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As the healthcare funding environment continues to evolve at pace, we have increased the frequency of *HFA Matters* to ensure timely and accessible communication with the broader health sector. This monthly update provides a consolidated overview of the key issues, trends and activities shaping the industry, drawing together themes from HFA's ongoing work and engagement.

HFA members will continue to receive the weekly *From the Desk of the CEO* (FTD) update, which offers more detailed insight into matters directly affecting HFA, including sensitive, member-only information. In this way, *HFA Matters* serves as a curated summary of the weekly FTD, tailored for a wider industry audience.

HFA'S 2026 STRATEGIC FOCUS



As we look ahead to 2026, HFA's work will continue to be guided by three interlinked priorities: supporting industry growth,

advancing meaningful reform, and strengthening engagement and relationships across the health sector. Through these focus areas, HFA will continue to represent members' interests in key forums, participate constructively in regulatory and policy processes,

and contribute to building a more sustainable, effective and accessible healthcare system.

Supporting industry growth

In 2026, HFA will place strong emphasis on creating the conditions for a stable, competitive private healthcare environment, while promoting practical solutions that expand access to care. With full NHI implementation expected to take place over a 10–15 year horizon, there is an important opportunity to push for reform that allows medical schemes to offer more affordable, lower-cost primary care products for

working South Africans who fall outside comprehensive medical cover. Evidence continues to show that a significant proportion of the population relies on private healthcare as a first point of care, underscoring the need to make access more predictable and affordable, especially for the "missing middle".

We will also continue to engage on emerging funding pressures, including high-cost therapies and rare diseases, which are increasingly

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influencing both clinical decision-making and scheme sustainability.

Advancing reform

Reform will remain a central theme of HFA's work in 2026, particularly in areas that shape how healthcare is funded, regulated and delivered. This includes active participation in the Prescribed Minimum Benefits (PMB) review process, with a focus on ensuring that any proposed changes are evidence-based, appropriately tested and carefully implemented. HFA will also engage on developments related to Health Technology Assessment (HTA), value-based care, contracting and pricing reform, as well as the ongoing implications of recommendations arising from the Health Market Inquiry.

Alongside these policy processes, HFA will continue to focus on

operational priorities affecting schemes and administrators, including fair and coordinated approaches to managing fraud, waste, abuse and errors (FWAE), as well as ongoing work on coding and technical matters that impact claims integrity and transparency across the funding chain.

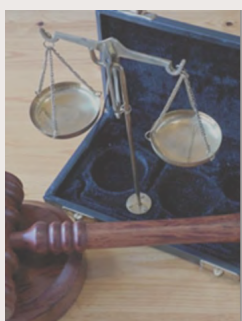
Engagement and relationship-building

Strengthening collaboration across the industry and with key stakeholders will remain a priority in 2026. HFA plans to establish an industry Think Tank to provide a structured platform for engagement on strategic issues affecting the private healthcare environment. Anticipated areas of focus include implementation of key HMI recommendations, long-term system sustainability, and training

and capacity-building within the private sector, recognising the critical role of workforce development in achieving resilient health systems.

In parallel, HFA will expand its public-facing engagement through a targeted consumer awareness and PR programme aimed at improving understanding of how medical schemes work, the value of scheme membership, benefit design and contribution setting. To support this effort, HFA is also planning a series of vodcasts and podcasts during the year, offering an accessible forum for informed discussion on healthcare funding issues and industry developments, and helping to promote constructive dialogue across the sector.

ON THE LEGAL FRONT



2026 is shaping up to be a busy year on the legal front, with several far-reaching matters set to unfold. These include the SASP matter relating to recoveries under Section 59, HFA's PCR complaint at the Competition Commission Tribunal, BHF's appeal to the Competition Commission Tribunal on collective bargaining, as well as its appeal relating to Low-Cost Benefit Options (LCBOs) and the Certificate of Need (CON) matter, among others.

The hearing on the merits of HFA's \$50 appeal against the Registrar's Undesirable Business Practice decision has been delayed following the postponement of the points *in limine* hearing. While the legal process continues, HFA remains actively engaged in seeking an alternative resolution to this matter in parallel.

Legal challenges to the NHI Act are also expected to gain momentum during the year. These will commence with the Ministers "stay and consolidation" hearing which HFA is opposing, as well as assent challenges brought by BHF and SAPPF, both of which are scheduled to be heard in the week of 23 February 2026.

In this context, HFA has welcomed Finance Minister Enoch Godongwana's recent call for engagement and collaboration on NHI, acknowledging universal health coverage as a shared constitutional objective. HFA has reiterated that its legal action was a last resort, following years of constructive engagement that did not result in substantive policy change. While encouraged by the Minister's remarks, HFA has emphasised that meaningful collaboration must be accompanied by policy action, including transparency on NHI costing and sequencing, fiscal sustainability, workforce capacity, and interim reforms that expand access in the short term. HFA continues to support alternative pathways to UHC, including a hybrid, multi-fund model that builds on the NHI Fund and preserves what already works in South Africa's mixed health system, with an immediate focus on expanding affordable primary and preventive healthcare to reduce out-of-pocket costs and relieve pressure on the public sector. As a member of BUSA, HFA will be engaging with the President in the first quarter of the year, which will hopefully lead to positive way forward for the healthcare sector. Please see more [here](#).

OOP: MEETING WITH THE REGISTRAR'S OFFICE



HFA is looking forward to meeting with executives from the Registrar's office next week to discuss the methodologies used to calculate out-of-pocket (OOP) expenditure. This follows concerns around the R43 billion figure recently quoted by the Registrar, which HFA believes is inaccurate and significantly overstates the true level of member

liability, with the potential to undermine confidence in medical schemes.

