



Chris Bateman

● Claims to the Discovery Health Medical Scheme reveal how South Africa's lifestyle diseases are contributing to medical inflation. That's besides poor regulatory control of the private sector, leading to excessive consultant tariffs; coding by health-care providers for treatments that are more expensive than clinically required; and a lack of low-cost medical benefits.

Discovery Health's chief clinical officer, Noluthando Nematswerani, says the scheme's data shows the average age of Discovery members increased from 32.3 years in 2008 to 36.8 in 2023. Also, twice as many young people suffer from chronic conditions than 15 years ago. Chronic claims increased from 15% to 28% between 2008 and 2023. Nine percent more people died with comorbidities over the past 12 years (rising from 39% in 2011 to 48% in 2023).

Nematswerani says members are switching to more affordable plans with fewer benefits and lower costs. These plans often do not cover high-cost treatments. "The high cost of innovation is not affordable for most schemes," she says.

There has been a decline in high-end comprehensive benefit plans, according to the data, but midrange plans with hospital benefits continue to grow, though at a slower trajectory. Medical schemes are not for-profit mutuals where all health-care costs are funded by members.

Experts in medical funding say inflation and government inaction weaken medical aids ahead of the National Health Insurance (NHI) scheme. Nematswerani says leading funders are concentrating their efforts on creating affordable



HEALTH-CARE COSTS

What's driving up medical inflation?

Lifestyle diseases and excessive consultant control

access to quality care.

"Even with NHI you must have sustainable benefits and care. The public health-care service needs to get this right, plus include private sector expertise," she says.

She described NHI as "a long-term journey". She says many health economists and expert observers predict 20 years to full implementation. "We're hoping that there will be a meeting of minds and eventually both sectors can work together."

On medical inflation, she says other drivers are high-cost drugs, projected to increase by R1bn by 2025, mainly because of oncology medicine prices. Chronic medication rose by 7.5% and that of cancer by 10% each year between 2013 and 2022. All other drugs rose by 5.4%.

Nematswerani says innova-

tion in health-care funding depends on whether it solves a problem and is sustainable.

"Then we see if it widens access ... is culturally appropriate and whether it works across boundaries. It must involve the local population, be evidence based, cost effective and of high quality, effect change and be collaborative.

"We optimise resources by managing resources through funding high-quality health care that is safe, clinically appropriate and cost effective. We attempt to achieve affordable premiums, ensure long-term sustainability, and offer financial protection for members," she says.

She says doctor behaviour is the largest driver of increased funding costs, with hospitals being the doctors' biggest beneficiaries.

In March, at a cyber confer-

ence on outcome measurements and reporting, Carol Garner, executive chair of the Case Manager Association of South Africa, said what some colleagues found, "makes your hair stand on end". She said the lower the hospital bed occupancy rate, the fuller the intensive care unit (ICU). The newer the hospital, the fuller the ICU. ICUs are the highest cost drivers in hospitals.

Garner said data showed the average number of health-care providers per ICU patient was five, with bloods taken three times a day and daily pathology tests and multiple scans and images, "whether they like it or not".

Asked whether doctors were doing enough to support underfunded patients, Nematswerani says this is primarily a broker's job, but concedes that negotiating the options offered by 71 medical schemes "is extremely difficult".

Financial advice from a professional adviser, especially regarding which medical-aid plan is the right one, is important. Overburdening the doctors by expecting them to have the knowledge to compare various schemes and their benefits is not possible.

"There's no way an ordinary member of society can understand all the different medical schemes. Navigating it all is hard," says Nematswerani.

She says regulatory reform is the best way to lower medical inflation. (<https://medicalaid.com/media/legislating-our-way-into-a-healthcare-crisis-bhf/>) When it comes to prescribed minimum benefits (a huge driver of medical scheme costs), she says health-care professionals often fail to realise that only specific conditions as listed by the Council for Medical Schemes qualify. ✕