**Only a blended South African healthcare system will serve diverse patient needs in a viable NHI**

Kevin Aron, Principal Officer of Medshield Medical Scheme

**JOHANNESBURG - South Africa's healthcare system has experienced significant transformations over the years. One of the most pressing issues is the need for more resources and funding, which has resulted in limited access to healthcare services for South Africans. The government has, to some extent, attempted to include private healthcare providers in the planning phases to tackle these concerns and enhance access to quality healthcare services. Implementing a national health insurance (NHI) scheme is a pressing issue. While the NHI could provide universal access to healthcare for all South Africans, it is critical to address several shortcomings to ensure its success.**

**Are South Africans desperate for NHI?**

Typically, the answer would be yes. While private healthcare providers in South Africa play a significant role in the healthcare system – providing primary care, specialist care, and hospitalisation, they cannot serve the entire population. Private healthcare is generally more expensive, and many South Africans need medical aid cover to afford it. But statistics show that [only 16.1%](https://www.statista.com/statistics/1115752/share-of-medical-aid-scheme-members-in-south-africa-by-population-group/) of South Africans are covered by a medical scheme due to perceived high premiums. The reason for high premiums is partly influenced by the fact that medical schemes are required to provide members with prescribed minimum benefits (PMBs) that cover at least 271 conditions and 26 chronic diseases. This requirement to cover PMBs at cost is the most critical driver of medical scheme contributions. Furthermore, schemes frequently have little control over the fees charged by specialists since some specialists charge up to 700% of the medical scheme rate, which could effectively drain the scheme. As such, medical schemes must charge premiums to ensure their members will be adequately covered in the long run.

Because of this affordability problem, the majority of patients, therefore, still rely on public healthcare, which is either free or low-cost. It appears beneficial, but the public healthcare system is overwhelmed by an exceedingly high number of patients and minimal resources. For instance, the healthcare facilities available in southern Gauteng for severely ill patients with internal medicine diseases are under immense strain. Central and regional hospitals in this region have frequently had to cease admissions due to [bed occupancies surpassing 100%](https://www.researchgate.net/publication/266681831_Call_for_closure_of_Folateng_private_wards_in_public_hospitals_in_southern_Gauteng). This issue first emerged in 2013 and has progressively worsened over time.

On the other hand, private healthcare providers possess more significant resources and are compensated for their services through medical scheme claims – enabling them to invest in state-of-the-art technology and equipment, hire highly skilled medical professionals, and offer a more personalised and comfortable healthcare experience. It can be particularly significant for patients needing complex or long-term care. However, these advantages come at a cost. South Africa is known to have some of the world's most expensive medical aid. According to the [World Health Organisation](https://www.compcom.co.za/wp-content/uploads/2020/03/presentation-_WHOOECD_final_feb17.16-1.pdf), South Africa allocates a larger share of its total health expenditure (42%) to voluntary private health insurance than any other country, benefiting only 16% of the population. Sadly, most South Africans lack medical aid coverage, leading them to seek care from inundated and overburdened state hospitals.

Medshield would propose a "mixed system" where private and public healthcare co-exists equally. It would be a system that allows patients access to quality healthcare from a state provider or a fixed fee service from private providers regardless of income level. This approach aligns with the National Health Insurance (NHI) concept, which is based on the principles of social solidarity and the belief that healthcare is a fundamental human right. The NHI aims to offer comprehensive healthcare services to all citizens, irrespective of their financial capabilities. The government plans to fund the NHI through taxes and mandatory contributions from all citizens. These funds are then used to deliver affordable and easily accessible quality healthcare services to everyone.

**How will government regulate a "mixed system"?**

Various bodies regulate the healthcare industry, including the Council for Medical Schemes and the Health Professions Council of South Africa. While implementing the NHI is commendable, the execution in South Africa will likely encounter significant challenges. Here are a few suggested solutions to some of the potential difficulties:

1. *Corruption and mismanagement of funds –* Implementing robust measures to prevent corruption and ensure accountability is crucial. It may include strengthening the regulatory framework, enhancing transparency and accountability, and providing training and support to healthcare workers. Effective oversight of the NHI is essential to prevent misuse of funds.
2. *Limited resources and capacity –* The current public healthcare system in South Africa is under-resourced and strained. The government should invest in recruiting and training more healthcare workers, constructing new healthcare facilities, and upgrading existing ones. It will ensure fair compensation for healthcare professionals to prevent a brain drain to the private sector.
3. *Quality control –* While the NHI has the potential to provide universal access to healthcare, it is vital to ensure that the healthcare services offered must be of high quality. Developing and implementing quality control measures appropriate for South Africa is necessary to establish standards for healthcare facilities and workers. Training and adequate support must ensure that public and private service providers meet these standards consistently. Monitoring the quality of healthcare services and taking appropriate action when standards are unmet is also crucial.
4. *Equitable access for all -* Healthcare services must be provided based on a patient's need rather than the ability to pay. Policies and programmes should be developed and implemented to promote fairness in healthcare, such as ensuring that healthcare services are available in underserved areas and providing financial assistance to those who require it.

Nonetheless, as Medshield Medical Scheme, we approach the [approval of the NHI Bill](https://www.parliament.gov.za/project-event-details/54) by the National Assembly with caution. Regrettably, the revised version of the bill did not incorporate many valuable contributions from multiple stakeholders. Despite this, we remain committed to supporting the implementation of the NHI to increase access to quality healthcare for all South Africans. Strong partnerships, collaborative efforts, public healthcare reforms and private healthcare involvement can lead to a viable and effective NHI.

