

Medical schemes reforms:
have legislative interventions
worked?

Policy & legislative reforms

1994: **ANC National Health Policy:**

- National Health Insurance (NHI) envisaged, with risk-equalisation, non-discrimination

1996: Inclusion of right of access to social security & healthcare services in the **South African Constitution**

1997: DoH **A Social Health Insurance Scheme for South Africa: Policy Document**

1998: **New Medical Schemes Act** (MSA) passed:

- move from individual insurance-like to more social insurance-type, non-discrimination on health status, level & scope of care

2002: Taylor **Committee of Inquiry into a comprehensive system of Social Security** in SA (appointed 1999, Report March 2002)

2002: DoH **Inquiry into the various Social Security Aspects of the South African Health System** (May 2002): expanded on Taylor results & recommendations

Policy & legislative reforms

2003: CMS ***Policy on Managed Care*** to deal with new regulations

2004: ***New Regulations to Medical Schemes Act.***

- PMBs mandated and 25 CDLs added
- Common risk pool for PMBs
- DSPs
- Provisions on managed care

2004 - 2006: ***Risk Equalisation:***

- Task Teams appointed: reports & shadow-processes, implementation 2008 (***MSA amendments in pipeline***)

2005 - 2006: ***Low-income Medical Schemes:***

- Task Team appointed: report, implementation 2008 (MSA amendments in pipeline)

2006: ***Circular 8 Common Benefits:***

- = “BBP”, PMB plus (primary care?)
- implementation 2008

Key policy / regulatory changes pursuant to Policies

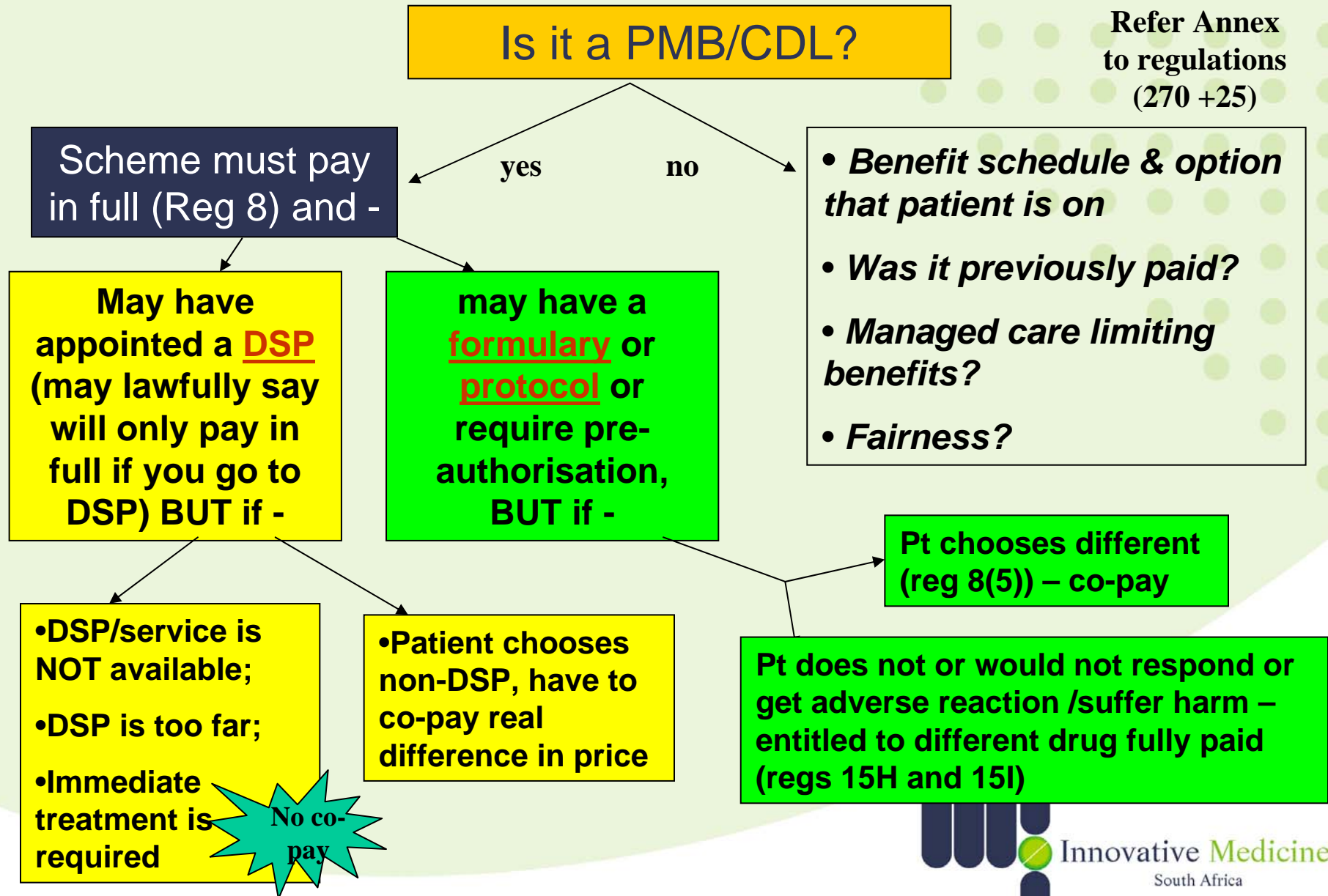
- **Safety-net:**
 - minimum benefits in PMBs & CDLs
- **Risk-pooling:**
 - PMBs to be funded in full from common risk pool
 - Cannot run out of funds for PMBs or CDLs
- **Costs to be managed via:**
 - Managed care (formularies, protocols, pre-authorisation, capitation & preferred providers)
 - DSPs (incl state sector)