HFA's analysis indicates that the R43 billion estimate incorrectly includes R22.6 billion spent from medical savings accounts, which are funded by member contributions and should not be classified as out-of-pocket expenditure. In addition, the methodology relies on raw provider billing data, which does not adequately account for duplicate claims, incorrect coding and negotiated tariffs. Once these factors are adjusted for, a more realistic estimate of OOP expenditure for 2023 is

between R8.5 billion and R11 billion, representing approximately 3.4% to 4.4% of gross contribution income.

Importantly, the majority of out-of-pocket payments are non-catastrophic in nature and largely relate to discretionary services, elective choices outside designated provider networks, or the voluntary use of non-DSP providers. CMS and independent research consistently show that hospital and oncology care are overwhelmingly covered, with more than 96% of hospital claims and over 98% of cancer treatment costs paid in full.

HFA remains concerned that misleading narratives around OOP expenditure create the false impression that members routinely run out of benefits or are forced into the public sector, neither of which is supported by the evidence. As part of its engagement with the Registrar's office, HFA will also advocate for the establishment of an Industry Research Forum to support a collaborative, transparent and methodologically sound approach to technical analyses such as OOP expenditure.

A TRIBUTE TO DR BOSHOFF STEENEKAMP ON HIS SEMI-RETIREMENT



As Dr Boshoff Steenekamp steps into semi-retirement, we want to acknowledge the enormous contribution he has made to HFA and to the wider industry. Boshoff has brought not only technical expertise, but also wisdom, integrity and a wonderfully calming presence to everything he touches.

Those of us who have worked alongside him know what a steadying force he has been. Whether grappling with a legal matter, the PMB review, healthcare financing reform or health system

redesign, Boshoff approaches each challenge with deep knowledge, insight and his trademark unflappable calm.

We have also been fortunate to see another side of him through his beautiful photography. His images reveal a true artist's eye.

Fortunately for HFA, this is not the end of the story, as we will continue to draw on his wisdom and experience in the chapter ahead.

Thank you, Boshoff. We wish you every happiness in semi-retirement, and we will be calling on your wisdom and knowledge in our various projects!

CONGRATULATIONS!

HFA congratulates Momentum Health on its appointment as the new administrator of Bonitas Medical Fund, effective 1 June 2026. Bonitas, South Africa's second-largest open medical scheme, serves more than 750 000 beneficiaries, making this a significant development in the medical schemes environment.

Momentum Health will assume responsibility for the administration of options previously managed by Medscheme, while Private Health Administrators will continue to administer the BonCap and BonCore options.

ACCESS TO THE NPR REGISTER: FEE INCREASES UNDER SCRUTINY



HFA has noted that the Association of Communications and Technology NPC (ACT) has initiated a High Court review to challenge regulations that increase the fee for accessing the National Population Register (NPR) by as much as 6 500%. ACT has raised concern that the scale of the increase is unreasonable and likely to have negative consequences for

consumers.

Separately, and prior to the finalisation of the regulations, HFA submitted comments to government in April 2025 expressing concern about the proposed increases in transaction costs for the verification and validation of biographical data. Accurate and timely verification is critical to medical scheme operations and underpins both benefit administration and scheme integrity.

In its submission, HFA highlighted that the proposed fee increases would place an unsustainable financial burden on schemes, potentially affect the quality and reliability of member data, and undermine compliance with regulatory obligations. Medical schemes are required by the Council for Medical Schemes to maintain accurate biographical records, and POPIA places a duty on responsible parties to ensure personal information is complete, accurate and kept up to date.

HFA also recommended that any pricing framework for access to the NPR should differentiate between applications, particularly where access supports regulated, public-interest functions.

We will continue to monitor developments.

SPOTLIGHT ON MEDICAL SCHEME GOVERNANCE: 2026

Against a backdrop of above-inflation contribution increases and increased scrutiny of medical scheme governance, a new Medical Scheme Trustee Governance Webinar Series will launch in early 2026 to support trustees and principal officers in fulfilling their governance responsibilities.

The three-part series aligns with the implementation of King V from 1 January 2026 and will combine strategic insight with practical guidance on trustee and principal officer duties, governance and accountability best

practice, and acting in the best interests of beneficiaries. It will also address current challenges facing medical schemes, including legislative and economic pressures, data and technology, affordability, and conflicts of interest.

The series will be presented by Esmé Prins-Van den Berg and Irene Zambelis and will take place over three morning sessions between February and April 2026. For more information, please contact Irene at irene@healthcpd.co.za

CMS CIRCULAR 2 OF 2026 ADJUSTMENT TO BROKER FEES

The Council for Medical Schemes (CMS) has confirmed that the Minister of Health has approved an increase in the maximum fee payable to brokers in terms of section 65 of the Medical Schemes Act. With effect from 1 January 2026, the maximum broker fee is R125.86 per member per month, plus VAT, or 3% of contributions plus VAT, whichever is the lesser. The adjustment applies to contributions received by medical schemes from 1 January 2026 and reflects an annual inflationary update to the regulated broker fee framework. Please see more [here](#).

DRAFT AMENDMENTS TO B-BBEE CODES OF GOOD PRACTICE

The DTIC has published a Government Gazette inviting public comment on a suite of draft amendments to the Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice. These include proposed changes to the general principles for measuring enterprise and supplier development, the generic scorecard, scorecards for specialised enterprises, codes applicable to qualifying small enterprises (QSEs), interpretation and definitions, and the recognition of equity equivalents for multinationals. Stakeholders have 60 days from the date of publication (29 January 2026) to submit written comments. Please see the attached Government Gazette for more.