

Medical aids cry foul over benefits law

Board of Healthcare Funders hears prescribed minimum benefits are unconstitutional and should be challenged in the Constitutional Court

EDWARD WEST

Published: 2012/07/31 07:11:15 AM

PRESCRIBED minimum benefits (PMBs), which were introduced into the Medical Schemes Act of 1998 to ensure members of medical scheme members did not run out of benefits for certain conditions, were unconstitutional and should be challenged in the Constitutional Court, a Board of Healthcare Funders (BHF) conference heard yesterday.



Isabelle Ellis of the Pretoria Society of Advocates

PMBs cover a range of about 300 conditions, such as meningitis, various cancers, menopausal management, and cardiac treatment including emergencies.

Isabelle Ellis of the Pretoria Society of Advocates said PMBs were meant to be reviewed every two years, but this had never happened. There were also no tariff guidelines for medical schemes to work from.

She said the government offered its employees free healthcare, based on a uniform fee schedule. It was not fair to expect members of private medical aid schemes to pay more for PMBs than members of medical aid schemes for state employees had to pay, she said.

Ms Ellis also said the list of PMBs was discriminatory, arguing that it focused only on certain diseases, at the expense of other conditions. PMBs also did not cater for the provision of primary or essential healthcare.

Speaking at the same event, Health Minister Aaron Motsoaledi called for a review of the 2002 Competition Commission ruling that allowed doctors to charge what they wanted for PMBs and, instead, force medical schemes to pay those fees.

Dr Motsoaledi said the government intended to establish a price commission next year so that pricing in the private-hospital sector would be brought in line with the constitution.

BHF MD Dr Humphrey Zokufa said "we are experiencing bullying tactics and our only salvation is to go to court".

He said all early "round-table" discussions with the government about the matter had come to naught. Ms Ellis said it was not possible to sit around a table to resolve an issue when the crux of the problem lay in the legislation being unconstitutional.

Mike Settas, MD of Xelus, a company that provides specialist insurance to the sector, said while hospital admission rates had dropped just more than 2,5% per year over eight years, the average costs of admission had risen to about R20000 from R7000 over eight years.

He said despite statements from regulators to the effect that there was no evidence that PMBs were driving up the cost of health care, the average cost of admissions had in fact increased sharply after the promulgation of the Medical Schemes Act in 1998.

Mr Settas said cost increases over the past few years had forced medical schemes to scale back their

day-to-day benefits and cover for primary healthcare.

Dr Motsoaledi said 8,5% of SA's gross domestic product was spent on health care in SA, but 5% of that went to 16% of the population, while 3,5% went to 84% of the population.

He said the only solution to equitable and affordable health care was the provision of universal health coverage.

weste@bdfm.co.za