

Covid-19 public-private partnership has been a rehearsal for a better future – Sunday Times 12 Nov 2020

The unfolding of the NHI bill is one of the key steps towards an equal society, says Medshield

Before the Covid-19 pandemic, national health insurance (NHI) was high on SA's health-care agenda, but once the virus attacked, we quickly realised that our health-care systems were unprepared for the magnitude and speed of its spread.

However, with collaboration and sound decision-making, we have been able to deal as effectively as possible with the crisis. In fact, SA was expected to be hit the most by [Covid-19 in Africa](#), ranking first out of 10 countries and surpassing larger populations such as Egypt and Nigeria, but our effective response brought us relief.

It's encouraging to note that the public and private health-care sectors have worked together, and appear to have co-operated successfully. The public-private partnership during Covid-19 may well have laid the foundation for a better health-care system and paved a road map for a successful NHI in the years to come.

How ready are we for NHI?

The concern is still whether the public sector is ready for NHI, given the unknown costs involved and the yet-to-be-defined benefit package. There have been talks of a proposed taxation, but this would not be enough, given the high unemployment rate in SA and an already constrained taxpayer base.

About R450bn is spent on health care every year, of which about R225bn is spent on 85% of the country's population who use the public sector, and the remaining R225bn on 15% of the population who have access to private health care. This is a highly unequal distribution, and arguably an inefficient health-care system which requires re-engineering through collaboration, co-operation and innovation.

In a constrained health-care environment, the private sector plays a critical role to ease the heavy burden that exists in state facilities. Medshield Medical Scheme, through our innovative and value-based plans, has made a conscious effort to ensure affordability to its members, thereby ensuring that we include as many people as possible.

In this economically challenging climate Medshield is standing by its members and supporting them by announcing an affordable 5.9% weighted contribution increase for 2021. We've chosen to pass the expected R400m surpluses generated in 2020 back to our members through low increases for 2021, ranging from an affordable R84 increase on our entry-level plan and up to R350 increase on our top-end plan. These are the lowest contribution increases in the past 10 years of Medshield's history.

Health care is a right enshrined in our constitution, and the reality is that NHI is absolutely necessary in SA. The concept of universal health care is not new and in fact the ANC manifesto in 1994, which addressed [social security reform](#), included elements of a national health insurance scheme for equitable and affordable access to health care for all South Africans.

Covid-19 has been proof that a collaborative approach between the private and public sector can lead to a successful NHI, which would be a useful tool to help diagnose, treat and control the spread of all diseases more effectively.

A positive side to the pandemic

What we found at Medshield was an increase in Covid-related costs, especially at the initial outbreak due to testing, and hospitalisation for the treatment of cases. Other health care costs decreased and we saw a change in patient priorities, with patients choosing to defer elective surgical procedures, opting out of routine check-ups with their doctor, and an overall reduction in hospital admissions. In general, medical schemes have experienced an average 20% fewer claims this year than budgeted for.

At the end of 2019, Medshield had a solvency ratio well above the statutory 25%, sitting at almost 40% and with more than R1.9bn in reserves to ensure our members are financially protected through the pandemic and the foreseeable future.

The high solvency ratio reflected a strong claims-paying capability as confirmed by the Global Credit Ratings Agency awarding of the scheme's AA rating for the 14th consecutive year. This status allows Medshield to offer lower increases on member contributions across their benefit options, while providing the assurance that Medshield is financially stable and their members' claims will be paid.

With this in mind, the private health-care sector is ready to support the public sector on the journey towards universal health care and NHI implementation. Close collaboration between the sectors during the pandemic ensured that as South Africans, we managed to attend to every patient that needed immediate care. If we take that collaboration into the NHI, coupled with strong policies for working and transparent, honest leadership, we can expect a better health-care future for all.

Though the quality of health care in the public sector has always been a concern, Covid-19 has brought this into the spotlight. The pressure forced the public health-care sector to raise their standards to ensure that people were treated in an acceptable way. This is not to say that the health-care professionals in the public sector are not competent — in fact all health-care professionals are trained in the public sector before some choose to move to the private sector. The infrastructure in public health care is severely under-maintained and lags the private sector, but the pandemic has helped with re-capacitating and preparing better infrastructure. This will reinforce the trust and assurance in the entire health-care sector which our citizens are seeking, especially in these uncertain times.

Let the partnership continue

Medshield launched the [Live Assured](#) campaign, which is about creating certainty, providing assurances and comfort so that members can feel more at ease and focus on enjoying their lives and not stress about their health-care needs.

Live Assured promises to deliver even greater access to member-centric quality health care during these uncertain times. Free 24/7 trauma and counselling benefits across various platforms, loyalty programmes and at-home exercise routines are some of the added benefits we have rolled out to ensure enhanced member value.

Universal health care is the only way and the unfolding of the NHI bill is one of the key steps towards this equal society. The Health Market Inquiry highlighted the need for a basic benefit package for all SA citizens. As medical schemes, we have the responsibility to ensure our members are well taken care of no matter where they are referred to. Having more options for our members would mean we would be able to support more citizens. We must overcome the challenges of corruption, collaborate and find a way to unlock a more equitable health-care future for all South Africans.

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