



**Amendments to Regulation 8 of the Medical Schemes Act: No more additional payments from you
*No co-payments on Prescribed Minimum Benefits a major victory for medical scheme members***

By Dr Humphrey Zokufa, Board of Healthcare Funders (BHF) managing director

The Department of Health issued bold amendments to Regulation 8 of the Medical Schemes Act in the last two weeks, which we believe, is a victorious move for medical schemes and their members.

For years the fee scales have been imbalanced, skewed towards some healthcare providers charging exorbitant fees for diseases and conditions covered under the Prescribed Minimum Benefits packages of medical schemes, and medical schemes being forced to cough up and pay the high fees. This resulted in members having to fork out to pay the shortfall, and being subject to large annual fee increases. The Minister of Health, Dr Aaron Motsoaledi, showed exceptional leadership when he issued the amendments, which now correct this imbalance, and will ensure that medical schemes no longer need to be reckless with their members' money, and healthcare providers will no longer have free reign to charge what they like.

In short, medical scheme members will not be faced with co-payments, and could see a dramatic reduction in their annual fees, which will serve to make private healthcare more affordable in the foreseeable future.

Currently, every medical scheme plan and option will provide the member with PMBs, which is cover for a compilation of diseases and conditions, such as certain cancers or cardiovascular conditions such as heart attacks. Regulation 8 says that if you get one of these diseases, the medical aid must pay the healthcare provider in full. However, the fees that healthcare providers charge for this are unregulated, meaning that they can charge the medical scheme whatever they like.

If the medical scheme decides to only pay a portion of the fees, then the member must contribute the outstanding amount in what is known as a co-payment. In addition, when a medical scheme is faced with a very high bill from a provider, they pay for this from the member's contribution; so the higher the fees, the more money the member pays. Annually, if this persists, the medical scheme will need to increase the member's fees to cover for rising medical bills, or alternatively, trim down the member's benefit options, in order to cover for these costs. When this happens, the member will question the value that the medical scheme is providing. In the long run, the situation will worsen with inflation, and with medical providers charging blank cheques, the medical scheme industry will become unsustainable.

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. The Regulator: Council for Medical Schemes and various healthcare providers opposed this initiative. The Gauteng High Court judge unfortunately did not provide the declaration.

Since then, the BHF has been having various meetings with the Minister of Health on this matter, asking him to intervene appropriately, and we are happy that he has ultimately done so.

Amendments, which were released for comment in the last two weeks, 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 [National Health Reference Price List] 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 members as the amendments state that there will now be certainty with regards to fees and this will prevent the exploitation of the medical funding system. Essentially, medical providers will now need to ensure that their pricing is in line with the 2006 NHRPL, plus inflation. Alternatively, medical schemes can negotiate a fee with the provider. The victory for the member is this: In either scenario the member will not be liable for a co-payment, as the scheme must pay in full. This means that members will no longer be out-of-pocket with regards to PMBs, as they are not liable for payment.

While the amendments are currently available for comment by the healthcare industry, we hope that the amendments will be signed into law by as early as October this year.

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, especially as we support accessible healthcare for all medical scheme members.

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