

2022



NHI Hearing: Parliamentary Portfolio Committee on Health

Lee Callakoppen

Who we are

Duly registered as a medical scheme in terms of the Medical Schemes Act

Our mission

To make quality healthcare more affordable and more accessible to South Africans

CLAIMS BREAKDOWN

1 489
PROCESSED
PER DAY

HOSPITAL

1 164
PROCESSED
PER DAY

HOSPITAL
AUTHORISATIONS

R
51.7
million

GROSS RECOVERIES
FROM FWA

R
346
million

IN NEGOTIATED
HOSPITAL SAVINGS

Our profile

Established for

39 YEARS

with proven track record,
credibility and experience

2nd LARGEST

open medical scheme
&
the only medical scheme active in
all market segments



Winner of 2021/2022 Ask
Afrika Orange Index award for
service excellence!



333 141
principal members



714 989
beneficiaries



35 years
average age

THE CORE ELEMENTS OF OUR GOVERNANCE SYSTEM ARE

GOVERNANCE IS THE OVERALL SYSTEM OF RULES, PRACTICES AND STANDARDS THAT GUIDE BONITAS

- Strategy
- Organisational structure
- Integrity
- Fairness and transparency
- Accountability and responsibility
- Policies and standards

RISK MANAGEMENT IS THE PROCESS OF IDENTIFYING POTENTIAL HAZARDS TO OR OPPORTUNITIES FOR BONITAS AND ACTING TO REDUCE OR ENHANCE THEIR FINANCIAL IMPACT

- Risk identification and assessments
- Risk scores
- Monitoring and analysis
- Risk mitigation

COMPLIANCE IS THE SET OF PROCESSES AND PROCEDURES THAT BONITAS HAS IN PLACE TO MAKE SURE THE ORGANISATION AND ITS EMPLOYEES CONDUCT BUSINESS IN A LEGAL AND ETHICAL MANNER

- Compliance risk identification and assessment
- Regulatory compliance
- Operational compliance
- Risk and compliance coverage plan
- Monitoring of compliance
- Reporting of non-compliance matters

Bonitas is in support of the concept of NHI



We support the concept of Universal Health Coverage

- ✓ Sec 27 of Constitution – Right to Health
- ✓ To improve access to quality healthcare
- ✓ To enhance quality of life of all South Africans
- ✓ Contribute to addressing the social-economic imbalances, injustices and inequities of the past



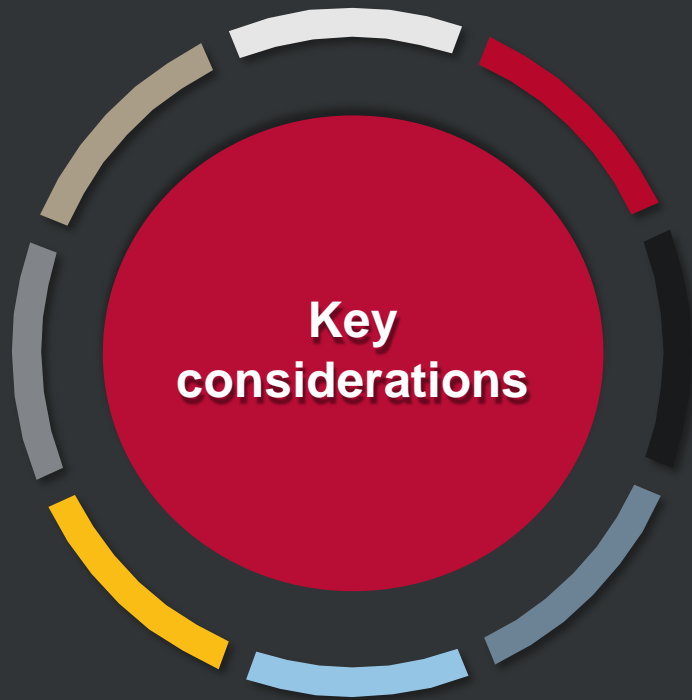
But the NHI Bill is only one aspect

- ✓ Bill primarily focuses on financing and funding of healthcare
- ✓ Bill must be considered within the broader healthcare framework
- ✓ Access to healthcare is driven by two factors: funding and quality of care



Collaboration is necessary for the success of NHI

- ✓ There is definitely a role for private medical schemes
- ✓ A milestone approach is needed to ensure a transparent approach and building trust capital. Certain milestones must be satisfied for NHI to work



Pressure on state resources and infrastructure

Language used in the Bill

Constitutional issues

Corporate governance of the NHI Fund

Flow of funding from the NHI Fund to Service Providers

Maintenance of the purchaser/provider split throughout the National Healthcare System

71%
of population covered by State healthcare

- Disabled
- Unemployed
- Prisoners
- Armed forces
- Employed, but no medical aid

28%
of population covered by medical schemes or health insurance

- Medical scheme members
- Health insurance policyholders

Public healthcare system overburdened



Fewer healthcare facilities than private sector



Location of services not aligned to need or all sectors



Staffing challenges (not enough resources, brain drain etc)



