

Motsoaledi accused of trying to control private health prices

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THE Competition Commission's private healthcare market inquiry is a "ruse" set in place by Health Minister Aaron Motsoaledi as a "justification to control prices" in the sector to facilitate the implementation of the National Health Insurance (NHI) scheme, according to the director of the health policy unit at the Free Market Foundation, Jasson Urbach. The inquiry was launched in early 2014 and is set to hold public consultations beginning next month. Urbach also accused Motsoaledi of creating a public "narrative" of unaffordable private healthcare in order to manipulate future prices in the interests of the NHI. He said compared with other countries, private healthcare in South Africa is not excessively expensive, and asked that if it was, why would we have such a big medical tourism industry. But the Health Minister has slammed these comments.

Talking from Davos in Switzerland, where he is attending the World Economic Forum's annual meeting, Motsoaledi said he approached the commission with his hypothesis that private healthcare is too costly and they launched the inquiry to test this hypothesis. He said he did not create the inquiry; it was under the commission's discretion to launch it. The Minister said they should give the commission a chance to reach its conclusions. Motsoaledi said, while private healthcare may not be too expensive for Europeans earning in pounds or euros, the situation is entirely different for South Africans earning in rands. He said that to use medical tourism as a way to measure the affordability of private healthcare is unscientific and makes him doubt the credibility of the Free Market Foundation.

Following a waiting period of four years after the publication of the Green Paper, the NHI White Paper was released on December 10 last year. It provided a plan of significant reforms to both the public and private sectors with the aim of making affordable good quality healthcare accessible to all South Africans. The White Paper suggests that the NHI will contract healthcare services from the private sector where the government lacks facilities and staff and that medical schemes, in their current form, will cease to exist. Instead, by 2025, medical schemes will only be allowed to provide top-up cover to pay for services such as elective cosmetic surgery that will not be covered by the NHI. According to Urbach, if the White Paper's suggestions are implemented, the quality of private healthcare will drastically decline, as it is currently funded through medical scheme payments. He said that the already-squeezed middleclass will no longer be able to afford medical scheme contributions on top of suggested NHI contributions. But Motsoaledi responded that this argument merely protects the interests of the 8-million people [out of a population of 52-54 million] who are currently able to afford medical schemes. What about the rest of South Africans who have no choice?

Amy Green: Mail & Guardian