



Proposals to the Medical Scheme Act & National Health Insurance, what you need to know

Health Minister Aaron Motsoaledi on Thursday, 21 June 2018, gazetted the NHI bill and the Medical Schemes Amendment bill for **public comment, for a period of three months.**

The following are only proposals and has not been approved or implemented.

The key proposals to amend the current Medical Schemes Act of 1998	
To abolish co-payments experienced by patients	Providers will therefore have to be fully reimbursed by the schemes. The Minister advised that schemes are holding high reserves (close to R60bn), and these should be passed back to the members.
Re-visiting broker appointments	The Medical Schemes Amendment Bill does not abolish brokers and in fact affirms that there is a need for advice and intermediary services in the medical scheme industry.
Amendment structure of Prescribed Minimum Benefits (PMB's)	PMB's will be replaced by a more comprehensive basket of benefits to include certain primary care services such as vaccinations and family planning.
Medical Scheme Options are all to be registered	All medical scheme options will need to be approved by the Registrar of the Council for Medical Schemes.
Primary care products doing the business of a medical scheme	The intention of this amendment appears to be to bring all health-related products and legislation under the ambit of the Minister of Health, NHI and the Medical Schemes Act
Beneficiary and Provider Registry	Medical schemes will have to provide substantial data to the Registrar. This will include the disease and health profiles of various groups under each medical scheme option, and also provider details and utilization per doctor.
Medical aid contributions according to age	<ul style="list-style-type: none"> • Adult beneficiary rate for members older than 30 years • Young adult rate for those aged 18-30. This rate may not be greater than 40% of the adult rate • 7A child rate for children younger than 18. This rate may not be greater than 20% of the adult rate
Designated Service Providers discounts to members	All savings generated from the use of provider networks must be passed to the member.
Section 29 Waiting Periods to be reviewed	This section of the current Act imposes waiting periods on new members joining medical schemes-most severely upon those who have not paid for prior medical scheme membership.
Governance of medical schemes	Higher standards will be set for election of trustees to the boards of medical schemes. This will ensure greater talent and knowledge for the effective management of medical schemes

Sources: Network24, Moonstonedesk

The implementation of NHI is not going to be a once-off event, but will rather take a phased-in approach, over an estimated period of 8 years

Phase 1 | From 2012 to 2017

This phase involved testing projects to test the health care planned under the NHI at district level.

The test projects included:

- Healthcare at schools where children tested for primary healthcare needs.
- Community health workers working in wards to improve disease prevention.
- The contracting of general practitioners.
- The central distribution of chronic medicine.

Phase 2 | From 2017 to 2022

- Continue with the implementation health system strengthening initiatives, including the alignment of human resources with that which will be required under the Fund;
- Include the development of National Health Insurance legislation and amendments to other legislation;
- Include the undertaking of Initiatives which are aimed at establishing institutions that will be the foundation for a fully functional Fund; and
- Will include the interim purchasing of personal healthcare services for vulnerable groups such as children, women, people with mental health disorders, people with disability and the elderly.

Phase 3 | From 2022 to 2026

The phase involves,

- The continuation of Health systems strengthening activities on an ongoing basis;
- The mobilisation of additional resources as approved by Cabinet; and
- The selective contracting of healthcare services from private providers.

In conclusion

The Board of Healthcare Funders of Southern Africa (BHF), which represents 45 medical aid schemes, administrators and managed care organisations in South Africa, supports the new NHI bill's objective.

"As an industry representative body, we support the intention and action aimed at ensuring that the greater population of the country receives quality healthcare," said Dr Ali Hamdulay, chairperson of the BHF of Southern Africa.

For more information, feel free to consult with your PSG Wealth team

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