Motsoaledi outlines changes to Medical Schemes Act and NHI

Two of the proposed amendments to the Medical Schemes Act will do away with co-payments, and abolish the practice of using brokers within the medical schemes environment.

Health Minister, Dr Aaron Motsoaledi

Co-payments

Health Minister, Dr Aaron Motsoaledi, said co-payments mean that the scheme pays a portion of the bill that a provider – be it hospital or private doctor – charges to a patient. The rest of the funds are supposed to be paid by the patient from their own pocket.

“The amendment means that every cent charged to the patient must be settled fully by the scheme and the patient should not be burdened with having to pay. There are people who will scream that this amendment is outrageous and calculated to destroy medical schemes and leave beneficiaries with nothing. I want to assure you that this was well thought out,” he said.

According to data at the department’s disposal, medical schemes are holding close to R60bn in unused reserves. While there is a statutory requirement that medical schemes should have 25% of their income in reserves – a fund that caters for emergencies – presently, the R60bn is equivalent to 33% in reserves – an unnecessary accumulation at the expense of patients.

The Council for Medical Schemes is busy reviewing the 25% statutory requirement, with a view of releasing enough money for patients rather than holding a lot of reserves.

Taking out the middle man

“Almost two thirds of principal members of medical aid schemes pay monthly to a broker as part of their premium. Many of these members do not even know that they are paying this money, which in 2018 is R90 per month. The total amount paid to brokers in 2017 was R2.2bn,” Motsoaledi said.

He said the money should be made available to pay for direct health expenses of members rather than serving brokers who are actually not needed in the healthcare system.

Designated service provider

Another amendment, Motsoaledi said, will compel medical aid schemes to pass back savings if a member uses a designated service provider, in accordance with the rules of the scheme.

“Presently, medical aid schemes compel members to use designated service providers in order to save money. This is a good practice to be encouraged but however, the problem is that these savings are taken over by the scheme or the administrator instead of being passed on the member in the form of [a] premium reduction,” he said.

NHI to curb cost, improve quality of healthcare

Moving on to National Health Insurance (NHI), Motsoaledi said the programme is a health financing system that pools funds to provide access to quality health services for all South Africans based on their health needs, irrespective of their socio-economic status.

He said government is painfully aware of the fact that some people believe that even before speaking about the NHI, there is a need to fix the ailing public healthcare system first.

The National Development Plan (NDP), Motsoaledi said, has flagged it unambiguously and that in implementing NHI, poor quality of healthcare and the existing cost of private healthcare need to be addressed.

“Clearly, the NDP regards these two as the terrible twins of the healthcare system, hence the need to be tackled simultaneously. It we do them one after the other, it means we are planning to take the next half a century before we talk about NHI. That is undesirable,” he said.

In the massive reorganisation of the healthcare system, 12 Acts have been identified that should be amended for the healthcare system to be able to run smoothly.

Two of the 12 Acts include the National Health Act of 2003 (Act no. 61 of 2003) and the Mental Health Act, 2002 (Act no. 17 of 2002). The amendment of these acts also forms part of the Health Ombud recommendations in the Life Esidimeni aftermath.

“The National Health Act, as it stands currently, empowers the Minister of Health and the national department to come up with policies, guidelines, norms and standards for implementation by various provincial Departments of Health.

“The act also provides for the establishment of the National Health Council consisting of the minister and MECs, the director-general and HODs, as well as the sergeant general of the South African Military Health Services Act and SALGA. The functions of this body is to advise the minister on a broad range of issues pertaining to the running of the healthcare system,” Motsoaledi said.

Four NHI projects

While the amendments to the Bills are being debated, the department will implement at least four NHI projects from the money allocated in the MTEF (annual, rolling three-year expenditure planning) period. These will include school health, mental health, pregnant women with complicated pregnancies in 22 highly affected hospitals and oncology, with specific help for Gauteng and KwaZulu-Natal, while not ignoring other provinces.

While there are rumours that interest groups are trying to block the release of the findings of the report, Motsoaledi said the only assumption was that “they did not want the public to know the truth”.

“While we do not know the contents of that report, we however do know, because this was publicly done, that the presentation of the World Health Organisation (WHO) and the Organisation for Economic Cooperation and Development (OECD) stated that contrary to popular belief, only 10% of South Africa’s population can afford what is being charged in private health care.

“The amendments we are introducing are meant to provide much needed relief to patients finding themselves in serious financial hardships,” he said.