

Government intent on destroying private health insurance to pave the way for NHI – Business Report 6 January 2020

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JOHANNESBURG – With the recent announcement by the Council for Medical Schemes (CMS) that no Low-Cost Benefit Options (LCBO) will be allowed for low-income consumers and no health insurance products will be allowed beyond March 2021, South Africans are another step closer to a nationalised healthcare sector.

The proposals are shambolic. They do not reflect a well-considered, balanced view on how to increase access to quality healthcare for low-income consumers. The pronouncement shows a complete lack of understanding of how private health insurance products have the potential to reach many lower-income individuals, in the process, providing increased access to quality healthcare and alleviating the burden on the already overstretched public healthcare sector.

The CMS and the Prescribed Minimum Benefit (PMB) Advisory Committee has developed a PMB package with a strong focus on primary healthcare (PHC). The proposed PHC package, which is still to be costed, will be a basis for discussions that will lead to the development of an affordable and quality healthcare financing package.

The CMS considers the proposed PHC package as a more direct and efficient way to bring affordable and quality healthcare financing packages to citizens. However, until we know the composition and cost of this PHC package, South Africans do not know whether it fulfils the envisaged purpose.

The CMS' decision to do away with LCBOs and health insurance products without saying what will replace them and how much it will cost, is, without doubt, a violation of Section 27 of the Bill of Rights.

Indeed, the government must respect the right of access to health care services by not unfairly or unreasonably getting in the way of people accessing existing health care services and it must promote the right by creating a legal framework so that individuals are able to realise their rights on their own.

The latest pronouncement can best be described as a continuation of the slow and steady poisoning of the private healthcare sector in South Africa and the governments dogged determination to dismantle the private healthcare system in preparation for its flawed and ideological desire to introduce its centrally controlled and administered National Health Insurance (NHI) scheme.

Government officials and their aides seem incapable or unwilling to appreciate the role of the private health insurance market in financing healthcare. To increase access to quality healthcare for all South Africans, the government must allow those who can afford to pay for their own health insurance to do so.

It must also take steps to remove the regulatory barriers that prevent citizens from accessing private health insurance and medical scheme products. The government must not deny people the right to take care of their own healthcare needs.

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