

Blind spots in comment on health report (letter) – Business Day 6 October 2019

The true power relations in private healthcare show the funders commanding the sector, followed in the hierarchy by facilities providers

Alex van den Heever's penetrating commentary on the Competition Commission's health market inquiry report would have been perfect but for the blind spots it exhibits.

The main ones are:

- The true power relations in the private healthcare sector.
- The ivory tower treatment he gives to issues involving breathing, living — and dying — human beings.
- His punting of the private healthcare sector as the central pillar of universal health coverage and National Health Insurance (NHI), whereas it is its midwife.

The true power relations in private healthcare show the funders commanding the sector, followed in the hierarchy by facilities providers, of whom Netcare, Mediclinic and Life Healthcare dominate. At the bottom of the pyramid is the combined scheme member and health provider group, made up of virtually powerless receivers and victims of what comes from the higher levels.

Health providers and members form a single group because they share the same characteristic of being voiceless cash cows of the higher echelons of the pyramid. This is largely because neither health providers nor medical scheme members have umbrella groups raising their profile and giving them a voice to match that of the funders (Board of Healthcare Funders) and facilities providers (Hospital Association of SA).

The result is that collusion and near or outright cartel behaviour is the hallmark of the industry. That is the real cause of the broken purchaser-provider interface, as well as the greedy commodification of health care.

The effect of this unhealthy mess is not restricted to the private health sector's 9-million members but extends to the entire national economy, 55-million people, all affected by this sector.

Funders use arbitrary, half-cooked measures to deny members access to their products. These include cost restrictions — inapplicable to higher management remuneration; using non-peer medical advisers for final treatment authorisations; and steadily decreasing annual benefits while increasing annual premiums. Thus the industry-loathed prescribed minimum benefits legislation.

These decisions literally mean the difference between life and death, and good and ill-health for members.

The other hapless victims of funder autocracy are health providers of all disciplines, such as by their distorting into meaninglessness words such as “authorisation” of procedures,

contractually denying designated service providers (DSPs) a bargaining voice and non-DSPs a level playing field of participation in the economy, threats and acts of non-payment of providers who stand their ground.

These and other funder features have and will continue disrupting the quality of lives of providers and their dependents.

The fact that private health sector funders have been merging and consolidating themselves, especially after the proclamation of the NHI Act, is not because they are the pillar of universal health coverage but because it is a necessity. These consolidations are about weakening the impact of NHI so that they can continue their feeding frenzy.

As Van den Heever wrote, at least the health market inquiry report is an important document in the real build-up to a better health system for our country.

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