Limited access to new technology, equipment, treatment

A HUMAN RESOURCES PLAN IS A CRITICAL ENABLER FOR THE SUCCESS OF UHC

Medical schemes should exist alongside NHI and can assist



- South Africans should be free to choose which funding system to support
- Healthcare reform will allow for medical schemes to service a new market sector



State resources available for those who really need them

Reforms in private sector is needed

Reforms can aid UHC through pricing standardisation and quality

Development of based packages of service for medical schemes

Formulation of supply – side regulator

Quality measurements in the private sector

The language used in the Bill is ambiguous/has anomalies

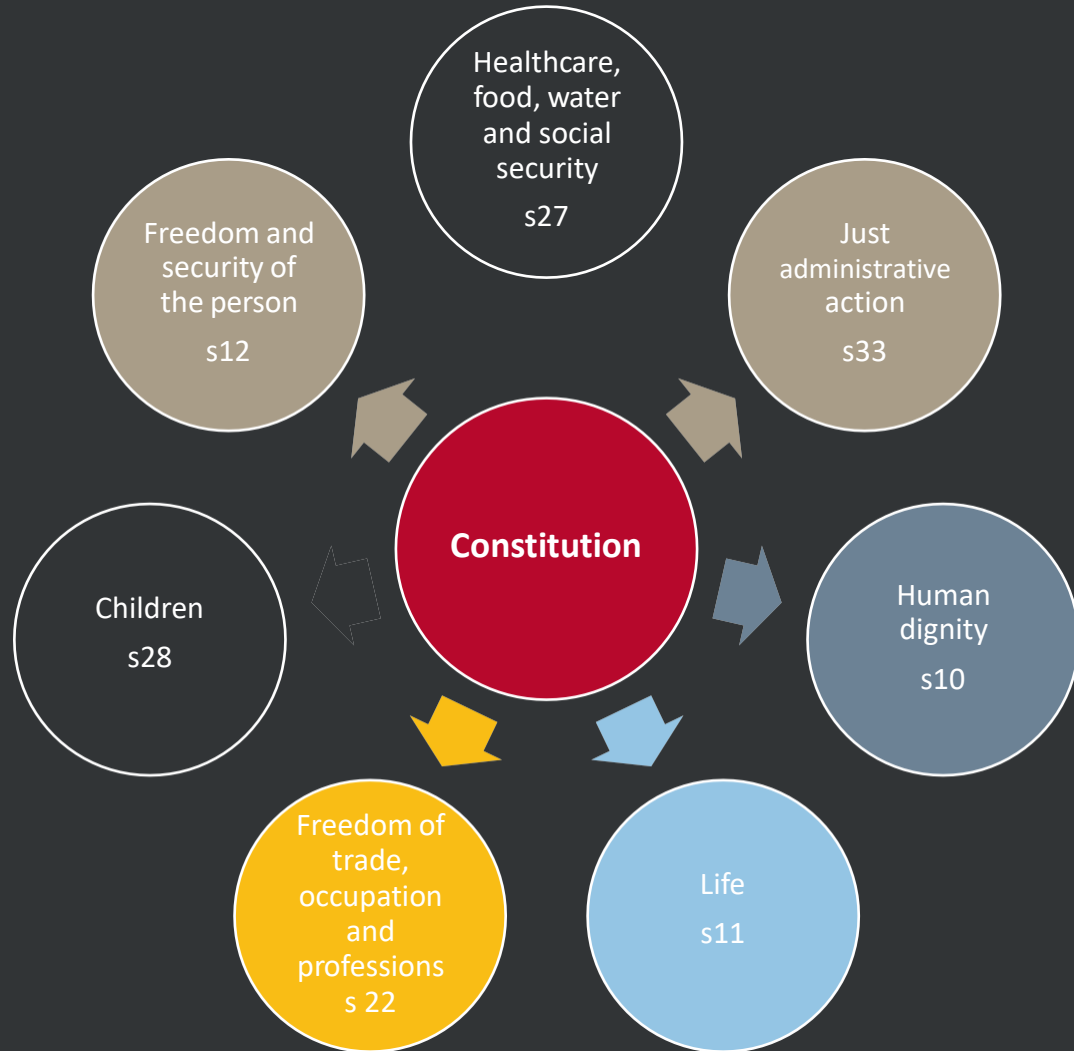
The language used impacts legal certainty and the rule of law

The wording in Section 2 is restriction on access to healthcare which goes against the Constitution by placing a restriction on access to healthcare on those with the means to pay for it

