



**HEALTH FUNDERS**  
ASSOCIATION

## **PRESS RELEASE**

03 July 2018

### **Health Funders Association anticipates a net positive HMI provisional report**

*Raising the hope of the private sector in contributing to a sustainable universal healthcare coverage system*

The Competition Commission's Health Market Inquiry (HMI), tasked with investigating the drivers of costs in the private healthcare sector will, in the next few days, hold a media briefing to announce the much-awaited provisional report on its findings and recommendations.

The Health Funders Association ("HFA"), which represents a collective membership base of 53% of South Africa's medical scheme principal members envisages that the recommendations in the report will promote the sustainability of the healthcare funding industry and contribute to the effective pursuit of Universal Health Coverage ("UHC") in the best interest of all South Africans.

Speaking in the context of the recently released Medical Schemes Amendment Bill, CEO of HFA, Lerato Mosiah notes that whilst the bill seeks to make private healthcare more affordable by removing co-payments on certain benefits and adjusting when waiting periods can be applied, these provisions in isolation, have the unintended consequence of threatening the sustainability of medical schemes.

*"Whilst we welcome the dialogue in the sector, it is critical that this takes into consideration the broader picture and context. It is thus important to understand that medical schemes utilise risk management measures in order to ensure that they remain viable. Tampering with these limited measures in isolation would accelerate the erosion of reserves and leave medical schemes with very few options to maintain sustainability."*

She adds: *"We are looking forward to the HMI report which we hope will recommend interventions that will ensure the industry remains viable in support of UHC. These could include a mechanism for negotiating doctors' and hospital charges more effectively, and mandatory medical scheme membership for people earning above a certain threshold."*

Legislation governing medical schemes, despite its limitations, has been successful in ensuring that members are safeguarded in several ways. These include provisions in the Medical Schemes Act to ensure that members are not discriminated against according to their risk and age profile and that every member is entitled to a specified set of hospital, emergency and chronic benefits. Notwithstanding, these provisions which protect consumers, should have been counterbalanced in the Act by provisions which keep medical schemes sustainable to ensure ongoing protection of consumers. Enhancements that could have been included are compulsory membership, a risk equalisation mechanism and a framework for healthcare tariffs.

*Medical schemes have a bigger and critical role to play in increasing access to quality healthcare for more South Africans. Between medical schemes, doctors and hospitals there is sufficient data to be able to publish information on quality which would enable consumers to make educated choices when it comes to choosing their healthcare provider. It is therefore my hope that the HMI recognises this and makes recommendations to government to enable*

*a sustainable industry that contributes to long term benefits to consumers of healthcare products and services,” Mosiah concludes.*

## **ENDS**

Issued for and on behalf of the Health Funders Association by Brunswick South Africa

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### **Notes to Editors**

#### *About the HFA*

The Health Funders Association (“HFA”) is a non-profit organisation representing stakeholders involved in the funding of private healthcare, being Medical Aid Schemes, Administrators and Managed Healthcare Organisations.