Implementation issues

- PMBs & CDLs:
 - *What is it?*
 - *To what extent must it be funded?*
 - *Where should services be rendered and at what price? (DSP's)*
 - *When can co-pays be levied*
 - *How does it relate to the managed care provisions?*
 - *Can benefits go beyond the minimum?*

The basic legislative scheme

Refer Annex
to regulations
(270 +25)



Key Regulator-responses

- REF on equalising risk / schemes who carry disproportionate burden and hence **cost**
- Managed care policy – “**at what cost?**”
- CDL Treatment algorithms (now under revision) – on “**what is it?**” what is appropriate, “middle-of-road” care?
- NRPL on “**at what price**”
- Circular 8 & 9 on “**what**” (implies prioritisation) and “**at what price**” in future
- Circular 32 on how PMBs and CDLs should be consistently implemented
- **ANNUAL REPORTS!!!**

Circular 32: “engendering certainty”

1. **PMBs are not hospital-benefits only!**
 - Clinical and financial tools may be used to manage the PMBs – greater standardisation?
2. **DSPs (incl the state):**
 - can only be appointed if scheme has assessed that services are **reasonably available**
3. **Co-payments, tariffs, etc:**
 - **Co-payments may not amount to a denial of benefits** (involuntarily going to non-DSP)
4. **Managed care:**
 - Protocols & formularies must be transparent to evaluate if on **evidence-based medicine**
 - Schemes must have policies that take into account **reg 15I**
5. **Waiting periods pre-existing conditions:**
 - 12 months unless

What is still absent?

1. Are patients better off or not?
2. Are the right patients getting the right treatment?
3. Where do patients go if funds run out?
4. Where do the downstream costs go?
 - Disability
 - Absenteeism
 - Hospitalisation
 - Adverse events
 - Loss of productivity / employment

Vision: an “NCQA” for South Africa?

Purpose: To reduce the burden of illness and to improve health and functioning



- Establish Goals/Aims
- Promulgate standardized measures
- Data collection and Aggregation



Public reporting

Accountability, Improvement, Population Health



**Were the Aims Achieved?
Impact Assessment**

Source: IOM Committee on Redesigning Health Insurance Performance Measures, Payment and Improvement Programs. Performance Measurement: Accelerating Improvement, 2006.

Structure

- “The way a health system is set up”
 - Material resources
 - Human resources
 - Organizational characteristics

Current quality initiatives focus on this aspect:

Process

- What is done: dx, Rx and at what COST
- How it is done?
- rehab, prevention, pt. education?

Outcome

- Results of intervention
- Physiology, health status, satisfaction, behavior

How do we make sure outcomes are measured & met?



Thank you!

elsabe@imsa.org.za