

# INSIGHTS FROM A CLOSED SCHEME - A CASE STUDY FOR NHI

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Chairperson

Government Employees Medical Scheme (GEMS)



**Cape Town**  
16 -19 July 2017

The  
**18<sup>th</sup>** Annual  
**BHF Southern  
African Conference**

Private sector embracing universal healthcare



**gems**

Government Employees  
Medical Scheme

# The Mandate: A New Beginning



## GEMS Mandate from Cabinet

*“to ensure that there is adequate provisioning of healthcare coverage to public service employees that is efficient, cost effective and equitable”*



Commenced operations in 2005



Access + Affordability + Equity



Disruptive



Uncharted territory

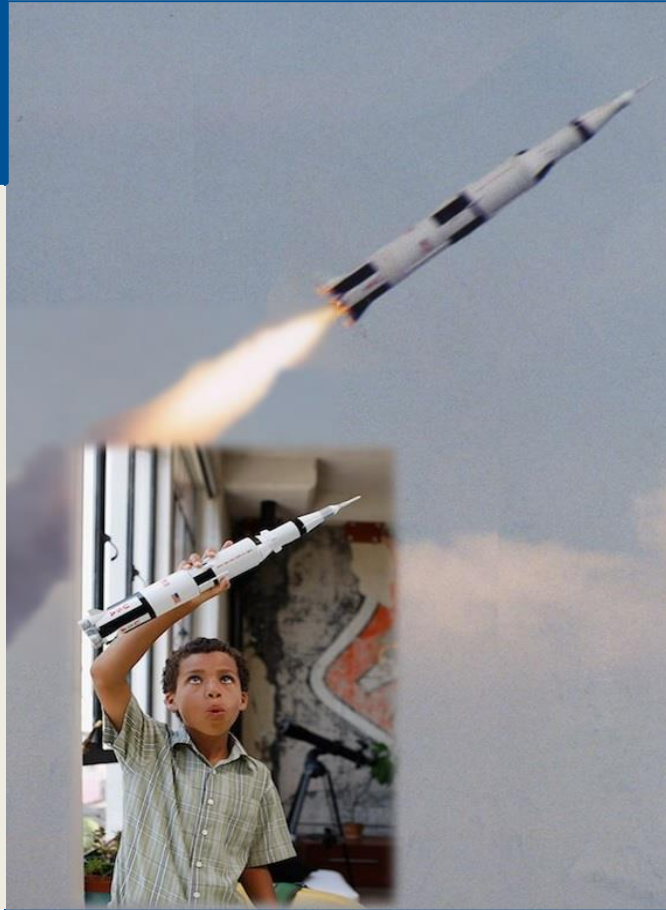


## GEMS Vision

“An excellent, sustainable and effective medical scheme that drives **transformation** in the healthcare industry, aligned with the principles of **universal health coverage**.”

## GEMS is a medical aid scheme

- Must remain fiscally sound
- Same legal accountability
- Explore viable solutions to similar challenges



## Intrinsic value of GEMS' unique structure

- Network of Service Providers
- IT and operating systems developed to unify Scheme
- Simplified product designs
- Underlying determination to serve

“Learn from life,  
Learn from our people,  
Learn from the experience of others,  
Never stop learning”

*Amilcar Cabral*



## Section 27 of the Constitution

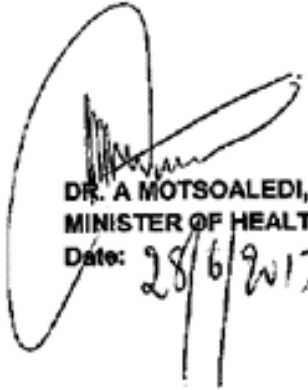
Every person has the right “to have access to health care services, including reproductive health care”. No person “may be refused emergency treatment”.

## National Development Plan

By 2030, the health system should provide quality care to all, free at the point of service, or paid for by publicly provided or privately funded insurance.

DEPARTMENT OF HEALTH  
NATIONAL HEALTH ACT, 2003  
NATIONAL HEALTH INSURANCE POLICY  
TOWARDS UNIVERSAL HEALTH COVERAGE

I, Dr Aaron Motsoaledi, Minister of Health, in terms of section 85 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 3 of the National Health Act, 2003, (Act No. 61 of 2003) after consultation with the National Health Council, determined the Policy in the Schedule.



