

Medical Schemes Amendment Bill waiting for outcome of health inquiry Business Day 13 December

The health department has effectively de-coupled the amendment bill from the NHI Bill, with the health market inquiry report only expected in March 2019

The health department is waiting for the Competition Commission's health market inquiry to be completed before it finalises the Medical Schemes Amendment Bill, according to a senior official

It effectively means the department has de-coupled the bill's legislative passage from the National Health Insurance (NHI) Bill, which was presented to the cabinet in early December.

Both bills were released for public comment on June 21, with interested parties given three months to make submissions. At the time, health minister Aaron Motsoaledi said the two bills went hand in hand, but some industry players questioned the wisdom of introducing reforms to the medical scheme industry before the inquiry was complete.

The inquiry, which got underway in 2014, is investigating the dynamics in the private healthcare market and is trying to establish whether there are barriers to effective competition. It originally planned to publish its final report and recommendations by November 2015, but it has been repeatedly delayed and its deadline for publishing its final report is now March 29 2019.

It has closely examined the medical schemes industry and its relationship with consumers and service providers. Its provisional report, published on July 5, includes several recommendations that directly affect the sector. These include standardising benefits across all schemes and implementing a risk-adjustment mechanism to remove the advantage enjoyed by schemes with younger and healthier members, as well as the introduction of a suppl- side regulator to oversee tariffs.

The health department's deputy director-general for NHI Anban Pillay said the minister had been advised that the inquiry's final recommendations could be incorporated into the Medical Schemes Amendment Bill without it needing to be released again for public comment, because the inquiry had included its own public participation process.

Once approved by the cabinet, the bill will be submitted to parliament, and there will be further opportunity for public participation, he said.

The NHI Bill envisages a continued role for medical schemes, he said, but did not provide details. "The White Paper [on NHI] makes it very clear you can't rush this. It must be phased in properly," he said.

The draft Medical Schemes Amendment Bill contains proposals to improve governance, tighten broker fees, and expand mandatory benefits to include more primary healthcare benefits.

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