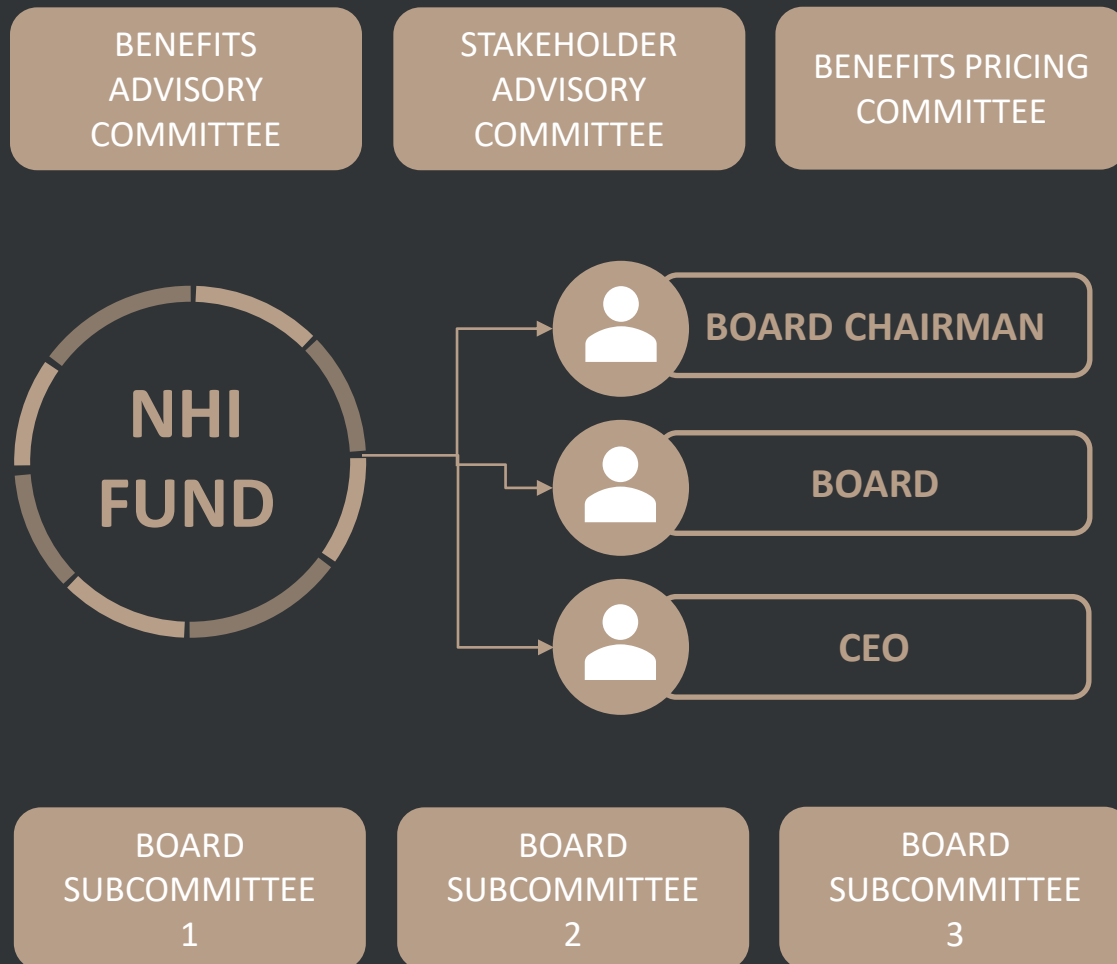
Not all healthcare providers will be contracted to the NHI Fund and not everyone will be a beneficiary or participant of the NHI Fund. This is expressly ignored in Section 2

Bonitas is opposed to the notion that medical schemes can only offer complementary cover as defined in Section 33. Further, the proposed amendments to the Medical Schemes Act and Section 33 are in conflict.

Medical insurance schemes do not exist – Demarcation Regulations in terms of the Long and Short Term Insurance Acts were not taken into account



- Role of national government vs provincial & local governments
- Restriction of right of access to healthcare
- Infringement on right of healthcare practitioners to practice
- Legislative drafting – creating uncertainty and doubt
- Bill open to Constitutional challenge
- Bill does not take other legislation into account
- Restriction of freedom of choice in exercising purchasing power



- Role of three committees unclear (do they advise or direct)
- Criteria needed for the appointment of the advisory committee
- Governance structure lacks accountability
- Clear roles, responsibilities and accountabilities needed
- Fiduciary duties and accountabilities should be defined
- “Collective bargaining” in Section 15(f) should be defined
- Minister has unwarranted powers – role to be defined
- Synergies needed for health information systems

Bonitas disputes the concept of a single-funder system



Medical schemes should co-exist with the NHI Fund

- It should not be unlawful for people to purchase healthcare should they have the means to
- All international concepts of universal healthcare make provision for freedom of choice
- Medical schemes should be able to continue to act as purchasers and payers for healthcare services
- The NHI should be phased in – starting with cover for the most vulnerable population groups



The funding of the NHI Fund is key area of concern

- Section 49(2)(a) indicates that part of the funding for the NHI will be sourced from the medical aid tax credits
- Apart from section 49(2)(a), there is no clarity in terms of how the NHI will be funded
- The Bill contains no information on how funds will be managed, financial planning or budgets

Bonitas



Thank you