**DR. A MOTSOLEDI, MP**  
**MINISTER OF HEALTH**  
Date: 28/6/2017

# Claims experience

Spend Category

2010

2016

**PMB Spend in  
Excess of Tariff**

R0,56bn

R2,3bn

**In Hospital  
Spend**

42%

58%

■ In Hospital ■ Out of Hospital

34%

66%

■ In Hospital ■ Out of Hospital





# Care Coordination

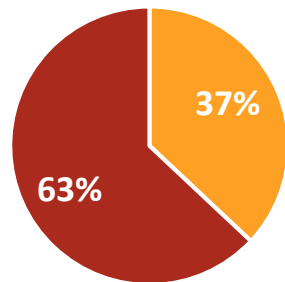
The Emerald Value Option offers the same comprehensive benefits as the Emerald option except that it is underpinned by care coordination.

	Family practitioner nomination		Efficient hospital network
	Family practitioner to specialist referrals		10% contributions discount

## In just 6 months...

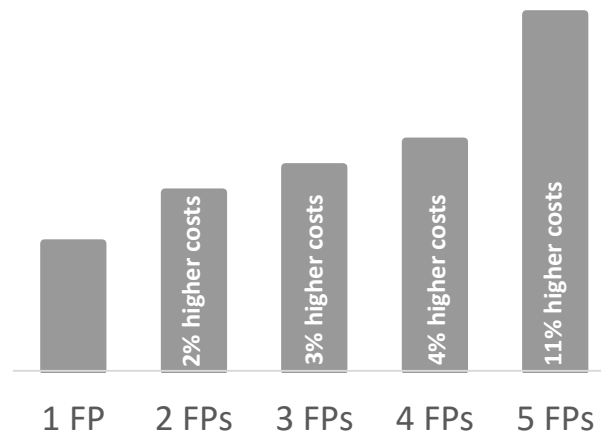
<b>The Emerald Value Option has grown to 113000 beneficiaries</b>	<b>The cost of care has reduced by 12%; outcomes have improved</b>
<b>A comprehensive FP nomination process</b>	99% of members have nominated ✓
<b>Doctor hopping is less common</b>	10% reduction in doctor hopping ✓
<b>FPs are consulted more frequently</b>	21% increase in FP consultations relative to specialist consultations ✓
<b>Specialists are consulted less frequently</b>	22% reduction in consultations ✓
<b>Patients are admitted less frequently</b>	16% reduction in hospitalisations ✓

Only 37% of specialist visits have a preceding family practitioner visit



- Preceding FP Consultation
- No Preceding FP Consultation

The cost of care increases up to 9% due multiple FP visits



**Care coordination must be prioritised in order to make care more affordable, while simultaneously improving the quality of care.**



**Care coordination is consistent with best practice and the NHI.**



# Fraud, Waste and Abuse

**Fraud is the enemy of patient-centric care**

**Fraud robs patients of scarce resources that could otherwise be used to satisfy genuine clinical needs.**

**Industry estimates suggest that fraud accounts for 10% of healthcare costs**

**Discovery: R4 billion  
GEMS: R3 billion  
Industry: R13 billion**

**R3 billion**



1,5 million FP consultations



57 000 hospital admissions



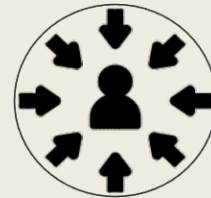
4,2 million medicine scripts



There is an unequivocal need for far reaching reforms if we are to achieve the intent of **NHI**.



**Legislative reform**  
National Health Insurance,  
Regulation 8, Prescribed Minimum Benefits



**Care coordination**  
Care coordination leads to better healthcare  
outcomes and lower costs



**Fraud, waste and abuse**  
Fraud, waste and abuse is the enemy of  
patient centric care

# The next level

*Laying the building blocks for  
the next level of healthcare*



*Once again we find ourselves  
confronted with the unknown.*

*Called upon to build something  
that will have a lasting impact  
on future generations.*

*Dare we walk alone?*





“It always seems  
impossible until  
it’s done.”

Nelson Mandela  
1918-2013



# THANK YOU



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