

## **National Health Insurance will kill medical schemes, says institute – Business Day 15 August 2019**

Race relations lobby group paints dire picture of future of private healthcare

Introducing the National Health Insurance (NHI) scheme will destroy smaller medical schemes while allowing bigger ones to benefit from forced consolidation, the South African Institute of Race Relations (SAIRR) said on Thursday.

“It’s always interesting when medical schemes support the NHI. They are actually supporting something that’s going to lead to their business dying, which is very odd,” said Johann Serfontein, a senior consultant at health consultancy group HealthMan, during an SAIRR media briefing.

HealthMan specialises in the management and administration of specialist doctors and other health service providers.

Serfontein said after consolidation, their biggest concern was that remaining medical schemes would become unaffordable as they will most likely fund expensive conditions and procedures that the NHI fund cannot afford.

“Medical scheme cover is going to be quite more expensive than is currently the case, which means a smaller portion of the population, after paying NHI taxes, would be able to afford medical schemes,” he added.

The Board of Healthcare Funders (BHF) of Southern Africa, which represents about 85% of medical schemes in SA, has been supporting the NHI since it was a white paper and has not changed its stance after the bill was published last week.

Jonathan Broomberg, the CEO of SA's biggest medical scheme administrator, Discovery Health, said in a written statement he did not envisage a material shift in the role of medical schemes for the foreseeable future.

Broomberg said the provision for medical schemes to offer “complementary” services opened a door for patients to choose not to follow the NHI referral pathways and instead claim from their private health insurers.

“These elements of the bill all speak to a continued and important role for medical schemes,” he said in the statement.

Wits professor Alex van den Heever said that most schemes and medical aid administrators told him in private conversations that they do not think NHI will work, but they support it publicly because it is the right thing to do politically.

“There are many parties in the medical schemes system. Members certainly don’t support it. Some are supporting it to maintain inside tracks within the policy-making structures,” said Van den Heever.

The BHF's head of benefits and risk, Dr Rajesh Patel, said there was nothing political about supporting NHI because achieving universal healthcare was "the right thing to do".

"The BHF supported the principle of universal healthcare right from the beginning, since 2008/09, because it recognises that the current system is fraught with problems.

"We are not saying NHI is a silver bullet that will fix everything. But unlike others, we'd rather influence from within," he said.

Patel said the BHF did not respond according to emotions. It has analysed all NHI papers and sought legal advice.

Van den Heever said some were supporting NHI because they would gain from the deregulation of medical schemes.

Currently, the Medical Schemes Act forbids schemes from discriminating against people based on their age and health, among other things. If this was scrapped, they could operate like insurers where the old and sickly pay more.