

NHI vs medical schemes – Business Day 5 November 2020

Business Day Dialogue in partnership with ASI on the future of health care in SA

SA operates a two-tiered health-care system: a public sector, which caters for about 80% of the country's population, and a private sector, which caters for about a fifth of the population, funded primarily by members of either open or restricted medical schemes. The high cost of private medical aid puts it out of reach of most South Africans.

The Covid-19 pandemic has highlighted the importance of quality health care. SA's Covid-19 response showed that the public and private health-care sectors can co-operate. As the country tries to move towards the proposed model of universal health care under National Health Insurance (NHI), the critical issue now is how it will work and be funded. Has the public-private partnership achieved during the Covid-19 pandemic laid the foundation for a successful NHI?

A recent Business Day LIVE Dialogue, in partnership with Assegai Strategic Investments (ASI), discussed the future of health care in SA. ASI is a level 1 B-BBEE firm which offers independent health, wellness, insurance, investment and retirement advisory services.

ASI CEO Anthony Govender said the reality is that the state, on its own, does not have the capacity or resources to implement NHI and can only be done through collaboration between the public and private sectors.

While the past few months have highlighted the success of public-private partnerships in the health-care sector, this time has also highlighted the importance of governance. Govender added SA has been disappointed at the number of reports of corruption in the health-care sector, which once again broke the trust bank and placed the spotlight on leadership and the importance of holding people accountable.

There is no question, said Govender, that we need to be advocating for a strong, ethical framework around public expenditure, as well as finding ways to improve state infrastructure.

While there is no denying that the issue of universal health care needs to be considered, the questions that need to be addressed around the implementation of NHI include what it will cost, and how it will be funded and resourced. The reality is that SA taxpayers are

already overburdened, a situation which is worsened by the recent growth in unemployment, and that in the current context, it will be hard to implement NHI, said Govender.

Notwithstanding the various challenges, the pandemic period has been unprecedented and we did well to navigate it as a country. Global health-care experts, including the World Organisation (WHO) have lauded SA for its health-care system, which fared brilliantly during the pandemic. Even though the country was one of the top 10 in infection rates, we had some of the best health care-outcomes in the world, which is testament to the combined great value of our private and public health-care resources.

Our health-care facilities have managed to attend to every patient infected with Covid-19 needing immediate attention, said Dr Ryan Noach, Discovery Health CEO.

He further acknowledged the strong and courageous leadership of the health minister Dr Zweli Mkhize, for providing good guiding support to both the public and private sectors.

What Covid-19 has done is expose many of the challenges SA faces including poverty, inequality and unemployment, and these issues have played out in the health-care space, said Dr Guvant Goolab, an independent health care expert.

Principal officer of Bonitas Medical Fund, Lee Callakoppen, agreed that broader social constructs need to be considered when discussing the future of the country's health-care system.

The panel agreed that the cost of private medical aid could be brought down with the introduction of more affordable basic medical aid plans. However, this will require regulatory exemptions to allow schemes to reduce the number of prescribed minimum benefits (PMBs) from the offering.

In 2020, medical schemes experienced a discontinuity in the usual health-care utilisation patterns, with higher Covid-related costs but a decline in non-Covid-related costs, said Dr Noach. This has allowed most schemes to limit their member contribution increases for 2021.

They also concurred that given the complexity of medical aid and medical insurance products, independent, expert advice is invaluable.