

MEDIA STATEMENT

For immediate release

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Board of Healthcare Funders applauds decisive leadership by Minister of Health *Amendments to Regulation 8 of Medical Schemes Act praised*

21 July 2015: In what is being hailed by the Southern African Board of Healthcare Funders (BHF) as a victorious move exemplified by exceptional leadership, the Department of Health has issued bold amendments to Regulation 8 of the Medical Schemes Act.

According to Dr Humphrey Zokufa, BHF managing director, the changes will not only benefit medical schemes, but also medical scheme members. The medical schemes will be obliged to pay in full a regulated fee and therefore no longer be forced to be “reckless with their members’ money and, healthcare providers will no longer have a blank cheque.”

Medical Scheme members will not be faced with co-payments, as the Medical Schemes must pay in full the regulated fee. This is the case even when the fees are negotiated outside the 2006 NHRPL model.

The amendments relate to the medical schemes’ Prescribed Minimum Benefits (PMBs). Currently, the fees that healthcare providers charge for PMBs are unregulated, meaning that healthcare providers registered with the Health Professions Council of South Africa (HSPCA) can charge medical schemes whatever they like for these services. This significantly contributes to the high cost of private healthcare. It is therefore not surprising that the “current regulations created a skewed picture favouring healthcare providers.”

The only person who could correct this imbalance is the Minister of Health, deriving such powers from Section 27 of the South African Constitution, which promotes access to affordable healthcare. This section obliges the Ministry to take steps, including legislative changes, to achieve these goals.

“We therefore applaud Dr Aaron Motsoaledi for taking such decisive leadership and amending the regulations to balance the scales, that will make private healthcare more affordable and accessible,” says Zokufa.

Amendments, which were released for comment last week Tuesday, effectively regulate the fees charged by healthcare professionals, by stating that:-

“...in respect of any service rendered by a healthcare professional who is registered with the Health Professions Council of South Africa, medical schemes are liable for payment for services in accordance with the billing rules and the tariff codes of the 2006 NHRPL tariffs published by the Council, the Rand value of which has been adjusted annually in accordance with the Consumer Price index as published by Statistics South Africa; or schemes may negotiate alternative tariffs with any provider of any relevant health service for which no co-payment or deductible is payable by a member...”

“This is good news for medical schemes and its members, as there will now be certainty with regards to fees and this will prevent the exploitation of the medical funding system. In addition, medical schemes will be liable to pay the healthcare provider’s fee in full, and members will no longer be out-of-pocket with regards to PMBs, as they are not liable for payment.”

Zokufa says that the BHF has been fighting the current interpretation of Regulation 8 on its members’ behalf since 2010/2011, when it asked the Gauteng High Court to issue a declaratory order to clarify the interpretation. Unfortunately the Regulator: Council for Medical Schemes and various healthcare providers opposed this initiative. The Gauteng High Court judge did not provide the declaration. Since then, BHF has been having various meetings with the Minister of Health, Dr Aaron Motsoaledi, on this matter, asking him to intervene appropriately, and are happy that he has ultimately done so.

Similarly, SAMWUMED, a member of the BHF, also hails the recent amendments after requesting a review of the regulation for many years, saying that it may lead to a reduction in medical aid contributions by members.

Zokufa expects the regulation to be signed into law by as early as October this year, after input of comments by the healthcare industry, and review by the Department of Health.

“Should the current amendments be contested by aggrieved parties, in a way that seeks to destroy the implementation thereof rather than enriching the process, we will continue to firmly stand by the Minister of Health and fully support the implementation of the proposed regulation,” concludes Zokufa. “This will be to the benefit of the medical scheme member, medical schemes and healthcare professionals.”

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