

Will medical aid patients jump queue when Covid-19 peaks?

Tamar Kahn: Business Day, 17 June 2020

As the government puts the final touches to a deal with private hospitals to admit critically ill public sector Covid-19 patients, uncomfortable questions run through the minds of many medical scheme members. When beds are in short supply, can members jump the queue? Will their premiums guarantee them a ward set aside for the wealthy?

Or will they simply be one more patient in a sea of demand, and perhaps be told there simply is no place for them or a loved one?

The response from senior figures in the state health sector, the medical schemes industry and private hospitals has been identical: a long pause, and then a carefully worded commitment that every patient will be treated the same, regardless of who pays. Netcare CEO Richard Friedland said every patient will be assessed as they come through the door, based on their need. Faced with a surge in demand, access to finite resources such as intensive care beds or ventilators may have to be rationed. Friedland said that under disaster management principles some form of triage must be applied to those who are most likely to survive versus those who are not going to. There are limited resources which must be used for the best outcome. He said these are the terrible ethical dilemmas that have faced doctors in Italy, France, the UK and in parts of the US.

Cold comfort

While it may be fair, such a utilitarian approach will be cold comfort for medical scheme members who assume their premiums guarantee cover for whatever private healthcare they require. Even if their day-to-day benefits run out before year-end, they can usually still pay out of pocket for consultations or medication, and rarely wait more than a few days for non-urgent primary healthcare or more than a few weeks for planned surgery. Yet all medical scheme benefits are finite, said National Hospital Network (NHN) CEO Neil Nair. He said medical scheme benefits are rationed by design. It is not a bottomless pit.

Ryan Noach, CEO of Discovery Health, said patients' clinical condition should be the sole determinant of the treatment they receive, irrespective of how their care is funded, be it by medical insurance or the state. He said he is sure that all South Africans would support this humane approach, though we hope and anticipate that suitable care is readily available to whomever needs it.

The Government Employees' Medical Scheme (Gems) principal officer Stan Moloabi said clinicians will decide when and where to admit patients. This unprecedented situation is fast approaching in the Western Cape. The provincial health department expects demand for ICU admissions to peak at about 1 375 in July, raising the spectre of a significant shortfall even if Covid-19 patients take priority over all others. There are just 831 critical care beds in the province, only 31 percent of them in public hospitals, according to figures Netcare gave to Parliament last week.

Treading carefully

The Western Cape has already begun admitting patients to field hospitals, but these facilities cannot accommodate those who are critically ill. It is now poised to refer patients to critical care beds in the three JSE-listed private hospital groups - Netcare, Life Healthcare and Mediclinic International - and three members of the NHN: Busamed, Lenmed and Rondebosch Medical Centre. The Western Cape's experience in negotiating service-level agreements with the private sector is being watched closely by other provinces, which expect their Covid-19 cases to rise in coming weeks. Private hospitals are treading carefully too. Their volumes fell sharply during the lockdown and they have indicated a willingness to take state patients on a cost-recovery basis. But Life Healthcare and Netcare told MPs last week that rates now offered by the government are below cost, raising questions about the sustainability of the arrangements if they last more than a few months at current rates. The state is

offering about R16 000 per patient per day for critical care admissions, a 30 percent discount on the average rate paid now by Discovery Health Medical Scheme.

Bigger question

The arrangement also raises the bigger question about whether it might open the way for the government to carve out contracts for other services, such as cancer, at rates significantly lower than those currently paid by medical schemes, said JPMorgan analyst Alex Comer.

Former Western Cape head of health Beth Engelbrecht, who has led the department's negotiations with private hospitals, is taking no chances. The department set up an electronic "bed bureau" to which public hospitals and private facilities contracted by the state will report bed availability every six hours, with referrals initiated by clinicians and hospital managers. The provincial government has also established clinical ethics and governance committees to ensure people are treated fairly.

Engelbrecht said making difficult decisions is something the public sector has to do daily because of resource constraints, but it is not necessarily something the private sector has had to do. She said we are aware this is extremely difficult, and not something the public is used to