, principal officer: (GEMS) believes medical aid schemes will still have a role to play, even when the NHI comes into effect.

Fedhealth: (Jeremy Yatt, CEO). Affordability issues were out of the control of private healthcare practitioners, as these were requirements set out in legislation. He expects a lot of pushback on the bill, from doctors and even brokers. This could end up in court battles costing the DoH millions and elongating the time frame to implement NHI.

Bonitas: (Kenneth Marion CEO), From a servicing perspective, brokers are "invaluable", as they aid consumers in resolving their queries quickly and efficiently and help educate them.

Doctor exodus feared as NHI proposes bold cure

Some analysts warned that state-regulated fees would drive doctors to emigrate, leaving the health sector worse off than it is now.

***Norton Rose Fulbright director Michelle David** said doctors would not want to be told what to charge. She said it is not likely to be accepted by all stakeholders [doctors and hospitals] that the largest purchaser of services will also be able to set tariffs. David said doctors were likely to challenge NHI in the courts, as they had challenged price control before.

***Dr Johann Serfontein of HealthMan**, said there is an underlying assumption that specialists will be employed by private hospitals. Currently the law ensures doctors work for themselves but are based at private hospitals. A survey done by the South African Private Practitioners' Forum showed that 55% of specialists do not want to be employed by hospitals, so one can safely assume those will be the ones considering emigration.

***Brian Ruff**, a former medical aid executive and **founder of private health group PPO Serve**, is positive about the focus of NHI as private healthcare is unaffordable. Ruff said South Africa has a very hospital-centred system. So much care happens unnecessarily in a hospital bed that could be done outside hospitals, such as at a GP's office or day clinics.

High costs mar medical bill

***Dr Graham Anderson, principal officer at Profmed**, said medical aids could not afford to cover costs in full and damaging them would have a negative knock-on effect on private hospital groups. \

***Warwick Bam, an insurance analyst at Avior Capital Markets**: Although the Minister has said using medical scheme reserves - which sit at 33% rather than the statutory 25% of total premiums - is one way for medical aids to cover co-payments, this was not sustainable as their current excess reserves would not cover co-payments beyond a few years. Anderson said the Minister must be careful of using all of schemes' reserves as medical schemes use these when high claims outnumber premiums.

***Elsabé Klinck, a healthcare consultant**, It was not yet clear how private-sector hospitals and administrators could provide services to the state. She said the cost base of the services are different. Public sector hospitals don't have to pay rent for premises, and the doctors don't have to pay their malpractice insurance premiums.

A copy of the Medical Schemes Amendment Bill can be found at:

<https://www.dropbox.com/s/zjbynaqvw5zat20/Medical%20Schemes%20Amendment%20Bill.pdf?dl=0>

Time for our Health Minister to bridge the trust deficit (Opinion)

“This tension between private and public healthcare is unnecessary, as these are the resources of the country,” wrote **Ron Derby in Business Times, 24 June**. “There's absolutely no reason for parties not to properly engage. In pursuing universal healthcare, there's no doubting that some large private-sector players can offer some solutions to a struggling public healthcare sector. One that we will hopefully all be using.

In building a banking operation, Discovery may very well be preparing for a future where its medical aid unit is a shrinking empire. Already its insurance is bigger. While Discovery and hospital groups such as Netcare realign their business models, Motsoaledi or whoever replaces him in years to come shouldn't undertake a national health insurance plan that doesn't include the skills they house. Room must be made for co-operation. There is expertise in the private sector that, as things stand now, isn't fully utilised, wrote Derby

Publication Health Market Inquiry Report delayed

In a statement to stakeholders (22 June) the Competition Commission's Health Market Inquiry announced that the publication of the provisional findings and recommendations will be delayed. The report was to be released on Thursday 28 June.

The health market inquiry started its work examining the cost drivers in private healthcare four-and-a-half years ago and was originally due to conclude it in December 2015.

Originally four healthcare providers - Discovery Health, Netcare, Life Healthcare and Mediclinic - objected to the publication of certain of the information contained in the provisional report, which they said was subject to confidentiality restrictions. The health market inquiry's notice to stakeholders

on 22 June said that through further engagements the inquiry's panel was able to resolve the dispute with Discovery Health, Netcare and Mediclinic but not with Life Healthcare.

Absurd: the experts' verdict on NHI Katharine Child: Times Select, 26 June 2018

According to Prof Alex van den Heever at the Wits School of Governance, both the NHI and Medical Schemes Amendment bills try to restrict what medical aids can offer, reducing the access of middle class to health. – ***Katharine Child, Times Select, 26 June.***

He added that this attempt to “prohibit medical schemes from covering benefits covered by the NHI Fund” was absurd. He said this is an absurd infringement of the right to healthcare as it would force everyone to use a public health system which cannot be held to account for performance. He does not see this provision ever seeing the light of day as no health system in the world takes away the right of people to select their own care with their own money.