**FIN**

(986 words)

**EDITORS NOTES**

**FURTHER MEDIA INFORMATION AND INTERVIEW REQUESTS**

* Stone issues this release on behalf of the Medshield Medical Scheme.
* For media enquiries or interview requests, please contact Willem Eksteen, CEO of Stone or a media liaison member of the Stone team at [media@stone.consulting](mailto:media@stone.consulting) / 011 447 0168
* Alternatively, contact Lilané Swanepoel at Medshield at 010 597 4982 / [lilanes@medshield.co.za](mailto:lilanes@medshield.co.za)

**ABOUT KEVIN ARON, PRINCIPAL OFFICER OF MEDSHIELD MEDICAL SCHEME**

A qualified Chartered Accountant, Aron has a wealth of healthcare industry knowledge and is well-known in the industry. He started his career at South African Druggists, where he spent many years working in various financial and management roles within the Group, including stints at Mediscor and Medical Services Organisation, where he was Chief Operating Officer.  
  
After completing his MBA, Aron joined Medscheme in 2001, where he had a long and successful career, culminating in his appointment as Chief Executive Officer in 2014. Before joining Medshield, Aron consulted for various institutions in the healthcare industry, focusing on value-based healthcare delivery systems.

**MORE INFORMATION ON THE 2023 MEDSHIELD BENEFIT OPTIONS AND CONTRIBUTIONS**

Benefits and Contribution amendments are subject to CMS approval.

Please refer to the 2023 Product Page on the Medshield website at <https://medshield.co.za/2023-benefit-options/>. You can review the benefit adjustments and value adds and download the 2023 benefit guides.

* **MediSwift** is an unlimited hospital plan that covers 100% of hospital procedures and allows active, healthy individuals the freedom to manage their own daily healthcare, with an added biokinetics and physiotherapy benefit for non-professional sportsmen and women.
* **MediCurve** is an affordable digital plan that enables young, healthy, tech-savvy, first-time medical aid buyers to cover without any financial strain on their day-to-day lives. MediCurve offers a bouquet of In-Hospital and Out-of-Hospital benefits with free, unlimited virtual Family Practitioner consultations through the Medshield SmartCare benefits.
* **Premium Plus** provides the most comprehensive cover with freedom of choice, including no network restrictions, 200% cover for specific in-hospital procedures and a Personal Savings Account to manage daily healthcare.
* **MediCore** is more than just a comprehensive hospital benefit. It accommodates your current and future medical needs by allowing you the flexibility to manage your daily healthcare requirements, with cover for specific in-hospital procedures at 200%.
* **MediSaver** offers unlimited In-Hospital cover through the Medshield Hospital Network whilst members manage their own Out-of-Hospital medical requirements through a Personal Savings Account. As an added benefit, the MediSaver option offers an Out-of-Hospital maternity package. It is perfect for independent individuals who want to manage their healthcare expenses and are considering expanding their families.
* **MediBonus** provides families and professional individuals unlimited In-Hospital cover with selected In-Hospital procedures paid at a Medshield Private Tariff of 200% and the freedom to manage their daily healthcare expenses through a Day-to-Day Limit.
* **MediValue** is ideal for individuals who need complete cover for hospital procedures or emergencies and partial daily healthcare cover. The MediValue option has two categories MediValue Prime and MediValue Compact. The benefits of both types are the same. Still, for a smaller contribution, the MediValue Compact category requires using networks, care coordination, and nominating a Family Practitioner and Family Practitioner-to Specialist referrals.
* **MediPlus** is the answer for middle- to upper-income earners needing out-of-hospital healthcare coverage. Members have unlimited In-Hospital cover through the Medshield Hospital Network, and the daily Out-of-Hospital body includes a range of benefits. The Prime and Compact choices suit families and individuals, allowing you to manage your health proactively.
* **MediPhila** You never know when you, or your loved ones, may require medical care that could result in substantial costs. Fortunately, as a MediPhila member, you have unlimited hospital cover for PMB conditions and generous per-beneficiary limits for non-PMB In-Hospital treatments. Additionally, your basic daily healthcare needs are covered with an Out-of-Hospital benefit limit for specific services.

**Medshield Medical Scheme - Live Assured knowing you have a Partner for Life.**

**ABOUT MEDSHIELD MEDICAL SCHEME**

* Medshield is a healthcare fund where all members contribute towards the fund monthly to cater for medical cover should the need arise.
* Medshield has been in operation since 1968, making us one of the most experienced, knowledgeable, and reliable medical schemes in South Africa. Our extensive experience in the healthcare sector guides our understanding of our members' needs. Our excellent cover and benefits combined with the best quality systems and services have resulted in our exceptional size and strength.
* Each of our options offers affordably priced benefits. We continuously review and improve the range of benefits in each option to bring you what you need.
* Our impeccable reputation of prompt payments to hospitals, doctors, pharmacies and other medical caregivers guarantees approval from service providers when you present your Medshield membership card.
* Our extensive partner networks place us in the perfect position to offer exceptionally competitive rates to our members.
* Medshield is well-represented throughout all nine provinces and provides seamless access to service providers in your area. Our geographical spread provides convenience if it becomes necessary for you to have a personal discussion with one of our experienced consultants. We also have a streamlined online claim submission system and immediate contact centre assistance, making it easier to manage your membership and claims from the convenience of your home or office.
* Our extensive range of additional benefits and services is another distinguishing factor. Our benefits and services have been designed to give members additional support when they need it most, for instance, in an emergency or when suffering from a chronic or life-threatening condition.
* Compared with other medical schemes, our trustworthiness, impeccable history, and exceptional service guarantee that we come out tops!